REGIONAL ISSUES

Jake Awards: To six New England railroads.
Providence and Worcester: Wins marketing award for coal move, but NU testing Colorado coal. Huge leap in net income, little in carloads, 10% in containers.*
New England Central: Awarded Presidents’ recognition at NE Railroad Club.*
D&H: CPR hopes to announce future in two months.*
Gas pipelines: A primer about the New England system.

PEOPLE, POSITIONS, EVENTS

About those pipeline articles
Ok, ok, I know this newsletter does not cover pipelines. But I had forced myself onto a “need-to-know” basis with pipelines. Without understanding how they delivered natural gas and propane to New England, I could not understand why Keyspan was proposing an LNG terminal in ProvPort, or with whom propane suppliers who serve the region by rail are competing.

Hence the background article about pipelines: I needed it to make sense of the two ProvPort articles. More on ProvPort itself in a future issue.

Shippers move to pipelines?
Given the efficiency and timeliness of a pipeline,
some rail shippers may wish their product could move that way. Indeed, Katahdin Paper is piping pulp between Millinocket and East Millinocket, replacing a rail move [see Maine].

Here’s one long-time New England shipper, who asks to remain anonymous (and he’s not referring to Guilford): “If you ask the railroads why the delay, you get too many different answers. I have stopped asking and have resorted to taking the ‘when it gets here, it gets here attitude.’ It seems to me that many, not all, but many of the railroads have lost most of the pride in their railroad that they once had. Service seems to be at a all-time low.”

I would welcome comments about this.

Attend NEARS!
The Northeast Association of Rail Shippers holds its semi-annual gathering, replete with fascinating panels, 28-30 April in Hyannis. I urge you to attend if you are interested in shipping by rail. Find NEARS on the web, or contact Bill Donovan 508-428-1224.

- Chop Hardenbergh

REGIONAL ISSUES

JAKE AWARDS
26 March, DC. ASLRA SAFETY AWARDS. Short line and regional railroads with no reportable accidents and no reportable injuries get a ‘Jake Award with Distinction’ from the American Short Line and Regional Railroad Association. Named after, and created by, Jake Jacobson, honcho of the Copper Basin Railroad, the ASLRA also awards Jakes to railroads with no injuries, but reportable train accidents.

From New England (only members–both short lines and regionals–of the ASLRA are eligible):

With distinction
Bay Colony Railroad Corporation
Claremont Concord Railroad Corporation
Fore River Transportation Corporation
New Hampshire Northcoast Railroad
Pioneer Valley Railroad Company, Inc.
Safe Handling Rail, Inc.
{Views and News 13.Apr.04; ASLRA website}

PROVIDENCE & WORCESTER
26 March. THE RAILROAD WON A MARKETING AWARD FOR ITS COAL MOVE TO MT.TOM. [See 30 September 2003 issue.] ‘PW’s Marketing Award entry was submitted by Frank Rogers, Director Marketing and Sales, and described the steps that have been taken by PW and their partners to secure this new traffic.

‘The [Northeast Utilities] plant at Mt. Tom [Massachusetts] has traditionally received coal from domestic mines. However, they began searching for ways to bring in low sulfur import coal in anticipation of new environmental regulations limiting the emissions of NO-2 and SO-2. The plant, which is served by Guilford Rail Systems (GRS), looked at ports along the East Coast and decided on the Port of Providence, which [at that time] did not have sufficient infrastructure in place to ship coal via rail.

UP - NS -D&H - GRS TEST COAL RIVAL?
13 April, East Deerfield. A SECOND LOAD OF TEST COAL FROM COLORADO AWAITS DELIVERY TO MT.TOM [see 5 March issue]. CSMNE-2 was due into Binghamton on 6 April, but left Proviso, Illinois on 9 April. Two UP units accompanied the train to East Deerfield. {NERAIL e-list; e-mail to ANR&P from Gary Young}
In 2002, the Port of Providence began significant upgrades to more efficiently handle coal shipments and PW began upgrades of their own to build additional on-dock rail capacity. PW worked with GRS to develop efficient rail service to the NU plant at Mt. Tom and they now move coal to the plant within 24 hours. They also are currently handling test loads of coal to NU’s Merrimack, NH generating station [aka Bow—see 26 November 2003 issue].

