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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

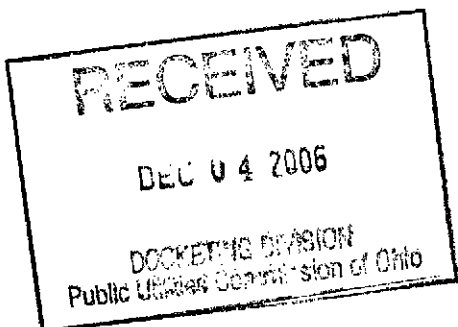
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IN THE MATTER OF: : Project Number:
ROCKIES EXPRESS PIPELINE PROJECT : PF06-30-000
EASTERN PHASE :
- - - - -x

Illinois Building
Illinois State Fairgrounds
801 E. Sangamon Avenue
Springfield, IL

Monday, September 11, 2006

The above-entitled matter came on for scoping
meeting, pursuant to notice, at 7:08 p.m.

BEFORE:
DOUGLAS SIPE, FERC



1 P R O C E E D I N G S

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(7:08 p.m.)

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MR. SIPE: I'm used to speaking in a microphone, but I don't have one of those tonight. I do apologize for that. I'll take full blame. We were suppose to have someone here, but FERC set this up -- not myself, but I'm here so I'll take the blame. If anybody has any trouble hearing me, please raise your hand or speak up?

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Good evening. I'd like to personally welcome you guys all here tonight. This is a FERC, Federal Energy Regulatory Commission, we go by FERC, publish scoping meeting for the Rockies Express Pipeline. I am a project manager at FERC, not actually the project manager for this project. I'm subbing for Elisa Likens, who is doing five meetings north of here. I'm taking care of her meetings down south and from this week on she will be your point of contact, but you guys can contact me and I'll reference you over to her. Her name is Elisa Likens and my name is Doug Sipe and I have business cards, and if anybody would like to ask me questions or anything after the meeting, feel free to come up and talk to me.

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Rockies Express Pipeline is proposing to build about 622 miles of 42-inch diameter natural gas pipeline, five new compressor stations and other apparent facilities

1 in the states of Missouri, Illinois, Indiana and Ohio.
2 That's where Elisa is right now. She's in Indiana and Ohio.

3
4 The Rockies Express Project is currently in the
5 preliminary stages of design. At this time a formal
6 application has not been filed with the Commission or FERC.
7 For this proposal, the Commission is initiating its National
8 Environmental Policy Act -- that's NEPA -- NEPA review prior
9 to receiving the application. This allows interested
10 stakeholders, such as yourselves, to become involved early
11 in the project planning and to identify and attempt to
12 resolve issues before an application is filed at FERC.

13 FERC is an agency -- we are located in
14 Washington, D.C. right down from Union Station, if
15 anybody's familiar with that. We're an agency of about 1200
16 people. We do regulate interstate natural gas pipeline
17 companies, hydro facilities and oil rates. And we actually
18 just now we're going to start citing electrical lines, which
19 I can't wait to start doing that.

20 There's five commissioners at FERC appointed by
21 the President and Congress. What we do -- this is the
22 environmental portion of FERC coming out to do this. We
23 collect all the public input from the company, all
24 interested stakeholders, other federal, state and local
25 agencies. We put that together and we provide everyone an
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1 Environmental Impact Statement. We take that to the
2 commissioners upstairs among markets, tariffs, rates and
3 cost of service. We put that in an order at the end of the
4 project, take it upstairs to them and they vote on it. They
5 vote to deny or approve an application. So that's
6 everything in a nutshell at FERC. If anybody has any other
7 questions about that, they can ask me.

8 NEPA requires the Commission to take into account
9 environmental impacts that could result from an action
10 whenever it considers the issuance of a certificate of
11 public convenience and necessity under Section 7 of the
12 Natural Gas Act. The certificate of public convenience and
13 necessity is what's issued when the commissioners approve a
14 project. The Act also requires us to identify and address
15 concerns the public would have about the proposal.

16 An EIS, which is a big, thick document, which
17 everyone will receive if this project files an application
18 to put you to sleep at night. No, it has all the
19 environmental information in it and the public information.
20 All the public input will be mailed to you. If you're not
21 on the environmental mailing list, I urge you to sign up at
22 the tables where you come in tonight if you want to remain
23 on the environmental mailing list.

24 How many people received a Notice of Intent from
25 FERC about this project?

26

1 (Show of hands.)

2 MR. SIPE: Well, this project is very large.
3 There was 13,000 of those that went out for this project.
4 So if you did not receive one, I apologize. The mailing
5 list is under constant revision and if you didn't receive
6 one and you need to be on the mailing list, then you need to
7 sign up out there and we'll send you everything from that
8 point forward.

9 The purpose of tonight's meeting is to here from
10 you. We have three people on the speaker's list right now
11 and I see a lot of people in the audience. So if you guys
12 would like to speak, you could go back out to the table and
13 sign up. Or after these three people speak, I can just call
14 people out. Now if you do come up and speak this meeting is
15 being recorded by a court reporter. The gentleman sitting
16 over here. So if you come to speak, you need to come to the
17 yellow chair and speak into that microphone, which is being
18 recorded. It's a little bit of a nuisance.

19 The agenda for this evening, as I speak to you
20 guys, I'm going to have Rockies Express provide a short
21 description of the project. I don't know how many people
22 here attended Rockies Express's open houses. They had a
23 number in the area and that's how we decided where to have
24 this scoping meeting based on the attendance of those open
25 houses. They were held in June. Then I'll explain how you
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1 can get your comments in the record and then I'll open the
2 record up to you.

3 I'd like to introduce a few staff members who are
4 with me on the environmental review team. Gertrude
5 Fernandez from FERC. She was one of the ladies at the
6 tables when you came in. From ICF, International Intrex,
7 I'd like to introduce Trevor Loveday, Leslie Shapier and
8 Fran Moore was also in the back, one of the three ladies at
9 the back that greeted you guys when you came in. Trevor,
10 Leslie and Fran are FERC's third-party contractor. They
11 will be assisting us in preparing the environmental document
12 for this project.

13 At this time I'd like to introduce Karen Butler
14 from the U.S. Department of Transportation, Office of
15 Pipeline Safety. Karen's with the Pipeline and Hazardous
16 Materials Safety Administration. At this time I'd like to
17 invite Karen to speak to you about her agency's role
18 regarding this project.

19 MS. BUTLER: When you came in -- you're going to
20 have to tell me if you can't hear at all, okay. So just
21 hold your hands up because I'll have to almost scream. But
22 when you came in, you should have seen a brochure like this
23 laying out on the table. On the back side of that are names
24 and contact numbers. You'll see that it says "The Office of
25 Pipeline Safety" and he just introduced us as PHMSA. That's
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1 because we are the pipeline portion of the Pipeline and
2 Hazardous Materials Safety Administration, which we're going
3 to call PHMSA. So whenever you hear that you won't here
4 pipeline and blah, blah, blah. You're just going to hear
5 PHMSA.

