



## Benefits of Liquefied Natural Gas

Natural gas is a major source of energy. The Southern Connecticut Gas Company (SCG), part of the UIL Holdings Corporation, operates a liquefied natural gas (LNG) facility in Milford. At this facility, SCG has the ability to safely and efficiently liquefy, store and vaporize natural gas for use during periods of peak demand. LNG is a clear, colorless, non-toxic liquid that can be stored more easily than natural gas because it occupies less space.

Before the cold winter weather creates demand for natural gas, SCG fills the LNG storage tank by either liquefying pipeline gas (by cooling the pipeline gas to minus 260 degrees Fahrenheit) at the site or trucking in LNG. The LNG provides flexibility to meet peak customer needs when the temperatures plunge, heating demands surge and interstate pipeline capacity runs near capacity.

Pipeline supplies to the Northeast U.S. have historically been constrained during winter peak usage. This condition has led to a regional dependence on LNG for peak supplies where approximately 40 percent of regional peak day supplies come from re-gasified LNG. New England has the highest concentration of LNG peak-shaving facilities in the U.S.

We are committed to being a good neighbor to the communities in which we operate and maintain our facilities. This project enables us to continue to provide a safe, reliable source of natural gas to serve our customers during peak usage periods.

### **PROJECT DESCRIPTION:**

SCG needs to modernize a facility built in 1972. All work will be done within the fence line of the existing facility to ensure LNG supply is maintained for its customers with minimal impact to the local community.

- Increase the vaporization capacity to enhance the delivery capabilities to the pipeline system to meet customer demand.
- Construct a new compressor to move the boil-off natural gas from the tank to the pipeline system.

### **CONSTRUCTION WORK PROPOSED:**

- Construction will take place behind the fence of the existing LNG facility on paved and or gravel property. There will be no blasting or pile driving done at the site.
- Construction truck traffic will be minimal.
- Construction will take about one year. Once the project is approved and all necessary reviews completed, construction is anticipated to start in 2016 and would be completed in 2017. Typical work hours will be Monday – Friday, 7 a.m. and 5 p.m..

### **SAFETY:**

- Excellent safety record. Complies and meets all federal, state and local safety requirements for the storage of LNG at the facility.
- Routinely coordinates with the Milford fire and police departments as part of its emergency response plan.
- Regular state and federal inspections ensure safe and efficient operation.



**PUBLIC BENEFITS:**

- Current facility: \$151,900/year in taxes to the community each year.
- New facility: Over \$200,000 of incremental property taxes each year.
- Estimate approximately \$150,000 to be spent on goods and services in local economy during construction.
- 14-contractor construction jobs are expected to be created with this project.
- UIL is a good corporate neighbor investing more than \$43,000 to community organizations including the Chamber of Commerce, the Boy Scouts of America and others.

**NEXT STEPS:**

- **Open House, September 10:** SCG will explain the project and answer questions
- **SCG submits application to Federal Energy Regulatory Commission (FERC), late September**
- **FERC reviews SCG application, Quarter 3 2015-Quarter 3 2016:** This review will include a public meeting on the project. FERC will also conduct a detailed engineering and safety assessment of the SCG project to ensure the work has the highest standard of technology and safety features. A decision is expected within one year of filing.

**ADDITIONAL INFORMATION:**

If you would like more information, please call Samantha Marone at 888-848-3697 or via email at [Samantha.marone@uinet.com](mailto:Samantha.marone@uinet.com).

You may also visit our website: [soconngas.com](http://soconngas.com) for communication about this project.

The FERC website also contains useful information for members of the public: [ferc.gov/resources/guides/citz-guide-gas.pdf](http://ferc.gov/resources/guides/citz-guide-gas.pdf).