The PW was also able to capitalize on other business generated as a result of the new coal movement. Concurrent with the NU search for a way to move imported coal, PW customer Gateway Terminal (our Directory #544) developed a 10-acre yard. PW worked with Gateway in developing the yard and pursuing joint business opportunities. Prior to the development of coal traffic, they secured aggregates and primary steel traffic, which generated 3,700 cars in 2001 and 2002. Around the same time, GATX approached PW about their ability to store a surplus unit coal train set. PW worked with GATX on developing an arrangement for storing cars on their line, which eventually provided the equipment for the first test shipment for NU in late 2000. This has continued to be an important partnership as PW has developed the new coal traffic.

PW, GRS, and the Port of Providence continue to refine the movement of import coal and have continued to seek out ways to make the movement more efficient and cost-effective, including upgrading track and purchasing several new locomotives. While many rail carriers in the past have been concerned about import coal replacing domestic coal, PW and its partners have found a way to turn the changing market into a positive and a source of new business. {Views and News 13.Apr.04}
Current customers, Tilcon

‘The Company serves approximately 165 customers in Massachusetts, Rhode Island, Connecticut and New York. The number counts all facilities, including multiple facilities owned by one company, and it includes customers served through transloads. On-line facilities listed in our Directory come to only 98 (does not include the New York customers). Editor] The Company's 10 largest customers account for nearly half of its operating revenues. In 2003, Tilcon Connecticut, Inc., which ships construction aggregate from three separate quarries on P&W's system to asphalt production plants in Connecticut and New York, accounted for approximately 13.3% of the Company's operating revenues. No other customer accounted for 10% or more of its total operating revenues in 2003....’

‘More than 300,000 tons of coal were handled through the Port of Providence in 2003.’

Marketing efforts

‘The sales and marketing staff strives to generate new business for the Company through (i) targeting companies already on P&W's rail lines but not currently using rail services or not using them to their full capacity, (ii) working with state and local....’
development officials, developers and real estate brokers to encourage the development of industry on the Company's rail lines and (iii) identifying and targeting the non-rail transportation of goods into and out of the region in which the Company operates. Unlike many other regional and short-line railroads, the Company is able to offer its customers creative pricing and routing alternatives because of its multiple connections to other carriers....’

‘Presently, P&W is solely an on-line carrier but expects to provide overhead service in the future for certain rail traffic to and from Long Island.’

Labor agreements
‘The labor agreements may next be amended at July 1, 2004 for the United Transportation Union (trainmen), July 1, 2006 for the Brotherhood of Railroad Signalmen (maintenance) and December 31, 2005 for the Transportation Communications Union (clerical). The Company considers its employee and labor relations to be good.’

Track condition/acreage for expansion/South Quay
‘Virtually all of the main lines on which the Company operates are in FRA class 3 condition (allowing 40 m.p.h. speeds) or better. The Company intends to maintain the main line tracks which it owns in such excellent condition.’

‘The Company owns or has the right to use a total of approximately 130 acres of real estate located along the principal railroad lines from downtown Providence through Pawtucket, Rhode Island. Of this amount, P&W owns approximately eight acres in Pawtucket and has a perpetual easement for railroad purposes over the remaining 122 acres.’

‘In 2001, the Company completed overhead clearances between Worcester and the South Quay, which enables operation of double stack trains (having a height of nineteen feet, two inches) and multi-level automobile cars.’ The Company has not yet either sold or developed its South Quay property. {text of 10-K filed with SEC}

NEW ENGLAND CENTRAL
25 March, Worcester.  **THE NECR RECEIVED THE PRESIDENTS’ AWARD FROM THE NEW ENGLAND RAILROAD CLUB.** According to Dennis Coffey, secretary of the Club: ‘The Presidents’ Award is given in recognition of a particular accomplishment, or of the serial efforts of a railroad (its employees and management) to overcome the challenges of providing rail service in the Northeast - very likely one of the toughest rail markets in the USA. Each year the Executive Committee reviews suggestions, and by January makes the selection for presentation at the Engineering & Transit night dinner.

‘The NECR has worked hard to maintain a level of service and safety performance in spite of difficult conditions, and the Club is proud to recognize these efforts. As Charlie Moore, RailAmerica’s vice-president for the Atlantic Region, said in accepting the award, “The recognition goes to all the employees of the railroad.”