6 What we do is, after the pipeline is approved and
7 a route is selected, then we assist with construction
8 inspection and we also cover operations and maintenance of
9 the pipeline as long as it continues to flow commodity. If
10 it's abandoned, then it is officially not inspected under
11 our current regulations.

12 I'm not going to spend a lot of time tonight
13 reading record comments. We did that last night and what we
14 found is we need to open it up to comments from you guys and
15 allow you to have more time to talk. I do want to point out
16 that if you got a card at the front table, there is Karen
17 Butler on one side and Harold Winnie on the other. Harold
18 is my counter-part. He does exactly the same thing. So if
19 you can't get hold of one of us, you should be able to get
20 hold of the other.

21 And with that, I'll let Rockies takes it over.

22 MR. SIPE: One thing before Rockies take it over.
23 We expect other federal and state agencies will be
24 cooperating with us in preparing the Environmental Impact
25 Statement along with OPS. We meet today with the Illinois
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1 Department of Agriculture and we know that agriculture is a
2 main issue in the State of Illinois and we met with them and
3 they told us they are going to be cooperating with us in
4 helping us make sure the right information and all the
5 agriculture issues are addressed in the EIS.

6 So that was one good thing. We're meeting
7 tomorrow with a couple of agencies. We're crossing the
8 Mississippi River. We work with the Fish and Wildlife
9 Service, the Army Corps of Engineers, all federal agencies
10 that want to be cooperating agencies with us can be. So
11 it's just not the FERC. We work with all agencies involved
12 under the federal umbrella and state agencies also if they
13 would like to be cooperating agencies.

14 At this time I would like to introduce Ryan
15 Child. He's from the Rockies Express and he wanted to give
16 you a brief overview of the project.

17 Ryan.

18 MR. CHILD: My name is Ryan Child. I'm the
19 project environmental manager for Rockies Express. I want
20 to thank all of you for coming out this evening and I'll try
21 and do my best to speak so everybody can hear me.

22 I'll just kind of give you the real brief
23 overview, kind of the who, what, why, where, when and how of
24 the project. The who -- Rockies Express Pipeline, LLC is a
25 business development of Kinder Morgan Energy Partners,
26

1 Semplar Energy and Conoco Phillips. The why of the project
2 is to move large volumes of natural gas from the Rockie
3 Mountain region from northwest Colorado and southwest
4 Wyoming, take it across the country over here to the
5 southeast Ohio area, Clarenton, Ohio, 1663 miles over and we
6 have it in various portions. Some of which is in operation
7 right now, a portion of which is being built right now. We
8 have a section here that comes across from Wyoming to
9 northeast Missouri over here that is scheduled to be built
10 next year subject to all our approvals and permits being
11 received by that time.

12 Then we have the section that we're here talking
13 about this evening, the Rockies Express east portion, which
14 extends from Mexico, Missouri basically over to Clarenton,
15 Ohio. As Doug said, 622 miles of 42-inch all steel welded,
16 buried underground natural gas pipeline only. It's the only
17 product we move through there is natural gas and we don't
18 actually own the ga. We just ship it for the producers,
19 trying to move their gas from the Rockies back to upper
20 midwest and eastern market areas.

21 Just real briefly, as we said 622 miles, 42-inch
22 steel welded, buried natural gas pipeline. There are
23 several above-ground facilities that would be necessary for
24 the project. In this case it's going to be five compressor
25 stations and I'm going to step over here to the map here.

26

1 Five compressor stations along the project areas. Some
2 people call them "pumping stations" necessary to continue
3 the movement of the gas through the system. The nearest one
4 here is going to be down in Blue Now, Illinois. It's the
5 only compressor station we have in Illinois. There'll be
6 other facilities would be like meter stations where we will
7 take gas from our pipeline system and transfer it to other
8 existing pipeline systems and allow the gas to move on those
9 other systems to market delivery and the only other above-
10 ground facilities will be mainland block valves, which you
11 may be familiar with in some of this area out here on the
12 existing pipeline systems. That allows us to isolate
13 segments of our pipeline at any time for safety or
14 operational purposes.

15 We are going to be following, for the most part,
16 across Illinois -- the Panhandle Eastern Pipeline system.
17 One of the FERC citing guidelines about how we actually
18 develop a route for our project is to follow existing
19 pipeline corridors or existing utility corridors. So if you
20 have the Panhandle Eastern Pipeline system on your property
21 right now, there's a strong likelihood that we will be
22 coming along side it as well.

23 Just to talk briefly about where we are in our
24 project development stage right now, we made our initial
25 application to the FERC back in June. Told them we were
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1 considering this project. We're in the very preliminary
2 design stages of the project right now. We have the market
3 fairly well-established and what kind of volumes they want,
4 what kind of volumes need to be shipped from the production
5 areas. And then right now we're out there with survey crews
6 actually, civil survey crews followed by environmental
7 crews. We will take all that information, both the civil
8 design engineering type information and the environmental
9 information about what resources we'll actually cross out
10 here, put it all into an application, which we anticipate
11 filing in April of next year, if not sooner, which would
12 allow the Federal Energy Regulatory Commission and all the
13 other agencies that will be reviewing our project 2007 to do
14 their reviews, allows us opportunity to make all the other
15 permit applications and to acquire rights-of-way that would
16 be necessary and then operate and maintain this pipeline
17 system.

18 Subject to all those approvals and necessary
19 easements being acquired, we would start construction early
20 2008. We anticipate the spring of 2008 the pipeline portion
21 of the project itself would be totally built across. In
22 2008 some of the compressor stations, particularly over in
23 the eastern area would actually be built in early 2009. But
24 for your construction out here, you're looking at 2008. Of
25 course, the entire project would be designed, built,
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1 operated to those strict safety standards that Karen
2 mentioned a little bit about with the Department of
3 Transportation standards. We have our own engineering
4 standards. We have inspections throughout the process of
5 the materials and the construction and of course the
6 operation of it, and really appreciate all of you coming
7 back out to hear this scoping meeting. I recognize some of
8 the faces from the meetings we had back here in June in this
9 area and really appreciate all the survey permission that
10 has been granted to us in order for us to go out and really
11 establish what we have to work with in terms of what we're
12 going to building across.

13 It's a really large project. It's a very
14 exciting project to a lot of us and again, we see it as an
15 opportunity to really make a much better use of our domestic
16 natural gas supplies here in the United States, moving from
17 the production areas that we have in the Rockies and
18 bringing it to the upper midwest and eastern markets. So
19 we're going to be here. Myself, other representatives from
20 engineering, construction are here this evening. We'll be
21 down here in the front after the formal part of the project.

