

Monroe council OKs gas pipeline financing

By Tiffany Lane
Dec 30, 2008

MONROE A 43-mile natural gas pipeline will soon stretch from Monroe to Mooresville after the Monroe City Council unanimously approved installment financing on Monday.

City Manager Craig Meadows said the pipeline will provide "a secure, long-term source of natural gas" and give the city more control over its use.

"This pipeline will be owned by the city so we won't have to go through a third party," he said. Monroe currently has a contract with Piedmont Natural Gas and pays the company to use its pipeline. Council members have spent several years trying to come to an "agreeable rate" with Piedmont, Meadows said, but in the end decided that it makes more sense for the city to own its own pipeline.

In January, the city will finalize its agreement with PSNC Energy, another natural gas company that has offered to contribute \$6 million to the project.

The council agreed in October that the project should not exceed \$42 million, but with PSNC's contribution, the project cost has been lowered to \$36 million.

"The system will pay for itself," Monroe Mayor Bobby Kilgore said.

Because customers will buy natural gas directly through Monroe, he said, they will save money in the long run. No rate increases are expected.

Meadows said the new pipeline, with almost triple the capacity of the current one, will also provide natural gas to some communities that do not yet have it.

One such community is Fairview, where some residents have opposed the project, saying they don't want their property used for an unnecessary pipeline. Others have said they are against the manner in which Monroe council members have handled the issue and think their voices are not being heard.

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Meadows said despite the opposition, the pipeline project offers only benefits. "Not only will this project benefit the citizens of Monroe and the industries in Monroe; it benefits all of Union County because many of the industries that are here that will benefit from this pipeline employ people ... from all over Union County."

And in Fairview, he added, the ability to use natural gas will only increase property value.

Property owners who fall within the pipeline's path will be compensated for their easements. If property owners are

against the construction, the property can be condemned to obtain the easements because, as Meadows said, "it's been ruled that (the pipeline has) a public purpose."

But Meadows clarified that the city is "not coming in and taking property without giving what it's worth." By law, property owners must be paid the amount to which they are entitled. At the same time, the value of an easement is usually lower than the value of an entire property.

"We're not buying a property; we're just gaining a right to put a pipe across a property," Meadows said, adding that the pipeline will be installed to make it as cost-efficient as possible. He said it will temporarily impact properties along its path, but once the pipe is in and covered up, residents won't even know it's there.

Monroe's contract with Piedmont Natural Gas expires in mid-2010, but Meadows said construction on the new pipeline, scheduled to begin in February, should be completed by then. The pipeline will run from Monroe to Unionville, through Midland and into Cabarrus and Iredell counties.

Piedmont's pipeline will still be in place for Union County residents who don't rely on Monroe for natural gas.

Council members Lynn Keziah and Bob Smith were not present at the meeting, but no council member has opposed the project in the past.

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