

"We are committed to the city's renewal and being partners with the city to ensure our collective success."

DENNIS WELCH
president and chief operating officer of Yankee Gas

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THE

Yankee Gas laying groundwork to build a liquefied natural gas plant

Yankee Gas Services Company is planning construction of a liquefied natural gas (LNG) storage and production facility on Eagle Street in Waterbury. LNG is clean, reliable natural gas that is cooled and condensed into liquid form for easier storage (see related story below). Plans for the plant, to be built on Yankee's south end property, will include a tank to store two billion cubic feet of natural gas, the equivalent of 25 million gallons, as well as equipment to process the gas into LNG and turn it back into a vapor for delivery to customers.



Rendering of proposed LNG storage tank

The tank that will hold the liquid natural gas is really a tank within a tank, much like an insulated thermos you might put your coffee in. The inner tank that holds the LNG will be made of steel or concrete to contain the cold, liquefied gas. The outer tank will likely be made of concrete. When completed, the tank will be approximately 185 feet high and 194 feet in diameter.

The Eagle Street LNG plant will have two unloading stations where LNG that is delivered by truck can be pumped into the storage tank. Yankee Gas will also install equipment for processing natural gas into LNG. Natural gas can be taken from the existing gas pipelines in the area and liquefied for storage. When LNG stored in the tank is needed for customer use, the LNG is "vaporized," returning it to gas, then pumped back into the underground gas pipelines for delivery to customers. LNG is used primarily in the winter, during times of peak demand for natural gas, when market prices for natural gas tend to be higher.

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What is natural gas?

- A clean, efficient fossil fuel found underground
- Natural gas is a domestic energy source; 99% of the natural gas used in the U.S. comes from North America
- Natural gas is piped directly to your home or business through an underground system of gas mains and services
- Home uses for natural gas include heating, hot water, cooking, gas grills, fireplaces and clothes dryers
- Business uses for natural gas include heating, hot water, cooling, power generation and manufacturing processes

What is LNG?

- LNG is the abbreviation for liquefied natural gas
- LNG is natural gas cooled to -260° F, converting it from a gas to a liquid
- 1 cubic foot of LNG = 600 cubic feet of natural gas
- LNG is stored in insulated tanks under low pressure
- LNG is delivered by truck or natural gas, taken from gas pipelines, is processed into LNG
- LNG is used in times of high demand for natural gas, such as the winter heating season



The Northeast Utilities System

If you have questions, contact us at Yankee Gas Services Company
1-800-793-1130 or by
email at yankeeLNG@nu.com

Expanding Connecticut's
ENERGY OPTIONS



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Yankee Gas expects to break ground for its liquefied natural gas plant in 2004



“The city of Waterbury is important to us — we serve customers here and our employees live and work here.”

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SAFETY AND SECURITY MEASURES

The plant will be built to strict codes established by the government’s Code of Federal Regulations and the National Fire Protection Association. Plans for the plant are being reviewed by the Connecticut Department of Public Utility Control; the project has received approvals from Waterbury’s Inland Wetlands Commission, Planning Commission, Zoning Board of Appeals and Zoning Commission. The company also continues to work closely with local public safety officials. The state-of-the-art facility will have all of the appropriate leak and fire detection systems required by state and federal regulations, as well as 24-hour security. Specialized training in LNG will be provided for the Fire Department.

There are already two LNG storage facilities in Connecticut. One is owned by Connecticut Natural Gas and located in Rocky Hill. The other, owned by Southern Connecticut Gas, is in Milford. Both plants have been operating safely and reliably for more than 25 years.

Yankee Gas chose to build this plant in Waterbury for many reasons. First, the company’s largest customer base is in the Waterbury area, so the plant will provide energy to the greatest number of customers. Yankee Gas owns nearly 30-acres of industrial property on Eagle Street, where more than 100 employees work. And, the property is located close to highways and underground natural gas pipelines so the LNG can be transported safely and easily by truck or pipeline. “The city of Waterbury is important to us— we serve customers here and our employees live and work here,” said Dennis Welch, president and chief operating officer of Yankee Gas. “We are committed to the city’s renewal and being partners with the city to ensure our collective success,” Welch added.



Waterbury Horton spheres going ... going ...

Since 1946, the Horton spheres stood in the Waterbury work yard of Yankee’s Eagle Street property. No longer in use, demolition of the spheres began in April to make way for next year’s construction of Yankee’s liquefied natural gas plant. Each Horton sphere stood more than 76 feet in diameter and held up to 232,410 cubic feet of natural gas.

Demolishing them was no easy task. Construction workers started by cutting a hole in the top and bottom of each sphere, then cutting away pieces from the top as they worked their way down. Sections weighing between 2,000 and 5,000 pounds fell into the center to be carted away.



COMMUNITY BRIEFING NEWS ABOUT YANKEE GAS' LIQUEFIED NATURAL GAS PLANT COMMUNITY BRIEFING NEWS ABOUT YANKEE GAS' LIQUEFIED NATURAL GAS PLANT



Q & A

GEORGE KLAUBER, the City's Fire Chief, recently talked about LNG and Yankee's plans for the Eagle Street LNG plant.