22 I just want to briefly mention one thing. If you
23 didn't receive one of these brochures, we have some of these
24 available from the company. They give the same brief
25 synopsis overview of the project and the maps that you see
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1 up here on the board. If you have access to the Internet,
2 there is a website listed on here, www.REXpipeline.com. It
3 has a lot of information about the overall project, a lot of
4 information of commonly asked questions about how these
5 things are designed or built or operated, a really good
6 resource tool. There's also a toll-free number that you can
7 call and talk to our project office. If the people you talk
8 to initially can't answer your call, then they will get your
9 questions to those of us who can answer your questions.

10 Again, I just appreciate everybody coming out.
11 Thanks very much.

12 MR. SIPE: Thanks Ryan.

13 I want to go over the pre-filing process. When
14 we met with the Department of Agriculture today, I told
15 Terry she was going to get another crack at hearing me talk
16 about the pre-filing process, but the pre-filing process is
17 new at FERC. We've now done it for a couple of years. We
18 ask the question last night, Karen asked the question last
19 night how many people have a pipeline on their property now?

20 (Show of hands.)

21 MR. SIPE: I thought that was good. So we do
22 have a lot of people with pipelines on their property.

23 The reason why this project is aiming at your
24 property again is because at FERC we require these companies
25 to use existing rights-of-way. It doesn't have to be a
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1 pipeline right-of-way. It could be a road. It could be a
2 railroad. It could be a power line, but we want to have
3 them stay on existing right-of-ways as much as possible.
4 That's not saying that this project is going to stay on your
5 property. This is way early on in the pre-filing process.
6 Just because they're there now, does not mean that they're
7 going to be there the next time that FERC runs a meeting and
8 you guys come to comment on the draft EIS. So this is not a
9 done deal.

10 A lot of times people come to these meetings and
11 they see FERC with the companies at all times and they think
12 that, you know, FERC is just pushing this pipeline down
13 people's throats along with the company and that's usually
14 the attitude, but it's not -- that's what the pre-filing
15 process is here to do. It's to find out all the issues and
16 address the issues early up front before the company
17 actually files an application. These companies spend a lot
18 of money on surveys and studies on where to route this
19 pipeline, so that's what they're doing right now.

20 The goal of the pre-filing process is to help
21 facilitate the interaction with federal, state, local
22 agencies and affected property owners and other interested
23 stakeholders by preparing a more complete application. What
24 that means is FERC is an agency that deals directly -- we
25 deal specifically with pipelines. That's all we do. Now we
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1 work with all the other agencies out here like the
2 Department of Agriculture. They deal with a lot of other
3 projects. Fish and Wildlife Service, the Army Corps of
4 Engineers, they deal with multiple projects. We deal with
5 natural gas pipeline projects, so we work with these other
6 agencies to pull their resources together to provide us the
7 information we need in our EIS. So if anybody has any
8 questions about pipelines, FERC is usually the place to go
9 or the company itself.

10 Again, we will have another scoping meeting such
11 as this one. The company will file an application in April.
12 I'm assuming like four to five months FERC will produce an
13 EIS. So we will have another informational meeting like
14 this one for you -- you'll have time to comment on the EIS
15 and come here and discuss it with us to make sure we did --
16 hopefully, we did a good job and we won't have many
17 comments, but that's what the pre-filing process is designed
18 to do is to pull all of the issues out and we can't stress
19 that enough, get the issues now. That's why we want you
20 guys to come here and speak and we can address them in the
21 draft EIS.

22 FERC's e-Library system is designed where you
23 guys can e-subscribe. The instructions are in the NOI on
24 the back table and there are some pamphlets that we have.
25 This actually was just done by the project manager for this
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1 project, Elisa Liken. She's prepared this "What do I Need
2 to Know if an Interstate Gas Line's on my Property." All
3 the information that's in here is very useful and with all
4 the information about our website is in there and then you
5 have this other little brochure. It's a guide on how to
6 electronically file information with us or file comments by
7 the paper route.

8 E-Subscription is a very useful tool and all of
9 us at FERC use it if it's our project. You basically e-
10 subscribe to this project using the docket number. What is
11 the docket number for this one? PF06-30 that's the tracking
12 number used right now. Now once the company files an
13 application with us, if they do file one in April, that
14 number will change to a CP number. It will be a CP07 dash
15 whenever it comes in the door. It gets a the number. So
16 the PF number will work, but the CP number that will be in
17 April.

18 E-Subscription, I'm going to go back to that. If
19 you subscribe to this project, everything that's filed on
20 the record you will get an e-mail to your e-mail account.
21 Now you don't have to open that link, but it will say in the
22 subject line "John Ford filed comments on this." Or this
23 agency filed comments on this or the company itself filed
24 comments or FERC themselves issued something about this
25 project. It's a very useful tool. I mean that's how I keep
26

1 track of my projects at FERC by using that.

2 The notice states that the comment period expires
3 on September 29, 2006. That's the initial scoping comment
4 period. That's when that will end. There's plenty of time
5 after that to comment. We have to set -- NEPA has certain
6 standards where you set timelines when you can receive
7 comments. The first one is September, but there's multiple
8 months after that that you can comment. You comment through
9 the draft EIS period. You can comment through the final and
10 then you can comment on the order itself when that's issued.
11 So there's plenty of time. Don't let that date scare you.

12 The EIS process -- I can go into that a little
13 bit. You're going to hear a lot about environmental
14 resource reports. That's right now what we're going through
15 scoping. We're out trying to bring in all the information
16 we possibly can and filter that to the company and the
17 company will file that information to the FERC in the form
18 of environmental resource reports. There's 12 of them based
19 on the preferred route. It's based on the survey results,
20 and that's another thing I can't stress enough. If your
21 contacted by Rockie Express to survey your property,
22 hopefully everyone is contacted. I know the stories I've
23 heard out there were that some people said, well, yeah, they
24 just go ahead and survey without my permission. I hope that
25 does not happen. That should not happen, but sometimes it
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1 does. I apologize for that. But if you're contacted by
2 Rockies Express to allow them to survey your property,
3 please allow them to do so.

4 If you don't allow them to survey your property,
5 I don't have the sufficient information to make a decision
6 whether that pipeline should be on your property or it
7 shouldn't be on your property. I mean on your property
8 there may be some cultural resource there that, if you won't
9 allow them to survey, they would have never found. Now if
10 there is cultural issue, that means sometimes we'll reroute
11 around it or they have to come in and do specific studies
12 and such on how they can go through that area. So I can't
13 stress enough on survey permission. Allow them to do it.
14 If you don't, then I don't have the information in order to
15 make an accurate decision.

16 The research reports cover geology, soils,
17 vegetation and wildlife, included federally-listed species,
18 land use, recreation, cultural resources, reliability and
19 safety, which our friends at DOT really help us out with,
20 air and noise quality and alternatives. Alternatives is a
21 major issue. I know a lot of people would like to have this
22 pipeline off of their property. Some don't. By providing
23 survey access, that's how we can find out if it should or
24 should not be there.

