

FILE

06-1142-6A-BIN 1

1 FEDERAL ENERGY REGULATORY COMMISSION  
2 OFFICE OF ENERGY PROJECTS  
3 AND  
4 UNITED STATES DEPARTMENT OF TRANSPORTATION  
5 PIPELINE AND HAZARDOUS MATERIALS SAFETY  
6 ADMINISTRATION

7  
8 - - -  
9  
10 ROCKIES EXPRESS EAST PROJECT  
11 PUBLIC COMMENT MEETING

12  
13 - - -

14  
15  
16  
17  
18  
19 January 8, 2008  
20 6:00 p.m.  
21 Greensburg High School  
22 Greensburg, Indiana  
23  
24  
25

RECEIVED-DOCKETING DIV  
2008 JAN 18 PM 4:04  
PUCO

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician AM Date Processed 1/18/08

## APPEARANCES

Alisa M. Lykens, Chief, Gas Branch 2, Federal Energy  
Regulatory Commission, Office of Energy Projects

(Speaker registration list is attached.)

## INDEX OF SPEAKERS

Page No.

Opening of the meeting (by Ms. Lykens)	3
Peter King	10
Dr. Noel Krothe	21
Jason Krothe	21
Dan Cutshaw	33

## INDEX OF SPEAKERS

	Page No.
Greg Dole	37
Carolyn Morgan	41
Jimmy Brattain	49
Joe Rust	59
Betsy Lecher	65
Monica Yane	69
Open comments and questions	71
Closing of the meeting (by Ms. Lykens)	100

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

2

3 MS. LYKENS: Good evening everybody.  
4 Welcome. My name is Alisa Lykens. I am the Branch  
5 Chief in the Division of Gas-Engineering and  
6 Environment in the Office of Energy Projects at the  
7 Federal Energy Regulatory Commission. The  
8 Commission office is located in Washington, DC.

9 Tonight I am assisting the  
10 environmental project manager, Laura Turner, with  
11 the draft environmental impact statement, or EIS  
12 public comment meetings for the Rockies Express East  
13 Pipeline Project. We are holding a total of nine  
14 public meetings this week across the project area,  
15 with three separate teams staffed by our Commission  
16 staff and our environmental contractor, ICF  
17 International and Entrix.

18 This is a public meeting to take  
19 comments on the draft EIS issued by the Commission  
20 as the lead federal agency for this project. The  
21 oral comments we received tonight and any filed  
22 written comments received will be addressed in the  
23 final Environmental Impact Statement prepared for  
24 this proposal.

25 The draft EIS was prepared by FERC

1 staff, ICF International and Entrix with input from  
2 other federal cooperating agencies. We received  
3 over 500 comments during the scoping period,  
4 including the written and oral comments, received at  
5 our scoping meetings. We did our best to evaluate  
6 the impacts and address them in the Draft EIS.

7 The principle objectives of the Draft  
8 EIS are to: Identify and assess potential impacts  
9 on the natural and human environment that would  
10 result from the implementation of the proposed  
11 action; describe and evaluate reasonable  
12 alternatives to the proposed action that would avoid  
13 or minimize adverse effects on the environment; and  
14 also to identify and recommend specific mitigation  
15 measures, as necessary, to minimize environmental  
16 impacts.

17 This meeting is intended for you to  
18 tell us what you think we got right, what we got  
19 wrong, what we missed, or need to re-evaluate for  
20 the final EIS.

21 Representatives from ICF and Entrix  
22 are helping me tonight. Let me introduce  
23 Karen Fadely to my right. Chris Moelter is the  
24 young gentleman over at the junior high directing  
25 you guys back here. Shaina Farfel and Jennifer Ward

1        were at the front desk that greeted you. We also  
2        have Mr. Harold Winnie from the US Department of  
3        Transportation, Pipeline and Hazardous Materials  
4        Safety Administration, and Office of Pipeline  
5        Safety. Carol, just kind of waive. Harold is going  
6        to be attending tonight's meeting and also available  
7        after the meeting, as we will, to answer questions.

8                        The Federal Energy Regulatory  
9        Commission itself is composed up to five  
10       commissioners who are appointed by the President.  
11       Currently the Commission has five sitting members,  
12       with one designated chairman. Our chairman  
13       currently is Joseph Kelliher.

14                      The Commission itself will decide if  
15       authorization of the Rockies Express East Pipeline  
16       Project is in the public convenience and necessity  
17       and greater public interest. As part of the  
18       decision-making process the Commission must consider  
19       the environmental impacts of the project and comply  
20       with the National Environmental Policy Act or NEPA.  
21       In order to comply with NEPA, we produced this draft  
22       EIS so the public has the opportunity to review the  
23       proposed project.