COMMUNITY

Yankee Gas is working closely with Waterbury Public Safety officials as the Eagle Street LNG plant progresses from the planning stage through the construction phase, and into operation.

Q. Is LNG a safe fuel?

A. Yes. When the mayor told us about Yankee's plans for the Eagle Street plant, he asked the fire department to research LNG and LNG storage and production plants. We talked to fire and public safety officials at the state and also in Rocky Hill and Milford, where there are existing LNG plants. We learned that LNG has an excellent safety record.

We also learned that the regulations for storing and transporting LNG are very strict — tougher than regulations on many other fuels. Second, like natural gas, LNG is lighter than air, so it dissipates into the air if it leaks, unlike gasoline or oil, which puddles on the ground if it leaks.

Q. Will the Fire Department monitor the LNG plant?

A. Yes, we will be monitoring it even before it is built. During the construction phase of the project, the Waterbury Fire Department will meet with the project and safety engineers frequently so firefighters are familiar with the site as it changes. As first responders in any kind of emergency, we need to know EVERYTHING about the site—from where the entrances are, to the set up of the scaffolding to what kinds of construction materials are being used.

The Department of Public Utility Control and the Department of Environmental protection also regulate the project, so we will be working along with those agencies.

Once the LNG plant is operating, the Fire Department will be working with Yankee Gas to monitor deliveries to the facility and to keep our firefighters trained when it comes to working with LNG.

Q. How prepared is the Fire Department to handle any emergency that may occur at this new plant?

A. Since many homes and businesses in the area use natural gas, the Fire Department already has a lot of experience working with natural gas and with Yankee Gas. We are well trained to handle situations involving natural gas. In fact, 99.9% of the time, we are training and planning for events of all kinds that never occur.

Yankee Gas has already sent two firefighters, Capt. James Peplau and Capt. Joseph Pizzuto, to the Northeast Gas Association's Fire Academy in Massachusetts, for LNG training. They received classroom and hands-on training for dealing with leaks, spills and fires. Both captains felt LNG was easy to work with. More firefighters will receive this training in the future.

Q. What happens if LNG leaks?

A. LNG, like natural gas, is lighter than air, so the gas dissipates into the air, unlike oil or gasoline, which puddle on the ground.

Q. Is it safe to deliver LNG by truck?

A. Yes. If you look around town and on the highways, you'll see many trucks hauling a variety of fuels and chemicals every day. These specialized trucks have tanks designed for carrying hazardous materials and are regulated by the Department of Transportation and have a good safety record.

The fire department will be notified whenever LNG deliveries are expected. We'll work with Yankee Gas to coordinate truck deliveries of LNG, determining the routes the trucks will take and scheduling deliveries during non-peak traffic hours to minimize any disruptions or problems.

LNG FACT

PRESSURE

LNG is stored in tanks at low pressure, about 1 to 3 psi, (pounds per square inch).

The tires on your car are inflated to 28 to 30 psi.



DID YOU KNOW . . .

- The proposed LNG facility will help keep prices stable for customers. For example, during one 20-day period last winter when it was very cold and natural gas prices were high, Yankee could have saved customers nearly \$1.5 million if the LNG facility had been available to serve customer needs.
- The current propane plant at Yankee's site will be retired prior to the LNG tank being filled and put into service.
- Yankee's Waterbury facility once housed a small LNG facility. It was taken out of service in 1991 because it was too small and did not provide the economic benefits that a larger facility will.
- Yankee Gas pays more taxes to the city of Waterbury than to any other city in the state in its service territory. In fiscal year 2003, Yankee will pay approximately \$1.3 million in property taxes to the city of Waterbury.



Eagle Street LNG Plant will benefit Waterbury

The Yankee Gas LNG plant proposed for Eagle Street, is a complex construction project that's expected to take three years to complete. During that time, Waterbury will benefit from the addition of temporary workers to the local economy. While many workers will be construction specialists, they will likely stay in local hotels and apartments, shop at local stores, and eat in local restaurants. In addition, the city will receive tax revenue from Yankee on the construction in progress. Whenever possible, Yankee Gas is committed to using area contractors and employees for this project. In the long term, the LNG plant will be a substantial source of tax revenue for the city above what Yankee already pays to the city in annual taxes.

Secure, reliable natural gas supply benefits customers

The LNG plant will give Yankee Gas customers a secure, reliable energy supply. Yankee Gas can purchase and store natural gas in the summer, when demand and prices are typically low, delivering gas

to customers during times of peak demand, when other sources of natural gas are higher priced. In addition, this new supply reserve gives Yankee Gas greater flexibility in distributing gas where and when it's needed. During a very cold winter having LNG in storage allows a gas company to provide a cost-effective, stable supply of natural gas to its customers, even when demand is high and market prices for energy are unpredictable.

Questions about LNG?



The Northeast Utilities System

If you have questions about the proposed LNG plant, Yankee Gas has set up a special toll-free phone number, plus a dedicated e-mail address. Leave a message including your question, name and phone number, or e-mail the question, and someone will contact you with an answer.

1-800-793-1130 OR **yankeeLNG@nu.com**