25 I went through the EIS process pretty well. Once
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1 the EIS is issued, there will be a 45-day comment period on
2 the EIS itself. So when you receive the EIS, you have 45
3 days to make comments on that. At the end of the 45th day,
4 we will come back out and that's what I was talking about
5 the next meeting we'll hold.

6 Comments on the draft EIS will go into the final
7 EIS. So you'll have a draft EIS where we'll address all the
8 issues we receive from that and we will put that into a
9 final EIS. The final EIS is what we use. That information
10 we use to supply the commissioners. That's when we take the
11 issues from the final EIS put that in an order and we send
12 it upstairs for them to make their decision on whether or
13 not to approve the project.

14 If you don't feel comfortable speaking tonight --
15 I know a lot of people don't -- there are many ways you can
16 file comments with us, and like I said, it's all in that
17 brochure. If you do speak tonight, again, you have to come
18 up to the chair here to speak because it's real hard for me
19 to control a meeting if I have a bunch of cross-talk. I
20 will answer questions tonight if someone has questions for
21 me or the company. So again, the court reporter mainly
22 controls this because he's recording everything here.

23 We have three speakers on the list, but if a lot
24 of people start coming up afterwards, I may limit your time
25 that you can speak. We have the building here until 10
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1 o'clock tonight, so right now we have a lot of time.

2 The speaker's list -- the first person on the
3 list is William Murray.

4 MR. MURRAY: Thank you. My name is William
5 Murray. I'm the regulatory affairs manager for the Office
6 of Public Utilities with the City of Springfield here in
7 Illinois. You probably know it more commonly as City Water,
8 Light and Power. The City of Springfield Office of Public
9 Utilities is the owner of various tracks of land the
10 proposed pipeline project is to traverse adjacent to Horse
11 Creek and Brush Creek in Salmon County, Illinois. The city
12 acquired these properties in connection with a project to
13 develop a supplemental water supply reservoir for the city
14 and its water customers, which has been named the Hunter
15 Lake Project.

16 To move forward on the Hunter Lake Project, the
17 city was required to apply for a permit with the U.S. Army
18 Corps of Engineers, the Corps, pursuant to Section 404 of
19 the Clean Water Act in order to build the dam to create the
20 perspective impoundment. The Corps deemed the requirement
21 to be a significant federal action pursuant to the National
22 Environmental Policy Act requiring the development of an
23 environmental impact statement, an EIS, for the proposed
24 Hunter Lake. This process has been completed, including the
25 formulation of mitigation plans for the Lake's impact on
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1 cultural and natural resources in the lake project area.

2 The required permit is still pending before the
3 Corps. The comments I'm going to make hereafter involve
4 issues raised because the pipeline route intends to traverse
5 the Hunter Lake project area and in connection with
6 currently identified environmental issues which were set
7 forth in the notice, and I will address those of concern to
8 the city immediately.

9 One, with regard to water resources, the city
10 would request that the impact of construction on wetlands
11 and water bodies, including the horizontal directional drill
12 of the Mississippi River also include an impact on the
13 proposed location of future water reservoir sites.

14 Secondly, with regard to wetlands, the work that
15 the city had performed for the Hunter Lake EIS identified
16 certain jurisdictional wetlands in or near the proposed
17 pipeline corridor. The city would be request that the
18 pipeline route be designed to avoid such locations. But if
19 other sites are otherwise not capable of being avoided that
20 the pipeline sponsor replace such destroyed wetlands in an
21 appropriate mitigation ratio.

22 The city's EIS development for the Corps included
23 a mitigation plan for impacts the Hunter Lake project may
24 have on certain natural resources and wildlife habitat. To
25 that end, the city identified portions of project area for
26

1 Hunter Lake to be devoted to two types of future use: (A)
2 areas that would be allowed to grow through natural
3 succession and others that would be reforested through a
4 planting effort.

5 The proposed pipeline would traverse some areas
6 designated for these future uses. The city would request
7 that the EIS for the pipeline require an equal commitment by
8 the project sponsor for the city's mitigation plan on that
9 portion of the pipeline route traversing the city's property
10 and Hunter Lake project area or on land adjacent to the
11 Hunter Lake project area.

12 Fourth, likewise, the city has conducted a survey
13 of cultural and archaeological resources in the Hunter Lake
14 project area. The city has entered into a memorandum of
15 agreement with the State Historic Preservation Officer,
16 which is referred to as the SHIPO, which has been approved
17 by the federal oversight body for those type of resources on
18 the impact of the Hunter Lake project and the mitigation the
19 city would have to do on the impact on certain identified
20 sites. The route of the proposed pipeline may be over or
21 near such sites that may require further survey or
22 mitigation by the city before the city can impact or disturb
23 such sites.

24 The city would request that the pipeline route be
25 designed to avoid such sites. However, alternatively, if
26

1 such sites cannot be avoided, the pipeline project sponsor
2 should be required to fulfill the requirements of the city's
3 memorandum of agreement with the SHIPO prior to constructing
4 the pipeline and provide the city and the SHIPO with such
5 reports or documentation to demonstrate that the memorandum
6 of agreement requirements for such sites have been met.

7 To aid the Commission and the pipeline sponsor
8 with the above concerns and request of the city, the city
9 would make available its personnel to help identify the
10 locations of concern that would be impacted by the pipeline
11 route and information relative to these locations. Thank
12 you.

13 MR. SIPE: Thank you, Mr. Murray.

14 If anybody has written comments that they just
15 want to hand up to me, when they come up and speak, that's
16 fine, too. I'll put this right on the record under this
17 project and when you e-subscribe, you'll see it on there.

18 The next speaker on the list is Nathan Garrett.

19 MR. GARRETT: My name is Nathan Garrett and I'm
20 addressing the Commission tonight on behalf of my mother.
21 She's a property owner just south of the Village of Mt.
22 Zion. I'd like to speak directly to the land use portion of
23 the effect this will have for my mother. She has been
24 actively marketing her farm as a 108-acre farm. She has
25 been actively marketing that farm for the purposes of
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1 residential development for some time and the Rockies
2 Express Pipeline routing currently listed and currently
3 shown to us would go right through the middle of that
4 property. It will have a very detrimental effect on her
5 ability to market that for residential development.

6 We would request that Rockies consider rerouting
7 the pipeline to a more conducive development position on the
8 property. We don't necessarily want the pipeline off of our
9 property. We just want some consideration in its placement
10 with respect to future development. I'd like to also point
11 out that the development that she is considering and the
12 marketing plan that she has falls within the guidelines of
13 the land use plan for the Village of Mt. Zion. They have a
14 viable plan and I'd like for Rockies Express to also
15 consider that land use plan as they route their pipeline.

16 MR. SIPE: Thank you. Was your wife on the
17 airplane with me?

18 MR. GARRETT: I hope not.

19 MR. SIPE: There was a lady I flew in with that
20 had the same concern that you're having and she had her
21 husband was going to come and address that to the Commission
22 in one of these meetings. I just wasn't sure that was the
23 one. I appreciate it.