24                      The Rockies Express East Pipeline  
25       Project is a joint venture among Kinder Morgan

1 Energy Partners, Semptra Pipelines and Storage, and  
2 Conoco-Phillips . On April 30th, 2007, Rockies  
3 Express filed an application under Section 7 of the  
4 Natural Gas Act in Docket No. CP07-208 to construct  
5 and operate new natural gas facilities, including  
6 640 miles of 42-inch-diameter pipeline through  
7 Missouri, Illinois, Indiana and Ohio. Seven  
8 compressor stations, totaling approximately 225,000  
9 horsepower of compression, and ancillary areas are  
10 also proposed. The project is covered in more  
11 detail in the draft EIS.

12 The draft EIS was issued on November  
13 23rd, 2007, with the closing comment date of January  
14 14th, 2008. I do encourage you if you are not  
15 speaking tonight and would like to provide written  
16 comments, you should send them as soon as possible  
17 so we may receive them by the 14th. You may also  
18 wish to file your comments electronically and those  
19 directions are available in the first few pages of  
20 the draft EIS, or in the guide that we have, a  
21 brochure at the front table entitled Your Guide To  
22 Electronic Information at FERC.

23 Because the Commission has a responsibility  
24 to treat all parties to a proceeding equally, we  
25 must make certain that our process is open and

1 public. For this reason we at the Commission are  
2 constrained by what are known as exparte rules.  
3 This means there can be no off-the-record  
4 discussions or correspondences between the FERC  
5 staff and interested parties regarding the merits of  
6 this case; therefore, I either urge you to speak  
7 tonight on the record or put your comments in  
8 writing and file them with the Secretary of the  
9 Commission so we can evaluate them. Again, the  
10 directions to do so are in the draft EIS itself and  
11 also the brochure available at the front table.

12               You may have noticed that we have a  
13 court reporter, or two, on in training. This is so  
14 we can have an accurate record of tonight's meeting.  
15 If you would like a copy of the transcript you can  
16 make arrangements with the court reporter following  
17 the meeting. The transcript will eventually be made  
18 available as part of the public record and available  
19 at the public reference room.

20               Again, let me emphasize that this is  
21 not a hearing on the merits of this proposal. It  
22 is, like I said earlier, a meeting to give you an  
23 opportunity to comment on the draft EIS. We will  
24 address tonight's comments in the final  
25 environmental impact statement when it is ready for



1       issue.

2                   All comments filed that are not  
3       environmental-related, including project need, will  
4       be considered by the Commission when it makes its  
5       overall decision on whether to approve or disapprove  
6       the project.

7                   We will be available after the formal  
8       proceedings have concluded to answer any individual  
9       questions that you have, and I will attempt to  
10      answer any questions you may raise if I feel it can  
11      answer it, particularly for those of you who are in  
12      attendance tonight. At the same time, I'm also  
13      cognizant of your time, so if we have speakers  
14      waiting their turn to speak, I might try to keep on  
15      course and ask you to hold your questions until  
16      after the last person has had the opportunity to  
17      speak, this way we can keep the meeting running more  
18      productively.

19                  I will call up the individuals to  
20      speak in the order listed on the sign up sheet. We  
21      also brought some forms for you if you would rather  
22      submit your comments in writing. You can pick those  
23      up at the front desk.

24                  When you come up to speak, please  
25      spell your last name for the record, speak slowly

1 and clearly, and identify any organization you may  
2 be representing.

3 Our first speaker tonight is  
4 Pete King. Mr. King, if you could come up.

5 MR. KING: Thank you,  
6 Madam Chairwoman.

7 My name is Peter King, K-I-N-G, and  
8 I'm here today on behalf of Hoosier Hills Regional  
9 Water District and its customers.

10 Hoosier Hills Regional Water District  
11 is one of the 12 well head protection areas which  
12 work is identified along the proposed pipeline.  
13 Hoosier Hills is a not for profit rural water  
14 company providing water to 10,421 people in Ripley,  
15 Franklin, Dearborn counties here in Indiana, with a  
16 total overall service area of approximately 515  
17 square miles.

18 Our water source is the well field  
19 located in the White Water River basin just south of  
20 the White Water River in Brookville Township in  
21 Franklin County, Indiana. The well field is fed  
22 from the White Water aquifer.

23 Unfortunately, the way this is set up  
24 I'm going to be speaking to the staff and to the  
25 court reporter. I would like to speak to the

1 public, but I want to make sure. This thing keeps  
2 cutting out. Yes, that will be fine. Thank you.