‘Prior winners: St. Lawrence & Atlantic Railroad, MBTA (Commuter Rail), CSXT, and Providence & Worcester Railroad.’ {e-mail to ANR&P}

FUTURE OF D&H
2 April, Calgary.  **IT HAS TAKEN LONGER THAN WE ORIGINALLY THOUGHT TO SORT THROUGH THIS WORK,** wrote CPR Chief Operating Officer Fred Green in a recent e-mail to Roy Blanchard, ‘as we are reviewing several interesting options. We are hopeful that a decision can be made within the next two months and an announcement will be made once we have finalized our restructuring.’ {The Railroad Week in Review 2.Apr.04} [See 2 February issue.]

GAS PIPELINES IN NEW ENGLAND: A PRIMER

The pipeline situation
Currently, New England’s gas supply comes from one LNG terminal, three propane terminals, and six interstate pipeline systems that transport gas from the Gulf Coast of Texas and Louisiana, western Canada and Sable Island. The LNG terminal receives from Trinidad at Everett, near Boston. The propane terminals are located in Newington, NH, Providence, and Selkirk,
New York. Major pipelines [see map]:

**Algonquin Pipeline** (natural gas). This originates in the Gulf Coast, runs into Pennsylvania as Texas Eastern Transmission, and then becomes Algonquin through New York, enters Connecticut, and passes through Rhode Island to Massachusetts. It has a lateral to ProvPort.

**Iroquois Pipeline** (natural gas). This originates in Ontario, runs south into New York, and enters Connecticut, then crosses Long Island Sound back into New York. It connects with both the Tennessee and Algonquin systems and thus its gas can be moved to other parts of the region.

**Maritimes Northeast Pipeline** (natural gas). Gas originates from the Sable Island fields, and runs through Maine into Massachusetts, connecting with other pipelines in Boston.

**Tennessee Gas pipeline** (natural gas). The Tennessee Gas Pipeline Company, a subsidiary of El Paso Corporation, has a pipeline from the Gulf Coast which enters from New York into western Massachusetts; a lateral dips down into Rhode Island, while the main continues to Boston and an interconnect with the rest of the system.

**TEPPCO** (propane). Texas Eastern Pipeline Company, a Duke Energy subsidiary, operates a pipeline from Belvieu Texas
to Selkirk, New York. The line originated in World War II. Because German U-boats were sinking so many tankers, the pipeline was build to deliver crude oil to the Northeast. In the 1950s, the line was converted to a refined products common carrier pipeline. It now carries gasoline, kerosene, propane (an LPG or liquified petroleum gas), and other refined products; it is the only one to move LPGs from the upper Texas Gulf Coast to the Northeast.

Propane marine terminals. Those in ProvPort and Newington, New Hampshire (Sea-3) receive propane from ocean-going tankers, supplementing the ability to serve the Northeast. {2003 presentation to NASEAO on NASEAO website}

Sources of New England’s supply
Today, virtually all of the gas consumed in the United States comes from North America, with about 85% from domestic resources and 14% imported from Canada; another 1% comes from imported LNG.

New England has more diverse supplies than most of the United States, using more Canadian supplies and more LNG. In the last decade, three new pipeline systems opened in the region connecting New England to both western and eastern Canadian supply basins.

LNG from Trinidad and Tobago provides nearly 30% of New England peak day requirements, and 15% of New England quotient requirements. It comes in at one of only four import terminals currently operating in the United States, owned by Tractebel LNG North America and operated by its subsidiary, Distirgas of Massachusetts Corporation (DOMAC).

The terminal has pipeline interconnections as well as connections with a major local distribution company (LDC) and a major nearby power plant. LNG is also transported to the LDCs’ satellite storage tanks from trucks that fuel at the DOMAC terminal.

The majority of New England’s natural gas is still delivered by two major interstate systems: the Algonquin Gas Transmission system and Tennessee Gas Pipeline system. Together, these two systems make up nearly 80% of the region’s pipeline capacity. These pipelines also draw supply during peak demand periods from underground storage caverns located in Pennsylvania and elsewhere, which are filled with natural gas under high pressure during the summer months. {e-mail to ANR&P from Steve Leahy of Northeast Gas Association 13 April 2004; New England Energy Supply & Demand:2001 Report & Agenda for Action, August 2001, a New England Council report}

CONNECTICUT

NAUGATUCK RAILROAD
13 April, Waterville. A WASHOUT IN JANUARY SUSPENDED SERVICE TO THE ONLY CUSTOMER. According to the distribution center manager for D-A Lubricants (our Directory #629), Dan O’Connell, his rail service was interrupted.