24 AUDIENCE MEMBER: (Off mike.)

25 MR. SIPE: You didn't hear Mr. Garrett's concern.

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1 The concern was that his mother has a property and the
2 pipeline is proposed right now to basically cut through the
3 middle of her property and they don't necessarily want the
4 pipeline off the property. They want to put it on like say
5 the border of the property because they plan on developing
6 that piece of property and that's very constructive comments
7 that we like to hear and we will look into that.

8 Sometimes when residents ask us to relocate a
9 pipeline either away from their property or off their
10 property, on their property we have to make sure there's not
11 some environmental resource that we're moving it into. A
12 lot of the area agencies frown upon that. So these are
13 comments. That was a great comment. We'll look into your
14 property and we'll make sure that your comment is addressed.

15 MR. GARRETT: We had been given some conflicting
16 information from the personnel at Rockies Express and we
17 have not allowed anybody on to survey at this point because
18 of that conflicting information. So I just wanted to point
19 that out to you.

20 MR. SIPE: His issue was that he's received
21 conflicting information from Rockies Express. Sometimes
22 that will happen in the pre-filing process because its their
23 initial look at this pipeline project. So they have to get
24 the gas from Point A to Point B within some route and so
25 sometimes you may hear something from Rockies Express

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1 personnel in the beginning that may change. I don't know
2 exactly what your issue is. We can talk about it after the
3 meeting, but in the pre-filing process, stuff will change.

4 If you heard something tonight after the meeting
5 from some Rockies Express employee, it may change by the
6 next time you talk to them. So you want to keep up with the
7 project if it is on your property.

8 The next speaker on the list is Steve McCoy.

9 MR. MCCOY: Good evening. I am a concerned
10 landowner. We had a water line run through some of our
11 property this past year. We've had trouble with broken
12 tiles, sink holes -- you know, the removed excess dirt and
13 now after harvest, we're going to have to buy or replace,
14 find dirt to fill those existing holes that have developed,
15 you know, through the cropping year and that was only with
16 an 8-inch water line, so we're very concerned with something
17 that's 42-inch and going through the property. Okay, is
18 there going to be a soil bank or something where, you know,
19 something can be replenished in time to come? And how long,
20 you know -- I know there's going to be some compensation for
21 the initiation, but what about two or three or four years
22 down the road? Are they going to separate the topsoil from
23 the clay? I mean I know that -- I'm sure they'll tell you
24 they will, but I guess I kind of doubt that would really
25 happen, so that's some of the concerns we have. Thank you.

1 MR. SIPE: Great. I'd like to address some of
2 your concerns. His concerns were what's going to happen to
3 his drain tiles and how the topsoil is going to be
4 segregated during construction. He's dealing with some
5 issues now with broken drain tiles and he's wondering how
6 he's going to deal with that in the future. If this project
7 does go forward, if FERC does issue them a certificate to
8 build what they propose, we do monitor the pipeline during
9 construction. At this point the company has not agreed to a
10 third-party monitoring program, but we're going to force
11 that on them pretty strongly. What that involves is we have
12 a third-party monitor present 24 hours a day during
13 construction. They don't construct 24 hours a day unless
14 there's a problem, but during construction we will have a
15 monitor on site throughout the entire project and then
16 through also restoration of the project. So during
17 construction and then through the restoration phase. So the
18 company during construction has their own environmental
19 inspectors that the company pay to have out there to assist
20 the construction guys on how to build the project, to
21 address the landowners's concerns along with agency
22 concerns.

23 What we also have is called a FERC third-party
24 monitoring program where we have the monitors work with the
25 environmental inspectors to like oversee what they're doing.

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1 I have the same program right now on two of my projects in
2 Arizona and the State of Washington, and it really, really
3 works well. I mean we have hotlines set up that during
4 construction you guys, if you're not happy with dealing with
5 the company, you can call in to the hotline and then when
6 that hotline comes through it comes to the project manager
7 at FERC and it will be addressed, the concerns, during
8 construction.

9 But if you're worried about long-term impact to
10 your property from this pipeline such as drain tiles or
11 water issues or whatever issues you may have -- I'm sure I'm
12 leaving some of the main ones out -- you want to negotiate
13 that in the easement when the company comes through with
14 you. The people that have the pipelines on their property
15 right now they were built many, many years ago. I don't
16 believe that there was a project built in this area in a
17 while, the recent while that I've learned this week.
18 They're built a lot differently now and with a lot more
19 regulations and a lot more people watching them. I'm sure
20 there's going to be some problems if this project goes
21 forward, but I hope that we can address them and we have
22 pretty well on our most recent projects at FERC over the
23 last 10 years.

24 MR. GARRETT: Thank you.

25 MR. SIPE: That's the last speaker I have on the
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1 list. Does anyone else wish to speak?

2 (No response.)

3 MR. SIPE: And the three people that spoke -- it
4 was my fault -- when you come up to speak, you're suppose to
5 give your address. So just see me after the meeting and
6 give me your address so I'll know exactly where your
7 property is. I've got your name. I just need your address.

8 It's 8 o'clock on my watch. I have two hours
9 left, so if anybody would like me to answer any of their
10 questions or if they'd like to come up and give their
11 concerns, please do so. Or I can close the formal portion
12 of this meeting and we can stay here and talk until 10:00.

13 Sir?

14 MR. LAKE: I'd like to come up and address the
15 meeting.

16 MR. SIPE: Sue.

17 MR. LAKE: Thank you very much for allowing me to
18 speak. My name is Douglas Lake, L-A-K-E. My address is 925
19 South Henderson Street in Mt. Zion, Illinois. And my
20 concern is as follows. According to the most recent map
21 from the Rockies Express Pipeline website of Macon County,
22 Illinois, more specifically between mile post 162 and 164,
23 the proposed pipeline comes within 1/10th of a mile of the
24 southern boundary of the Village of Mt. Zion. The pipeline
25 on other portions steers far clear of Blue Mound, Macon,

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1 Decatur and at least three miles from those villages.

2 Also, I guess I have a question based upon what I
3 perceive to be outdated aerial photos used by the pipeline
4 company. Will FERC require Rockies Express Pipeline to
5 maybe do a fly over or to use current aerial photos,
6 specifically the area that it's suppose to go through now
7 there are four homes right in a row and one of my neighbors
8 is here and so that would add what I'm guessing
9 conservatively approximately three million to the cost of
10 the pipeline, which you could save if you move it a mile or
11 so south. So I just wanted to see if FERC would require --
12 I guess that's my only question -- if they'll be requiring
13 current aerial photos.

