The odds of stopping the Constitution seem daunting, but are they really?

1) Over the last few years, FERC has permitted a huge amount of new transmission capacity for NG in the northeast and more than half of that hasn't even come on line yet. And the current domestic gas surplus is already so huge that at some point soon, maybe by the fall, they're going to max out storage and have to start cutting back transmission. The burden is on Williams to somehow convince FERC that there is a public need for yet more interstate capacity, a whopping 650 MMcft. Exactly how they're going to do that is unclear.

2) The company Williams is partnering with on the pipeline, Cabot Oil & Gas, doesn't just have a bad safety record, they have the WORST in PA, with the highest total amount of fines, and the highest per well. They are the poster child for drinking water contamination, the ones who screwed up Dimock, because they were too busy profiteering to pay attention to their well casings. They are the most unscrupulous and aggressive private company in the gas biz. And now they must persuade FERC that they are not what they seem, but are only out to serve the public interest by bringing gas to northeast customers that already have an adequate supply, and not to export it overseas so they can jack up domestic gas prices.

3) The initial indications are that Williams' big PR roll-out -- e.g. May 30: "the vast majority of people [on the proposed route] have been extremely positive" -- has been a flop. No one's buying it. The presentations Williams made in Franklin & Harpersfield were greeted with derision. Dennis Valente's attempt in Davenport to sell the pipeline to local residents fell flat. Landmen have been knocking on doors for weeks and getting nowhere.

4) Home rule -- either via Cuomo's plan, or validation of the Dryden/Middlefield decisions by the Appellate Court, or through state legislation (e.g. Seward's proposal) -- is looking increasingly likely. If that happens, and towns along the proposed pipeline route start passing bans (I'm hoping my town, Meredith, will be the first), then the prospects of an eventual revenue stream for Williams/Cabot from upstate NY gas will begin to dim.

5) FERC approval is a regulatory hurdle, and Williams is only in the "pre-filing" stage, which allows them not just to iron out the technical kinks in their proposal, but to test the waters to judge the economic chances of success before committing a whopping $1 billion in capital investment. They are taking a huge gamble, which looked a lot better to them when they started planning the pipeline a couple of years ago than it does now. These people aren't stupid. FERC is not the real issue for them. The bottom line is the bottom line. It's first and foremost a business decision.

Is the game really rigged in favor of the O&G industry? Maybe it used to be, but remember what things looked like just 4 years ago when the fracking boom began? Everyone was SO sure the O&G companies would just roll over us. The odds seemed pretty daunting then, but here we are and not one fracking well drilled.

Bob