Attorney General Philip T. McLaughlin and Department of Environmental Services (DES) Commissioner Robert W. Varney announced today that a settlement has been reached in the agency's administrative fine cases against Portland Natural Gas Transmission System (PNGTS) and Bechtel Corporation for violating the State's wetlands and water quality laws during construction of a natural gas pipeline.

PNGTS began building the 68-mile-long gas pipeline through Coos County in the spring of 1998, with Bechtel acting as general contractor for the project. During construction, DES inspectors discovered many violations of state environmental laws and permit conditions, mostly involving the discharge of sediment into streams and wetlands. Sedimentation and turbidity impair water quality and can damage fish and wildlife habitat as well as wetlands vegetation.

After fining PNGTS three times in the spring and summer of 1998, DES initiated much larger administrative fine cases against both Bechtel and PNGTS in December of 1998 and March of 1999. In the four large cases, DES alleged nearly 100 violations of environmental laws, and ought a total of $128,250.00 in administrative fines against each company. Both companies denied breaking the law or violating the permit conditions. Because of the size of the proposed fine and the large number of disputed issues, the four administrative fine cases were combined and were handled by the Environmental Protection Bureau of the Attorney General's Office on behalf of the DES.

Under today's settlement, PNGTS and Bechtel will each make a payment of $90,000 to the State, for a combined total of $180,000. Of this combined amount, $60,000 will be used for restoration, research, investigation and enforcement relative to wetlands. The remaining $120,000 will be used to protect ecologically significant properties in Coos County through the purchase of conservation easements. PNGTS and Bechtel's payments were made as part of a settlement of administrative claims, with no finding or admission of liability.
The administrative fine action and the settlement relate to the 68-mile-long pipeline constructed by PNGTS in Coos County, not to the shorter pipeline through Rockingham County constructed jointly by PNGTS and Maritimes and Northeast Pipeline, L.L.C. (M&N). While both pipelines are now largely complete, ongoing permit conditions require PNGTS and M&N to restore areas affected by pipeline construction and to compensate the State for any damage to fisheries or other beneficial water uses that occurred during stream and river crossings.

DES Commissioner Robert Varney, who as chairman of the state Energy Facility Site Evaluation Committee presided over the permitting hearing for the pipeline project, noted that, "The PNGTS pipeline project had the potential to cause massive harm to the environment. Due in large part to the efforts and vigilance of the DES in imposing conditions, conducting inspections, and assessing administrative fines, the pipeline was built without major long-term environmental impacts. While it is unfortunately true that some environmental problems did occur, today's settlement will provide and ongoing benefit to wetlands protection and land conservation in northern New Hampshire."

For further information, please contact Assistant Attorney General Jennifer Patterson at (603) 271-3679.