14 MR. SIPE: Did everyone hear that? They're
15 asking if FERC requires current aerial photos. Usually, in
16 the preliminary stages of these projects they will use older
17 photography until they do get up in the air themselves and
18 do current aerial photography of the project. You may see
19 helicopters flying over top of your property, airplanes
20 flying a little bit low. That's what they are doing.
21 They're getting current aerial photography. That's what
22 usually FERC does. We'll fly this entire route so we can
23 see it from the air. And once the route is getting close to
24 being finalized, we'll go out and take a look at it. So,
25 yes, they are required to use current aerial photography

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1 because they have to file that information with us and
2 that's what we use to basically look at the project because
3 the mapping that they provide to us is that when we're
4 looking at what stream they cross, at what house they're
5 getting close to, what school or what town. So we do look
6 at current mapping, yes.

7 Anybody else like to speak? Come on up.

8 MR. BUMGARNER: If you oppose this gas line.

9 MR. SIPE: If you can state your name and your
10 address.

11 MR. BUMGARNER: Larry Bumgarner and I live in New
12 City. If you oppose the gas line, would it be taken by
13 eminent domain, Question 1. And what defense would we have
14 with the state offer to defend us against the pipeline?
15 That's basically my first two questions. Let's see -- if we
16 have a pipeline next to us now -- I don't know what size it
17 is or whether it's the main -- well, we do have one right
18 across the road from us. How do we find out if that's the
19 route that they're going to follow? I can't remember the
20 name of the pipeline, but it's a pretty big pipe. How do we
21 go about finding that out?

22 MR. SIPE: His questions were (1) eminent domain,
23 and I will address that and (2) how he finds out the
24 pipeline across the street from his house if that's the
25 route that they're going to be following.

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1 For routing of the pipeline project, you can get
2 with the company afterwards and they can provide you mapping
3 of your residence, of your area that you're concerned about.
4 You can tell right now where they propose to put the
5 pipeline. Like I said, it may change.

6 Eminent domain, very sticky issue. Through the
7 Natural Gas Act, the companies are powered to use the
8 eminent domain on you guys if the project is approved. If
9 FERC approves the project and give them a certificate of
10 public convenience and necessity, which means that FERC
11 believes that this project should go forward and go through,
12 and at that point you have not negotiated an easement route
13 with the company, the company can go through the courts to
14 obtain your property. The percentage of that usually,
15 historically over the last couple of years is really low.
16 By the point that they would use the eminent domain
17 authority would be pretty far along in the process, a good
18 while from now like a year and a half from now actually --
19 probably it would be the timeline that you'd be looking at.

20 FERC does not deal with the negotiations between
21 a specific landowner and the pipeline companies themselves.
22 All we can say during our meetings is what could happen to
23 your property. If you guys want to talk to me one-on-one,
24 after the meeting on some negotiation issues that you may
25 have through the easement process, I can help you out with
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1 that. But we don't deal necessarily with negotiations one-
2 on-one between the landowner and the company themselves. Or
3 we don't deal with negotiations with mitigation between
4 another agency, such as the Corps or the Fish and Wildlife
5 Service or the Department of Agriculture and the company.
6 Negotiations are done between the company and whoever that
7 person may be that's negotiating with them.

8 Eminent domain is a scary term and I hope that
9 when you are contacted by a right-of-way agent to survey
10 your property -- the stories we're hearing out there
11 sometime with these projects is they'll start explaining on
12 how they went across your property and where they went
13 across your property and how much of your property they want
14 to use and sometimes if the landowner shows any resistance
15 at all the right-a-way agent will threaten them with the
16 eminent domain word. They should not do that. They are
17 powered with that, but only once they have a certificate
18 from us. So they should let you know that could happen
19 further down the road, but they shouldn't threaten anybody
20 with it.

21 So it can happen. Hopefully, everyone can
22 negotiate their easement out with the company and it doesn't
23 come to that. But if it goes to that point, then the court
24 decides on compensation and issues the cost of your
25 property.

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1 MR. BUMGARNER: The other part of my question was
2 would there be a defense? I didn't hear you.

3 MR. SIPE: Would there be a defense? Your
4 defense would be the city itself or a public attorney or an
5 attorney you would hire yourself. I'm glad you brought that
6 up. A lot of times what attorneys will do in these areas
7 where pipeline projects come through is they'll try to
8 obtain the line list of whoever's on this pipeline project.
9 They will try to obtain the line list and they will send you
10 information to fight the pipeline project and a lot of times
11 they will guarantee you that they can get you X amount of
12 dollars from the pipeline industry if they come across your
13 property. Do not listen to them when they tell you that. I
14 have multiple issues throughout the country with attorneys
15 that say they can represent people and give them X amount of
16 satisfaction and they spend a lot of your money and a lot of
17 times you would be more beneficial in contacting FERC and
18 having us deal with the company for you. So I can caution
19 you on that. If you use an attorney, make sure that you're
20 using the right attorney.

21 MS. BUTLER: Please bring your comments forward
22 because one of the reasons I didn't put about 10 minutes on
23 the record was because I did a quick count in here and even
24 if every two of you spoke for only five minutes then I would
25 have taken up your time and this is about you. This is

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1 about getting your comments on the record, not what we would
2 sit up here and say. So please bring your concerns up. The
3 operator needs to hear what they are early in the process so
4 they can do the best possible job to make some changes if
5 it's required.

6 MR. SIPE: A lot of times people come to these
7 meetings for us to provide you guys with as much information
8 as we can. I tried to do that tonight. So if you have any
9 questions, please step up to the microphone and ask your
10 questions. Like Karen said, it's your opportunity. It's
11 very easy tonight for you guys to put your comments on the
12 record because all you have to do is come up and speak. If
13 you don't do that, you have to go through the e-Filing
14 process or you have to submit written comments.

15 MR. WHEELER: Good evening. John Wheeler
16 representing the Mt. Zion township row district of Macon
17 County, Illinois. Also, notably the Garretts and Mr. Lake,
18 the two prior speakers to me are township residents.

19 MR. SIPE: Sir, can you tell me what Mt. Zion --
20 what the village is about, a little bit.

21 MR. WHEELER: I'm the Township of Mt. Zion. I'm
22 not the Villages. That is the incorporated area of the
23 Village, okay.

24 MR. SIPE: Thank you.

25 MR. WHEELER: We're concerned and I know it has
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1 been made known I'm also a farmer and there are several
2 properties which the pipeline will obviously encroach
3 several roads. I'm in charge of approximately 58 miles of
4 Township road in the Mt. Zion Township mostly going to be
5 crossed by the Rockies Pipeline north/south roads. Already
6 an alignment established from the Macon County Highway
7 Department East/West proposed bypass, which there has
8 already been engineering done on it. Our concern is that
9 you would follow that alignment as close as the proximity of
10 them as you possibly could, mainly on the southern portion
11 of their alignment, which would not affect the Garretts or
12 the citizens and also would establish maybe, possibly you'll
13 be crossing several drainage tiles, which has already been
14 spoken about, might identify a lot of problems for someone
15 else also, you know, in the near term and in the long term
16 would help each other in the same token. So I would ask
17 that you would follow that alignment as close as you
18 possibly could.