3 Our water source is a well field  
4 located within the White Water River basin just  
5 south of the White Water River in Brookville  
6 Township in Franklin County, Indiana. The well  
7 field is fed from the White Water aquifer, which is  
8 supplied by the White Water River. The total  
9 population served by this aquifer, because there are  
10 other regional water districts or water companies  
11 involved, is approximately 37,024 people.

12 Initially I'd like to provide some  
13 background on our facility infrastructure. We  
14 currently operate at Hoosier Hills two production  
15 wells with a third production well that will be in  
16 operation, we hope, by the spring of 2008. With the  
17 two wells our output capacity is 1,000 gallons per  
18 minute. We also have a water treatment plant that  
19 is engineered to remove iron and manganese from the  
20 water. It is not engineered to address surface  
21 water contaminants such as those posed by a natural  
22 gas pipeline, because those are not naturally and  
23 traditionally generated in a traditional ground  
24 water setting.

25 There are also five storage tanks

1       pumping and booster stations along the 300 miles or  
2       so of transmission lines throughout our service  
3       area.

4                       Tonight you will hear from Professor  
5       Emeritus, Dr. Noel Krothe, an imminent  
6       hydrogeologist who has studied this area of the  
7       White Water River Basin surrounding our public water  
8       supply relatively extensively. He will explain the  
9       topography of the area to you and you will learn its  
10      topography in terms of its rolling hills. He will  
11      talk about the gradient of the flow of water that is  
12      towards our aquifer.

13                      Generally the water you will find will  
14      travel toward us in a south and easterly direction  
15      from the north and the west. And this is important  
16      because it means contaminants, contaminants that get  
17      into the aquifer from the north and the west will  
18      flow directly into our well field area. He will  
19      explain to you the concept of travel time as it  
20      relates to the movement of contaminants through the  
21      water and how fast the contaminants will reach  
22      public water supply if they were induced and  
23      submitted into the aquifer.

24                      He will also explain to you how the  
25      highly permeable nature of the sandy soil in the

1 area of the proposed sitting of this pipeline,  
2 combined with how the ground water will travel  
3 through the gradient process will impact our pumps  
4 and what's specifically called -- and he will  
5 explain in more technical detail -- our cone of  
6 depression, that is once our pumps begin to kick in,  
7 so to speak, in an aquifer it sends out an impact  
8 into the aquifer, generally in grade of north and  
9 west, pulling water towards us, and therefore,  
10 unfortunately, potential contaminants.

11 Our well head protection area is based  
12 upon the delivery and capacity of our two wells. It  
13 is important to note that the current sitting of  
14 this pipeline is located within the well head  
15 protection area of Hoosier Hills Regional Water  
16 District.

17 Hoosier Hills will strenuously object  
18 and move to intervene in this matter as to the  
19 current location of this line as a result of the  
20 unreasonable risk that is now posed by the  
21 contamination of the public water supply both during  
22 construction and afterward, during operation.  
23 Hoosier Hills and its board of directors on behalf  
24 of the rate payers of these three counties want to  
25 urge you to understand that the risk of

1       contamination of our public water supply through the  
2       location of this gas pipeline poses an unreasonable  
3       risk, especially when there are reasonable  
4       alternatives that will allow this not to occur.

5               Now, what are those risks of  
6       contamination? We know that during the construction  
7       process, as outlined in the draft EIS, this will  
8       include the Rockies -- the Rockies Express Group --  
9       clearing and grading, trenching, evacuation, fuel,  
10      hammering, and blasting. There will be Rockies'  
11      equipment and traffic. And Rockies' in the draft  
12      EIS recognized that those methods, combined with the  
13      equipment's affect on the area, could, could  
14      adversely affect the ground water resources,  
15      including the Hoosier Hills aquifer, our wells, and  
16      our well head protection area.

17              The draft EIS notes that the adverse  
18      impacts posed by the Rockies' construction in the  
19      Hoosier Hills area includes the following:  
20      Localized decreases in ground water recharge rates,  
21      changes in over land water flow, contamination  
22      potential due to hazardous material spills such as  
23      diesel and hydraulic fuels, decreased well yields,  
24      decreased water quality, interference with well  
25      mechanics, and potential for complete disruption of

1 the well's function. The decrease in water quality  
2 is significant as it relates to the responsibility  
3 of Hoosier Hills to protect not only the rate payers  
4 of the Hoosier Hills Regional Water District, but  
5 also the quality of life that we serve as we serve  
6 those customers.