What happened
Howard Pincus, NAUG president, said a water main burst and washed out the GRS main line and the NAUG spur. Guilford repaired its section, only to have the water main burst again a week later.

NAUG made some repairs to its track, and plans further work later this spring.

Service to D-A
Pincus related that for the last 11 months of 2003, D-A was short of tank cars and served its Waterville facility by truck. As luck would have it, the day that the main burst, D-A loaded a tank car to resume deliveries by rail.

He understands that D-A is obtaining a couple of new cars for dedicated service to Waterville. Connell said that with the track repaired, he would receive a car a month.

Other customers?
While D-A remains NAUG’s only customer, Pincus said the railroad is always looking for more customers. “It has to make economic sense to the customer and to the railroad.” [ANR&P discussion 13 April 2004]

MAINE

MAINE DOT
15 April, Augusta. IRAP ANNOUNCEMENTS! More in a future issue, but these came is just at press time: Dragon Products, Safe Handling, Boralex, Town of Fort Fairfield, Town of Anson, New England Public Warehouse, Grimmell, Morse, Correct Building Products, Maine Wood Treaters, Irving, MMA Searsport, and Daaquam. [text from MDOT]

MONTREAL, MAINE, & ATLANTIC
31 March, Millinocket. KATAHDIN PAPER WILL NOT RESUME THE WETLAP RAIL MOVE, when it re-opens No.11 paper machine here. It was refurbished less than three years ago by the mill's former owners at an estimated cost of $130 million and produces supercalendered paper for magazines and catalogs. Richard Chapel, spokesman for Fraser Papers, Katahdin Paper's parent company, said this day that although the No. 11 machine was refurbished less than three years ago, his company wants it to outshine other machines worldwide that produce supercalendered grades of paper, which are used in catalogs and magazines. Katahdin Paper is investing money in repairing or upgrading the machine even more than what was done by Inexcon Maine.

Reopen Millinocket by July
"Our intention is to have the Millinocket mill operational by the end of the second quarter," Chapel said. Because of the depressed market for paper, Katahdin Paper does not want to announce employment numbers, the size of its investment in the mill or the grade of supercalendered paper it intends to produce on the No. 11 machine, Chapel said. Such disclosures could lead to fluctuations in the paper markets that could increase supply prices or alert competitors to slash prices and secure customers that Katahdin wants. Paper and pulp prices are near record lows, and increased foreign imports have made competition tight for those supply or customer contracts that are available.

Wetlap move
Chapel said Katahdin Paper also is “days away” from completing its construction of a pipeline that will move pulp from East Millinocket [Katahdin opened the East Millinocket mill in June 2003–see 5 January issue] to Millinocket. The pipeline will replace the moving of the pulp by rail; during the negotiations to buy the mills the pipeline was deemed vital because it would reduce the cost of shipping pulp between the facilities and streamline operations. [Deborah Turcotte in Bangor Daily News 1.Apr.04]

PORTLAND
12 April. OFFICIALS FEAR FEES FOR PORT SECURITY WILL DRIVE AWAY CONTAINERS AND OTHER TRAFFIC. Containers now arriving in Portland [transshipped in Halifax and riding a feeder ship to get here - editor] could move through nearby Canadian ports to avoid the fees, or through larger cargo ports such as Boston that can spread the cost. In 2003, about 2,400 containers carrying 35,800 tons of cargo moved through the city’s waterfront, coming in and going out.
Jeffrey Monroe, Portland's director of ports and transportation, said the federal government already collects billions of dollars each year in customs fees from the maritime industry and uses that money in its general budget. “The message from [Secretary of Homeland Security Tom] Ridge to the port industry has been pretty consistent: How are you going to pay for port security? And the answer is: We're paying for it out of the $14 billion you're collecting already.”

