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PF06-30-000

State of Indiana

Senate

Senator Bob Jackman, D.V.M.
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PUCO

Committee:
Natural Resources, Chair
Appropriations
Agriculture & Small Business
Commerce, Public Policy & Interstate Cooperation

Joseph Kelliher, Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

ORIGINAL

OFFICE OF
EXTERNAL AFFAIRS
2007 MAR 15 P 3:01
FEDERAL ENERGY
REGULATORY COMMISSION

REGARDING: Docket #PF06-30-000 REX EAST Pipeline

Dear Chairman Kelliher,

It is with great trepidation I write to you today. Indiana Senate District 42 (which I represent) is comprised of the southern Indiana counties of Decatur, Fayette, Franklin, Rush and Shelby, three of which will be impacted by the proposed route of the REX EAST Pipeline. Therefore, on behalf of my constituency, I am pursuing passage of Senate Bill 529.

This legislation would direct the Pipeline Safety Division of the Indiana Utility Regulatory Commission to adopt guidelines governing the construction of a pipeline in Indiana.

The guidelines stipulated in SB 529 are similar to construction standards negotiated by REX EAST with government officials representing our neighbors in Illinois and Ohio. However in the State of Indiana REX EAST has chosen to negotiate with a state-wide member association (Indiana Farm Bureau). Indiana Farm Bureau is conducting these negotiations without input from landowners directly affected by this proposed pipeline.

As such, I have three questions for clarification:

- 1) Does the FERC have a standard requirement as to whom a pipeline company must negotiate construction standards with in a given state?
- 2) Once a contractor, such as REX EAST, submits an application to the FERC accompanied by a negotiated construction standard agreement, is there any opportunity for affected landowners to negotiate further standards pertaining to pipeline construction?
- 3) If a State passes legislation addressing pipeline construction standards and that legislation differs from the construction standards plan submitted in the pipeline application to the FERC, how does your agency handle such situations?

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It is imperative I receive an answer to these questions at your earliest convenience. The Indiana General Assembly will adjourn sine die by April 29, 2007. Thank you in advance for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, which appears to read "Senator Bob Jackman". The signature is stylized and includes a large, sweeping flourish at the end.

Senator Bob Jackman, D.V.M.



Reprinted
February 26, 2007

SENATE BILL No. 529

DIGEST OF SB 529 (Updated February 26, 2007 6:37 pm - DI 101)

Citations Affected: IC 8-1; IC 32-24.

Synopsis: Requires the pipeline safety division (division) of the utility regulatory commission (URC) to adopt guidelines governing the construction of interstate pipelines in Indiana. Requires the guidelines to be adopted not later than September 1, 2007. Requires the division to publish the guidelines in the Indiana Register as a nonrule policy document. Requires the division to consider adopting less burdensome or less costly guidelines for pipeline companies that locate a pipeline along existing rights-of-way or easements. Specifies certain standards that the guidelines may include. Provides that the guidelines are not binding on any pipeline company or affected landowner. Provides that the guidelines may be used by a pipeline company or an affected landowner to simplify negotiations involved in establishing a price for any: (1) easement; or (2) other land interest; needed to construct a pipeline. Requires the division to send a notice of the guidelines and other required information to: (1) a pipeline company that proposes to construct a pipeline in Indiana; and (2) all affected landowners. Requires a pipeline company to communicate, by a date specified in the division's notice, the pipeline company's intention to do one of the following: (1) Comply with the guidelines. (2) Reject the guidelines and negotiate different or amended guidelines with the division. (3)

(Continued next page)

Effective: Upon passage.

Jackman, Lawson C, Bray, Rogers

January 23, 2007, read first time and referred to Committee on Utilities & Regulatory Affairs.

February 22, 2007, amended, reported favorably — Do Pass.

February 26, 2007, read second time, amended, ordered engrossed.

SB 529—LS 7827/DI 101+