7 Turbidity will also become an issue.  
8 Turbidity is the lack of clarity in the water of  
9 which we do not currently have a problem, but this  
10 is something that will occur, we believe, also as  
11 results of those construction activities.  
12 Interestingly, because we do not have a turbidity  
13 problem with our current water, our current  
14 treatment plant facilities are not designed to deal  
15 with such issues.

16 The draft EIS report listed points on  
17 the expected adverse impact of contamination, and  
18 that is: Not only will the construction activities  
19 be part of the problem, but the direction of  
20 drilling of this line will increase and provide for  
21 channels of potential contamination for pesticides,  
22 herbicides, even ecoli from the surrounding farm  
23 surface area.

24 Sewage from the Rockies Express Line  
25 damaging drain pipes, neighboring resident's land

1       can also cause contaminations from septic systems  
2       that will move through this very highly permeable  
3       soil in the area of our aquifer and the river bed in  
4       which this pipeline is to be located. This will  
5       compound the ease of the movement of contaminants,  
6       it will create a significant risk of public health  
7       and safety.

8                 According to the draft EIS, the  
9       Rockies Express plans to utilize the HDD method  
10      under the river -- that is a horizontal directional  
11      drilling method under the river -- less than a mile  
12      from our well fields. Now, think about it. It is  
13      less than a mile to the northwest, and understanding  
14      the gradient of the water.

15                However, the draft EIS leaves the  
16      public, and in particular Hoosier Hills, uncertain  
17      as to the type, nature, and length of the HDD  
18      process. And its also important to recognize that  
19      the type of drilling that is going to be proposed,  
20      according to the engineering analysis that we're  
21      receiving, will continue to create unnecessary  
22      pathways to the aquifer, increasing, again, the ease  
23      of movement of contaminants to our water source.

24                Particularly troubling to Hoosier  
25      Hills is the fact that there has not yet been



1 completed, according to the draft EIS, by Rockies  
2 Express -- and this is found in 4-24 of the draft  
3 EIS -- a list of locations of all streams, seeps,  
4 and wells identified within the 150 feet  
5 construction area. And no plan has been provided to  
6 prevent those adverse events from occurring. This,  
7 again, is an unreasonable risk; failure to identify,  
8 failure to outline the areas of which this risk of  
9 contamination to our well water source can occur.

10 Now, according to the draft EIS, the  
11 Rockies Express plan hydrostatic pressure testing,  
12 before launch of operations, that is once in the  
13 ground, then to test, will take something like in  
14 the order of, according to the draft EIS, 17 million  
15 gallons of water from the White Water River. Yet  
16 there has not been an understanding or a  
17 determination yet as to the method of discharge,  
18 whether it will be discharged back into the White  
19 Water River or over land.

20 Hoosier Hills has two areas of concern  
21 on this issue. One, discharging back into the river  
22 could contaminate the river, put pollutants in the  
23 river. Two, drawing these significant amounts of  
24 water from the area where our aquifer is located  
25 will, we believe, adversely impact our water supply.

1                   No information has been provided in  
2     the draft EIS as to what chemicals, compounds,  
3     elements, or other pollutants may be transferred  
4     from the pipeline into the water. And it does not  
5     appear yet that the draft EIS has even considered  
6     this issue.

7                   Further, it is not clear yet as to  
8     whether Rockies Express has established within a  
9     reasonable degree of engineering certainty what  
10    practice it would use at discharging water back into  
11    the river and to insure that there will not be  
12    pollution.

13                  The second concern, as I indicated and  
14    underscored is, the large draw of water from the  
15    White Water River and how it impacts our aquifer.  
16    We need data, we need full disclosure to determine  
17    the nature of these kind of activities as it relates  
18    to the overall determination of what environmental  
19    impact will occur. There are operational risks as  
20    well once and if the pipeline is implemented.

21                  Now, one of the things that's  
22    important, and I'm going to underscore, is the risks  
23    of contamination and some of the environmental  
24    issues that we've outlined is not conclusive,  
25    because once again, we have not yet received or the

1 draft EIS has not yet outlined several aspects of  
2 the operation issues and/or the gas analysis. And  
3 that's important.

4 Later you will hear, as well, from the  
5 engineer at Hoosier Hills who will talk about the  
6 cost and what would occur in terms of the  
7 operational issues and/or quality of life issues if  
8 and when this gas pipeline is implemented in its  
9 current location and if our aquifer is spoiled. It  
10 will represent a huge, huge cost to the rate payers  
11 of Hoosier Hills and it will impact adversely, in  
12 ways in which we do not know yet, the overall  
13 quality of life for the three counties we serve,  
14 Franklin, Dearborn, and Ripley Counties, let alone  
15 the potential for damage in the economical  
16 development possibilities for these three counties  
17 in southeastern Indiana.