Portland is in a difficult position so close to alternative ports in Canada, said P.D. Merrill, owner of Merrill Marine Terminal. [Merrill competes with Saint John for break-bulk shipping of forest products. Editor] New federal fees could affect shipping routes, he said. However, the question of who pays for the new security shouldn't be the only focus. Congress and others should also make sure new requirements are reasonable and necessary, and that the rush to tighten security doesn't lead to wasteful spending. “The key is to just be sensible on this stuff,” he said. {John Richardson in Portland Press Herald 13.Apr.04}

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**MASSACHUSETTS**

**BAY COLONY RAILROAD**

6 April, Millis. **MBTA WILL ANNOUNCE THE QUALIFIED BIDDERS ON 15 APRIL,** according to Lorna Moritz of Transit Realty. Only Charles River Railroad and BCLR have bid. On 16 April, MBTA will open the financial bids, and will award the operation of the Millis branch and the Dover Secondary to the highest bidder. {e-mail to ANR&P}

7 April, Dartmouth. **BCLR HAS BEGUN ITS TIE REPLACEMENT WORK** here, as promised when BCLR took over operation of the Dartmouth Industrial Track [see 5 January issue]. Earlier derailments were caused by bad track. The railroad will install 4000 new ties, per Bernie Reagan, senior vice-president for marketing. {e-mail to ANR&P 9.Apr.04}

Also on this day, BCLR brought in six empty cars for Mid-City Scrap, and six loads for Colonial Beverage, at least two of which were BNSF Coors loads. {Bay Colony e-list}

**CSX TRANSPORTATION**

5 April, New Bedford. **McCOURT HAS CONTESTED THE AWARD OF THE RAIL YARD CONTRACT TO GIOIOSO** [see 17 March issue]. Bob Luongo, general manager of the New Bedford Economic Development Commission, said the city had awarded the contract to Gioioso, but McCourt had protested.

The parties had set up an informal hearing under the auspices of the state Attorney General’s Office in Boston on 9 April. However, McCourt decided to proceed directly to Massachusetts Superior Court. A hearing on a preliminary injunction, which would bar the city from awarding the bid to Gioioso occurred on 13 April.

The judge will decide by 16 April. Major issue: McCourt was eliminated because of lack of rail experience; McCourt argues it has plenty. {ANR&P discussion 6, 13, 14.Apr.04}

7 April, Taunton-Middleboro. **MBTA RETURNED DISPATCHING AND MAINTENANCE ON THE CAPEWAY BRANCH TO CSXT** on this day. According to Maeve Vallely Bartlett, manager of rail at EOTC, the T acquired management of the branch, which runs from Cotley Junction to Middleboro, from EOTC in 1995, in preparation for work on the Old Colony lines, which opened in 1997. She related that EOTC still owns the line.

*Why the change*

Vallely Bartlett said the T wanted to equitably allocate the work on the branch. The T has used it only in emergencies, recently, while CSXT uses it regularly. {ANR&P discussion 13 April 2004}

The T also took over dispatching of the Capeway from CSXT predecessor Conrail in 1995.

Amtrak (who was operating the T contract at the time) performed maintenance of way work on the line including much
needed brush cutting, some ballast work, etc. It became a 40 miles per hour line except for a 15 miles per hour restriction over the Taunton River and a 10 miles per hour restriction just outside Cotley Junction. That made it the best stretch of CSXT-operated track in eastern Massachusetts. {BayColony e-list}

**History of ownership of Capeway Branch**

This branch starts at Cotley Junction, Milepost 13.3 from the Northeast Corridor, and runs to the MBTA Lakeville/BCLR junction. EOTC acquired the Capeway Branch from the Penn Central in 1982. [Amtrak resumed running a New York-Cape Cod passenger train in 1986, and ceased in 1996. {website of Cape Cod Transit Task Force}]

According to the Massachusetts *State Rail Plan 1983-1984*, in 1982 EOTC expended funds from the Cape Cod rail appropriation to purchase the lines shown in the table.

<table>
<thead>
<tr>
<th>Section</th>
<th>Station start</th>
<th>Station end</th>
<th>begin milepost</th>
<th>end milepost</th>
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<tbody>
<tr>
<td><em>EOTC bought from the Penn Central 1982</em></td>
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<tr>
<td>Buzzard’s Bay</td>
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</tr>
<tr>
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<td>Buzzard’s Bay</td>
<td>Sandwich</td>
<td>0</td>
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<tr>
<td>Attleboro</td>
<td>Attleboro</td>
<td>WhittentonCotleyton</td>
<td>0</td>
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<tr>
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<td>Whittenton Junction</td>
<td>Cotey Junction</td>
<td>9.4</td>
<td>13.3</td>
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<td>Middleboro-Cotley</td>
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<tr>
<td><em>EOTC bought from the MBTA 1982</em></td>
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<td>Sandwich</td>
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</tbody>
</table>

The *State Rail Plan* concluded that with the purchase of the Penn Central lines, all rail lines from Boston to Cape Cod, and from Rhode Island to Cape Cod, were in public hands.

