

# NFG service expansion: Richmond/Honeoye Lake

**Subject:** NFG service expansion: Richmond/Honeoye Lake

**From:** Mark Malmendier

**Date:** 5/11/2015 5:32 PM

**To:** Anne Donovan

**CC:** Kris Singer

Hello Ann,

I got your contact information from Ralph Angelo, the Richmond Town Supervisor, and from a Richmond resident in the proposed NFG service extension area, Dan LaLonde. I subsequently also discovered that Kris Singer, the Canadice Town Supervisor, has had some contact with you.

I am on the Town Board in Canadice.

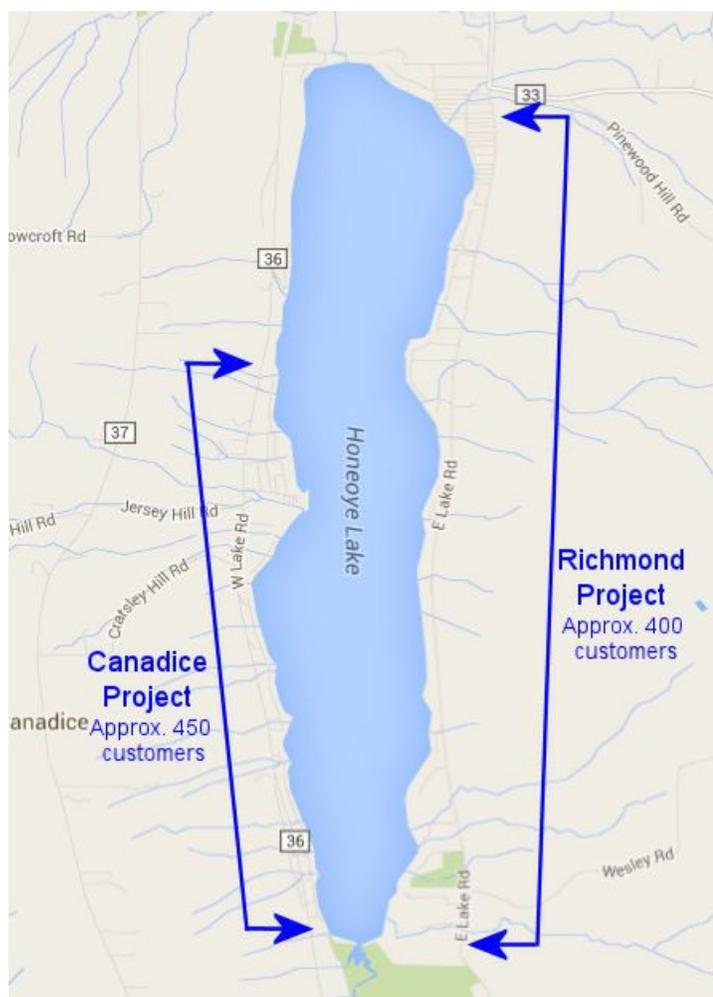
To perhaps refresh your memory, Canadice has a water district expansion project along the southwest shore of Honeoye Lake that is somewhat similar to the Richmond water project along the eastern shore of Honeoye Lake. Like the Richmond residents, our residents have been persistent in requesting the installation of natural gas service in approximately the same time frame as the installation of the new water service. Their thinking is that if lawns and roads are going to be dug up then let's try to do it just once. The Canadice Town Board agrees.

It is my understanding that Kris has previously been told that any attempt to extend NFG service into Canadice is hindered most significantly by the lack of a natural gas distribution service franchise in our town. We have enough of an ongoing interest from our residents in this that we would like to work aggressively with NFG and the NYPSC to overcome this hurdle.

I also recently discovered that the NFG project in Richmond is looking like it might happen. I've also seen the "[Gas Expansion Plan \(GEP\)](#)" submission that NFG has made to the NYPSC. In addition to mentioning the Richmond project, that GEP specifically mentions the need to consider the issuance of new franchises under redefined market conditions that are not currently covered by the NYPSC guidelines for service expansion.

I realize that the Richmond project is a "pilot" program and that to my knowledge it is not yet standard NFG and/or PSC policy. New approaches may be required for NFG to recoup the up front capital costs of service expansion.

I would like to specifically propose that the "pilot" project with Richmond be expanded to include Canadice. Setting aside the franchise question for the moment, an NFG service expansion project in Canadice actually has a stronger case than you might think. We have approximately 450 potential customers concentrated in about two thirds of the area that the 400 potential customer Richmond project covers.



The demographics of the Canadice area are also very similar to those of the Richmond project; most homes are heated with propane or oil, with about 80% year-round and 20% seasonal. Density in Canadice is actually higher than in Richmond, where in some cases there are three "streets" running in parallel to the lake shore. The economic and reliability arguments in favor of natural gas of course also apply in Canadice. Specifically, this past winter we had residents whose fuel suppliers were not able to meet their obligations in a timely manner which led to burst pipes and resulting damages.

I've also attached a PDF of maps and aerial photos that show lot lines for the Canadice project area so that you can get a visual feel for the area's population density.

Please let me know what you think of this proposal and how we can proceed with this project. This is important to the Honeoye Lakefront residents of Canadice. We are very willing to push forward with NFG and the PSC to make this happen. The Town of Canadice is willing to facilitate further exploratory efforts with NFG and the residents on this project.

Best regards,  
Mark Malmendier  
585-367-2111

Subject: RE: NFG service expansion: Richmond/Honeoye Lake

From: Ann Donovan  
Date: 5/12/2015 7:50 AM  
To: Mark Malmendier

Thank you for your interest.

Unfortunately this pilot project cannot be expanded.

It is also very difficult to combine installation with water projects.

However, I have discussed trying to get National Fuel to pursue a franchise in Canadice and spoke about it in a meeting last Friday. Things are changing and it looks as if getting a franchise there may be a possibility. This is way beyond anything I have control over but I am forwarding your email to the appropriate people and will keep you posted on this. Thanks

National Fuel  
c/o Ann Donovan  
9600 Wehrle Dr.  
Clarence, NY 14031

Subject: Re: NFG service expansion: Richmond/Honeoye Lake

From: Mark Malmendier  
Date: 5/12/2015 8:18 AM  
To: Ann Donovan  
CC: Kris Singer

Hello Ann,

Thanks for the quick response!

Too bad we can't get in on the pilot with Richmond.

I understand the logistical difficulty of combining with the water install project. Was hoping that maybe doing it right after the water project might be a possibility so that landscape restoration only has to be done once. Of course that doesn't make much difference if the gas line locations are far removed from the water line locations.

The residents are still very interested in natural gas service even if it occurs much later than the water install.

Please let us know who we should talk with at the PSC if that would help with the franchise. Also, we could work through our elected state officials if that would help too. Our residents are pretty hot to trot on this.

We'll touch base with you periodically for updates.

Thanks again,  
Mark Malmendier  
585-367-2111