19 MR. SIPE: What was that road again?

20 MR. WHEELER: What was the road?

21 MR. SIPE: The highway?

22 MR. WHEELER: Macon County East/West Bypass.

23 MR. SIPE: Okay, thank you.

24 MR. WHEELER: 360 North Main Street, 8644975 Mt.
25 Zion, Illinois 62549. Thank you.

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1 MR. SIPE: Thank you.

2 MS. BUTLER: I know there's a couple more out
3 there because I talked to them, so come forward.

4 MR. MONROE: My name is Jim Monroe. I live at
5 3159 State Highway 104, Waverly, Illinois. My concern is
6 about the preliminary work that Rockies Pipeline has done
7 has been, if I was doing the project, probably a little bit
8 weak. On our property, on this farm is where we live. A
9 lot of you folks can't see this, but it's in the center of
10 this page. It's an old timber, hardwood timber, probably
11 about like the walnut preserve, walnut tree preserve over
12 east. It's never been timbered. It has hills both side,
13 150 foot drops down to a valley and a creek in the bottom.
14 The creek is Woods Creek, which is the overflow, the
15 discharge creek out of Waverly Lake.

16 At our north point, especially, the gentleman
17 from Rockies Pipeline, you'll see this three green lines are
18 existing Panhandle high pressure lines, three of them, west
19 to east. One of them comes in about, oh, 150, 200 feet at
20 the north tip of our farm. So what Rockies wants to do is
21 come in and segregate the south one-third of our farm. So
22 we're going to have north and south. Now the outside of the
23 south part of this farm, if they put all the way across
24 there, my ingress/egress I don't have if they wanted to
25 block this off for some reason, safety reason or something
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1 like that. There's no road there. I can't get to it.

2 Now my proposal is -- well, there's two
3 alternatives. The first one is follow the existing
4 Panhandle pipelines. From this point here to this point
5 here is a half mile. From here to here is about a little
6 over a quarter of a mile. Now I know that Rockies Pipeline
7 can find a line through here with those other three. That's
8 my contention and my contention is going to be that same way
9 two years from now because I'm going to really resist this
10 cutting my farm in thirds. I'm just not going to allow it,
11 not if I can allow it.

12 I've already contacted and been talking to other
13 agencies, Agriculture is one. This is highly erodible
14 because of this timber here they consider this highly
15 erodible down to the creek. They want the timber to stay,
16 which keeps erosion down. This is a highly erodible area.
17 When you take and clearcut that, size slope and then back
18 slope to go up the hill, cut it out, guess what. You're
19 going to effect Woods Creek. You're going to affect all
20 this bottom ground. Those are my concerns, part of them.
21 But I don't like my farm -- you know, these pipelines were
22 there when we bought the place 35 years ago, which is fine.
23 But then to come through and cut my farm into thirds, huh-
24 uh, that doesn't sound right to me, especially -- and she's
25 not her and I can't really speak for her, but my neighbor to
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1 the south asked the survey crew "Why are you going through
2 there?" This property of hers was originally 15, 20 years
3 ago was all clearcut and bulldozed out for the proposed
4 Waverly Lake II. It's all been cleared. She asked them
5 "Why don't you bend and just come right through here?"
6 Circumvent our property and just go around it. You're going
7 to add possibly 500 foot of pipe, and she asked them that.

8 I think they done some preliminary survey through
9 there, at least some looking at it. But I would hope that
10 Rockies Pipeline would come back and take a second look at
11 that.

12 Another thing -- my law firm has contacted them
13 as well as us. No one from Rockies Pipeline has ever come
14 out to talk to us. We wrote them letters. No one has said
15 anything because I could give them some food for thought,
16 let's say, because this whole area -- the amount of years
17 that I've lived here I know every part of this area for
18 about two or three square miles because I hunt. I walk all
19 over it. There's better alternatives with less impact.

20 Here's another thing, too. As you go down Woods
21 Creek where these hills on each side here are so steep it
22 gets flat down in here. My gosh, if I was going to run a
23 pull or a bulldozer, I'd want to take the easy route, you
24 know, if the landowner said, "Why don't you go through
25 here?" That's common sense. That's all I got to say this
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1 time.

2 MR. SIPE: We appreciate it. Thank you. They
3 will be contacting you now because your comments are on the
4 record and FERC will be asking them to contact you.

5 MR. MONROE: Thank you.

6 MR. SIPE: Thank you.

7 If I can go back to the attorney thing one more
8 time, if you guys do use an attorney to represent you
9 against a pipeline project, just make sure if you use the
10 attorney, the attorney files the information with FERC also
11 so we know about it. I just had an example of a lady that I
12 was able to help very near the end of the process where she
13 was using an attorney who didn't understand the FERC process
14 at all and never filed a single thing with the agency who
15 gives them the final construction clearance to go and didn't
16 understand that they needed to do that. And as soon as they
17 filed that information with me, I was able to address her
18 concerns and move on with it and she didn't need to spend
19 that money. So make sure, if you are using an attorney, you
20 do have the attorney file that information with us also so
21 we know what's going on. If we don't know what issues are
22 out there, then we can't help you.

23 Anybody else like to speak?

24 (No response.)

25 MS. BUTLER: I just wanted to be sure that you
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1 also understood that while he talked about a monitoring
2 program and environmental inspection out on the site, that
3 the Office of Pipeline Safety also does construction
4 inspections and so we will be looking at things like making
5 sure that the pipeline is constructed with suitable
6 materials, making sure that the welders are qualified to
7 weld, making sure that the welding is done properly in some
8 case. We will also be looking at whether the pipeline has
9 been installed to the proper depth.

10 If you can't hear me, please raise your hand.
11 I'm trying to yell. That it's been coded effectively and
12 that it's been methodically protected effectively. We'll
13 verify that the backfill is suitable and that it has been
14 properly tested upon completion for the pressures that its
15 desired to run at. We also have operator qualification
16 programs. After this would happen and the pipeline would be
17 certificated and starts to go in, there are all kinds of
18 requirements about operating and maintenance, including
19 manuals, emergency procedures. There's a new requirement,
20 PR1162, that talks about public awareness, which would
21 affect you. This information that the operator is required
22 to provide you on a regular basis about information about
23 what to do in the event of an emergency, how to recognize an
24 emergency and who to call. So it covers a lot more than
25 that. That's just three of the highlights of it.

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1 I also want to tell you that the Department of
2 Transportation also has a docket and the docket number for
3 this in the Department of Transportation is 23998. So what
4 is on that particular site, if you go to OPS.DOT.gov and you
5 get on with a simple search. And if you have any questions
6 about this please call me and we'll get you to the right
7 spot where you can review these documents. This is anything
8 that's been filed regarding the operation and maintenance of
9 the pipeline to date. It's after these scopings.