The MBTA had bought the above lines and others in 1976 to preserve them for freight service, because EOTC did not have legal authority to buy them then. Conrail served them as designated operator for the state until 1982, when Bay Colony became the designated operator of everything south of the Ocean Spray siding in Middleboro. Penn Central sold the line from South Braintree to Campello in 1973. {comments and text of plan from Tom Humphrey, Central Transportation Planning Staff}

**PIONEER VALLEY RAILROAD**

13 April, Westfield. **PVRR IS SERVING LOWE’S BEFORE ITS DISTRIBUTION FACILITY IS BUILT.** General Manager Mike Rennicke said that Lowe’s had contracted with sister company Rail Distribution Services (RDS - our Directory #407) as a third-party logistics provider. Rennicke noted that a sister company of PVRR “is doing the same thing in Florida.”

Even though Lowe’s expects to break ground in July on its distribution facility [see 26 November 2003 issue], its Hagerstown, Maryland facility is congested. Thus it wanted to begin a distribution service in New England immediately.

**RDS facility revamped for Lowe’s**

Rennicke, who also acts as terminal manager for RDS, noted that RDS leases 110,000SF of space from the Savage Arms Company, which owns and uses part of a building at 100 Springdale Road. RDS was able to consolidate the space used by existing customers (salt and metal coils, *inter alia*) into 60,000SF, and make available 50,000SF to Lowe’s. RDS also leased
additional outdoor space, two to three acres, on which gravel is being spread, and hired an additional ten people.

Over the past two weeks PVRR has brought in lumber to RDS, and Monday RDS will begin truck delivery to Lowe’s facilities in New England and New York.

Other customers coming
While declining to provide any details, Rennicke reported that PVRR took on two additional trainmen, not only for the extra Lowe’s work but also in anticipation of further new customers.

His only quibble about the expanding traffic: Holyoke is getting no new business. PVRR sends only three cars a month there, covered hoppers to Sealed Air (our Directory #409). {ANR&P discussion 13 April 2004}

NEW HAMPSHIRE

NEW HAMPSHIRE CENTRAL

1 April, North Stratford. RYMES HEATING OILS BEGAN SUPPLING BIODIESEL AT FILLING STATIONS IN NEW HAMPSHIRE. This week, John Rymes, of Rymes Propane and Oils, announced the opening of biodiesel pumps at his company’s filling stations in Antrim, Peterborough, Keene, Greenfield, and Loudon.

Biodiesel
Although many users purchase the biodiesel blended with regular diesel [see 5 March Maine], Rymes said he is also selling it straight as made, designated B100. “In a nut shell, we decided as a company that we’d like to do something that A, we could profit at eventually hopefully, and B, we could help the environment....The people at the forefront are the small local people, not the large oil companies, or the multinationals or large conglomerates. It’s people like you and I, people who want to help the environment and start a small business.” Prices, however are still relatively high. B20 sells for about $1.94 per gallon at the pump [compared with about $1.65 here in Maine–editor]. Rymes noted that if local farmers could produce the raw material, usually soy beans, then the transportation costs would drop. {Diane Finch in NHPR News from NHPR website}

Terminalling on NHCR
Rymes said on 6 April that in early autumn 2003, his company had purchased from the state a terminal in the yard of the New Hampshire Central Railroad, in North Stratford. Maclntyre built the terminal in early 2002 [see 02#09B], then gave up on its terminal network and Sprague took over. But, according to Jack Donovan, executive director of the state Business Finance Authority, Sprague chose not to continue to operate it. The state took ownership and the facility lay fallow for about 12 months.

Now, Rymes moves biodiesel, distillates, and propane through the facility, about 100 to 200 carloads a year. He’s already brought in one carload of biodiesel, with another enroute.

Both NHCR and SLR, which brings the cars to the North Stratford interchange, are “doing great,” Rymes said. {ANR&P discussion 6.Apr.04}

RHODE ISLAND

OLD COLONY AND NEWPORT

3 February, Newport. NO NEW RAIL CONNECTION TO THE MAINLAND will emerge when RIDOT rebuilds the
highway bridge over the Sakonnet River. David Fish, managing engineer for bridges, said neither the scope of work nor the final Environmental Impact Statement made any provision for rail. {ANR&P discussion 29 Jan. 04}

Editorial wishing
The Newport Daily News in its editorial on 3 February noted that the Old Colony and Newport passenger excursion train celebrates 25 years of operation in 2004. Old Colony volunteers said they believe that if the line to Fall River were put back into service, local congestion from summer traffic could be alleviated, too. “If we can take 5-10% of traffic off the roads, it’ll ease the roads,” said Executive Director Don Elbert, who has been with the organization from the start. This sounds like a goal shared by city and regional planners. {text from NERAIL e-list}

PROVPORT
April. PROVPORT HAS THREE GAS FACILITIES, though only one is a tenant of Provport proper. Their popular names are Keyspan, ProvGas, and TEPPCO, but each is supplied from various points and pipelines, and each delivers to various local distribution companies (LDCs).

New England Gas (formerly ProvGas)
The New England Gas Company has two tanks (still labelled Providence Gas as of 2002) not technically part of ProvPort, but just outside the boundary on Day Street, off Allens Avenue. The tanks are supplied from the Keyspan LNG tank [see article on Keyspan].

According to Kim Wallace, spokesperson for El Paso Corporation, the parent of Tennessee Gas Pipeline [see Regional] which moves gaseous natural gas, its lateral from Massachusetts terminates at the city gate of the New England Gas. The Algonquin pipeline also has a lateral to the city gate, according to New England Gas spokesperson. {ANR&P discussions 14 April 2004}

Teppco/Duke
TEPPCO (TE Products Pipeline Company L.P) owns and operates a maritime-served propane terminal, which is a tenant in ProvPort. TEPPCO put the use of the facility out to bid in 2001. Duke Energy Field Services (DEFS) won, and announced that Duke Energy NGL Services on 1 May would begin marketing propane in the northeastern United States from the TEPPCO ProvPort terminal.

TEPPCO Partners, L.P. is a publicly traded master limited partnership, which conducts business through various subsidiary operating companies. TEPPCO owns and operates one of the largest common carrier pipelines [see article in Region] Texas Eastern Products Pipeline Company, LLC, an indirect wholly owned subsidiary of Duke Energy Field Services, LP, is the general partner of TEPPCO Partners, L.P.

Duke Energy’s wholly owned companies include the Texas Eastern Transmission pipeline (to Pennsylvania), the Algonquin Gas Transmission pipeline (Pennsylvania to Boston), East Tennessee Natural Gas, Union Gas, BC Pipeline and Field Services and Market Hub Partners. The company has significant ownership interests in Maritimes & Northeast Pipeline and Gulfstream Natural Gas System. {Various Duke websites}
Propane from ProvPort supplements propane deliveries into New England from the TEPPCO pipeline terminus in Selkirk, New York [see 16 January 2002 issue second section Region].

A Star Gas tank in Swansea, Massachusetts, is supplied by truck from TEPPCO [see 28 November 2002 issue].

**Keyspan Gas**
This LNG facility lies at the northwest corner of the Provport peninsula. It is owned by Keyspan. [See adjoining article for details of proposal to import LNG through the terminal.]

ProvPort welcomes the maritime LNG facility, said Jay Baird, who handles marketing for the port. “This is an indication that Providence and the Northeast corridor has room for expansion and we especially at ProvPort welcome the opportunity to attract new business that will be beneficial to all parties concerned.” {e-mail to ANR&P 12.Apr.04}

25 March, DC. **RHODE ISLAND GOVERNOR DONALD CARCIERI SUPPORTED AN LNG TERMINAL AT PROVPORT**, a project of Keyspan and British Gas.

**Background**
In 2002, KeySpan LNG LLC, a subsidiary of KeySpan Energy Development Corporation (KEDC), headquartered in Brooklyn, New York, acquired Algonquin LNG, LP, the owner and operator of a 600,000 barrel FERC-regulated liquefied natural gas (LNG) storage and receiving facility in Providence, Rhode Island, from Duke Energy, for $28 million.

“The purchase of Algonquin LNG complements KeySpan's existing gas-distribution business and will make a significant contribution to our earnings,” said Robert B. Catell, chair and CEO of KeySpan Corporation (NYSE:KSE), the parent company of KEDC. “The Providence facility plays a critical role in meeting peak-day gas supply needs in the region. LNG is a key component to supply mix in the NorthEast.”

Algonquin LNG began service in 1973 and employs 11 people. Major upgrades to the facility were completed in 2000 and the facility is fully contracted under long-term arrangements with three northeast gas distribution companies. {text from Keyspan}

At this time, according to Carmen Fields, Keyspan spokesperson, Algonquin is trucking LNG from the Distrigas LNG terminal in Everett, on Boston Harbor, to Provport, and filling the tank there. The tank requires about 2000 truck trips during the season, to fill the tank.