10 MR. SIPE: Thanks Karen.

11 Ma'am, if you have a question, you have to come
12 up front. I'm sorry. It's for everyone's benefit here
13 tonight that this is being recorded by a court reporter.

14 MS. DERBY: My name is Kathie Derby, 405
15 Henderson, Mt. Zion, Illinois. My question, I guess, is how
16 regulates and fines these companies to make sure they're
17 putting this in properly, and if there is a problem, who
18 fines them? Who takes care of that regulation?

19 MR. SIPE: The question was, if it's not put in
20 properly, if it's not constructed the way it should be, who
21 fines them? Under the Energy Policy Act of 2005, FERC just
22 did receive authority to fine the applicants for not
23 constructing these properly. So it's a new thing that FERC
24 is able to do. To my knowledge, it hasn't been done yet.
25 These companies don't want to have it happen because it is

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1 very costly to them, but FERC does have that authority now.
2 So the office director and the chairman of the Commission
3 would have that authority.

4 MS. DERBY: So you would be fining Rockies
5 Mountains or the companies that are putting the oil in it?

6 MR. SIPE: This is natural gas.

7 MS. DERBY: Or gas rather. So who would you be
8 fining? Rockie Mountains or the companies that hired Rockie
9 Mountains.

10 MR. SIPE: We will be fining the applicant. That
11 would be Rockies --

12 MS. DERBY: Rockie Mountains. So they have no
13 past history at this point, so we know nothing about how
14 they pay fines or if they pay fines on a regular basis. We
15 have not past history. Correct?

16 MR. SIPE: No, not the FERC.

17 MS. DERBY: So the only past history really is
18 what the oil companies that are hiring them or whether or
19 not they have big enough pockets that they're willing to be
20 fined and pay them.

21 MR. SIPE: The shippers themselves -- you're
22 talking about themselves. Remember this is not oil
23 companies. Sometimes oil companies are the backing for
24 these pipeline projects. They do own the product going
25 through that line. We do not regulate the shippers. The
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1 FERC does not regulate the shippers. We regulate the
2 natural gas pipeline companies themselves, the transporters.

3 MS. DERBY: Okay, that's my question.

4 MS. BUTLER: I think also to speak to your
5 question a bit would be regarding what would happen if
6 something that we would purview would not go well, maybe not
7 exactly during the construction phase, but let's say they're
8 beginning to hydro test and it doesn't work well. Then the
9 mechanisms that are provided to us as the Department of
10 Transportation PHMSA group is we can issue civil penalties,
11 but also more importantly we like to work towards
12 remediation, which means we like to come up with a
13 structured plan to resolve the problem as opposed to
14 initially go after dollars. But in addition to that, there
15 are criminal penalties in some cases that can be issued. So
16 that is on an ongoing basis even after it's constructed and
17 we're moving commodity through it.

18 MS. DERBY: Okay.

19 MR. SIPE: Another thing I can mention. You guys
20 do have some older pipelines on some of you guys' property.
21 Under the Pipeline Safety Act of 2002, these companies just
22 are now required for new testing procedures. They have to
23 be done in a certain amount of time. The old ones had to be
24 done in a certain amount of time, but it's been
25 restructured. So a lot of these pipelines that on your
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1 property now have or will be soon tested basically for leaks
2 and for corrosion. If they find them, then they do have to
3 go back in and fix the problems. It's a very good thing.
4 You probably read some of the stories about some of the
5 older pipelines having failures in the recent past in
6 different parts of the world. The Pipeline Safety
7 Improvement Act was designed to solve those issues.

8 MS. BUTLER: Do you guys know the two major
9 causes of pipeline problems, meaning leaks or -- okay,
10 what's the first one? Everybody can guess. Corrosion.
11 That's one of them. What's probably the other one?

12 MR. SIPE: We can't start asking questions to you
13 guys because of the court reporter.

14 MS. BUTLER: That was my fault. Let me rephrase
15 it. There are two major issues associated with pipelines.
16 I apologize for asking it in a question form rather than
17 reading a statement. I think it's important that you know
18 that. Besides corrosion is damages caused by excavation.
19 If you don't know that there's a one-call law in your state,
20 please know that. Please know that even if you, as the
21 landowner, is just digging near a pipeline, please call your
22 one-call so that the facilities will come out and be marked
23 prior to excavation.

24 I apologize again for not having addressed that
25 in a statement format.

26

1 MR. SIPE: If you go to the history of pipeline
2 accidents, usually a lot of them are caused from like the
3 local distribution companies where they have smaller lines
4 and such running throughout people's communities. It's
5 usually not the larger pipeline like the interstate
6 pipelines that we regulate. Like the smaller gas company
7 lines like is in this town right now, if it's not an
8 interstate gas pipeline company, FERC does not regulate
9 those guys. We regulate the larger interstate pipelines. A
10 lot of the accidents happen with the LDCs -- that's what we
11 all them, local distribution companies -- where you have
12 someone digging into them, but does not realize that they're
13 there.

14 MS. BUTLER: The Department of Transportation has
15 agreements with state partners. They work with us and we
16 inform each other of what's going on in that area. So while
17 the state may be jurisdictional over LDCs, and we may be
18 handling interstate pipelines, which are pipelines that
19 cross state boundaries, and the state will be handling
20 intrastate in the natural gas case. We're only talking
21 natural gas, intrastate meaning the pipeline stays within
22 the state boundaries, there is communication between the two
23 of us as partners.

24 MR. SIPE: We have a pretty strong network and we
25 signed a lot of memorandum of understandings between us and
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1 a lot of other multiple federal agencies in assisting us
2 with these pipeline projects. So the federal family is
3 pretty strong on how we deal with these and how we work
4 together and how we resolve issues.

5 So the memorandum of understanding, which did
6 result from the Pipeline Safety Improvement Act of 2002, is
7 a good thing. We're working very closely with our federal
8 partners throughout this process, and also with the state
9 agencies. That's why we're here and that's why during the
10 day we're going out and meeting with a lot of the local
11 agencies and sitting down and getting their issues.

12 Like I said today, meeting with Terry Salvo from
13 the Department of Agriculture and some of her counter-parts,
14 we learned a lot of stuff that we didn't know today and they
15 are going to assist us in helping the farmers in the areas
16 with their concerns. So these scoping meetings and scoping
17 time that we spend out here only helps us all out.

18 Do I have any more speakers? And again, along
19 with FERC and along with DOT and actually Terry from the
20 Department of Agriculture, she'll be here after. I'm
21 volunteering you to stay a little longer afterwards to
22 answer anybody questions.

23 So without any more speakers, the formal part of
24 the meeting will conclude. Again, I really appreciate you
25 guys and I thank you for coming out tonight. So let the
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1 record show that this meeting concluded at 8:25 p.m. I
2 appreciate it.

3 (Whereupon, at 8:25 p.m., the above-entitled
4 matter was concluded.)

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