**Current uses of the tank**
According to Fields, three customers use the tank. New England Gas rents part of its storage; Consolidated Edison uses about one-third; and KeySpan Energy Delivery-New England, a subsidiary of KeySpan Corporation, contracts for more than half of the facility’s storage capacity. At this point Keyspan Energy Delivery uses it as a peaking station. When the maritime delivery begins this supply will be more important to base load gas to the southeast New England region. {ANR&P discussion 12.Apr.04}

**Proposal for ship delivery**
In 2003, Keyspan and BG LNG (a subsidiary of British Gas) announced a plan to deliver the LNG to the tank by ship. The proposed expansion, completion date late 2005, would more than triple the supply of natural gas in that region from about 2.2 billion cubic feet to about 7.3 billion cubic feet, company executives said. Over the next five to 10 years, KeySpan expects liquefied natural gas to form about 5% to 6% percent of its natural gas supply, double the present figure of 2% to 3%.

LNG imports play a critical role in serving New England's natural gas supply needs, providing 10% to 15% of the region's annual natural gas requirements and about 35% on peak use days during the heating season, KeySpan executives said. KeySpan expects to spend $50 million to $60 million on the project. Keyspan would own the terminal while BG LNG Services would import and sell the LNG. {Houston Business Journal 23.Oct.03}

The new facility, which would receive LNG from Trinidad and other overseas locations, will add 20-25 additional jobs. The new supply would also provide gas to local delivery companies such as New England Gas Company. Keyspan will build
a link to the nearby Algonquin pipeline to supply that pipeline as well. {Keyspan announcement 23.Oct.03}

In April, the stakeholders will seek approval from federal regulators to import the LNG from Trinidad and other international suppliers. {Deepa Babington in Reuters 29.Mar.04}

Carcieri support
On 25 March, Rhode Island Governor Donald Carcieri announced his support not only for the LNG terminal at Provport, but also for the proposed terminals at Somerset and Fall River [see 17 March issue]. Speaking before the US Senate Environment and Public Works Committee, he said in New England, where the growing popularity of natural gas for manufacturing and power generation has raised demand in recent years, a supply crunch this winter came close to creating a crisis. He also ticked off a list of local firms that have laid off workers because of energy costs.

Carcieri called some of the local political opposition to proposed LNG tanks in Fall River and Somerset “a knee-jerk reaction” to safety fears that the Coast Guard and other authorities can more than adequately address. The governor also pointed to “false choices” between adequate energy supply and environmental protection. Both needs can be accommodated. US Senator Lincoln D. Chafee (R, Rhode Island), who has also supported the Keyspan proposal to modify the Providence LNG terminal, echoed Carcieri’s point. “There doesn't necessarily have to be any tension or conflict” between environmental safeguards and energy production. {Knight Ridder/Tribune Business News via COMTEX in Providence Journal 25.Mar.04}
Solutions, a full-service energy company for business customers. KeySpan also has strategic investments in natural-gas exploration and production, pipeline transportation, distribution and storage, as well as Canadian gas processing and fiber-optic cable. {text of 2002 announcement about purchase of ProvPort facility}

RAIL SHIPPERS

Described in this issue. 

Our Directory of Rail Shippers & Receivers in Southern New England has more information on the companies denoted with their directory number. 

D-A Lubricants (Connecticut, GRS, #629), Gateway (PW, Regional, #544), Katahdin Paper (MMA, Maine), Merrill Marine (GRS, Maine), Mt. Tom Northeast Utilities (PW, Regional, #166), Rail Distribution Services (PVRR, Massachusetts, #407), Rymes Heating Oil (NHCR, New Hampshire), Sealed Air (PVRR, Massachusetts, #409).

Coverage

The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

Frequency and the e-bulletin

ANR&P appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the e-bulletin, only by e-mail. All information in the e-bulletin is included in the issue.

Pricing

Subscriptions cost $375 for professionals, $105 per year for students, young and old. Introductory prices available. The e-bulletin, sent by e-mail as needed between issues, is free of charge to all subscribers.

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Purpose

Atlantic Northeast Rails & Ports, née Maine RailWatch (1994-1997) and later Atlantic RailWatch (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire onto itself.’

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