18 Now, it's important, finally, I think  
19 that we look to and understand that if there is  
20 contamination -- and I will let our engineer discuss  
21 this issue -- the ability to actually remediate --  
22 the ability to actually remediate this aquifer is  
23 unknown and its costs, we believe, are close to  
24 astronomical for our rate payers.

25 Therefore, we would ask that this

1       commission, through its staff, consider not only  
2       these comments, but the comments that I will then  
3       turn over to Dr. Krothe, Mr. Cutshaw who is our  
4       engineer, and then eventually Mr. Greg Dole who is  
5       president of Hoosier Hills Water District to  
6       essentially do two things:

7                       No. 1, understand that from an  
8       environmental standpoint we're in a zero margin of  
9       error line of business. We cannot afford nor can we  
10      tolerate any, any margin of error as it relates to a  
11      serious risk of contamination of our water supply.  
12      Not only is it important to our rate payers, but  
13      it's important to the region as a whole.

14                     Secondly, we must ask that Rockies  
15      Express be required, before a final environmental  
16      statement is issued by this commission, to provide  
17      critical information to not only the commission, but  
18      to the public, as it relates to identifying what  
19      chemical additives in the gas it intends to  
20      transport and what contaminants it intends to flush  
21      into the White Water River from emptying pipes in  
22      order to make this a safe and operational pipeline.

23                     And in the final analysis we are  
24      asking that the commission and this staff take three  
25      steps:

1                   No. 1, take pause, return to the  
2           process of an original deliberate pace to allow  
3           critical questions to be answered, not after public  
4           comment expires on January 14th, but before, so that  
5           the public and those folks like Hoosier Hills has  
6           the ability to evaluate the science and engineering  
7           the important questions that have been raised and  
8           unanswered by Rockies.

9                   Secondly, I think doing that and  
10          providing that process and seeing the significant  
11          environmental impact the contaminants will have on  
12          Hoosier Hills and the aquifer and potentially the  
13          lives of 37,000 citizens in southeastern Indiana,  
14          this commission should and will determine that there  
15          will be adverse impacts by purposes of the  
16          environment and reject the proposed route along  
17          southeastern Indiana. And finally, reconsider the  
18          substantial merits of the Indy north alternative or  
19          any other route that takes this pipeline away, away  
20          from public water supply aquifers that are the life  
21          blood of our communities.

22                   Now, if I may turn this over to  
23          Dr. Krothe. Jason, will you be assisting him?

24                   JASON KROTHER: Yes.

25                   MR. KING: Madam Chairwoman, we

1       thought there would be a screen here which would  
2       allow Dr. Krothe to speak from a power point. We've  
3       not been able to determine there is one.

4                     Dr. Krothe, how would you like to  
5       proceed? Would it be better for -- Hearing Officer,  
6       would you mind if we have the laptop up there with  
7       you so you can see? Is that all right?

8                     And Dr. Krothe, if you like, I know  
9       you're very modest by nature, but could you tell the  
10      Hearing Officer and others just a general outline of  
11      your background as it relates to hydrogeology.

12                    DR. KROTHER: I'm a Professor Emeritus  
13      from Indiana University and my expertise is  
14      hydrogeology, both physical and chemical. And I've  
15      done considerable research in those areas, and also  
16      consulting. Right now I am the co-owner of  
17      Hydrogeology, Inc. in Bloomington, Indiana. And the  
18      other owner is my son Jason.

19                    And we were asked to come over and  
20      take a look at the well field and the problems that  
21      might be associated with it. I really have to  
22      compliment Pete. He did an extremely elegant job of  
23      presenting the case that we're going to try to talk  
24      about. So we're going to probably be talking about  
25      several things that he's already discussed. And so

1 I'll let Jason tell you something about his  
2 background.

3 JASON KROTHER: I'm Jason Krothe,  
4 K-R-O-T-H-E, and the thing that I'm going to talk  
5 about first is just the general concerns that we had  
6 with the environmental impact statement. And the  
7 first thing, and probably the most important is, I  
8 guess, the lack of consideration for the Hoosier  
9 Hills well head protection area. Another concern  
10 that we had is that nowhere in the EIS is there a  
11 description of the composition of the gas that will  
12 be coming through the pipeline. There's  
13 contamination issues during construction and also  
14 additional contaminants that will find its way  
15 possibly through the aquifer through this pipeline.  
16 One of those methods being directional drilling and  
17 the other is a phenomena sometimes called urban  
18 carse (phonetic), but basically it's altering the  
19 natural soil, and this pipeline will do that and  
20 will allow preferential pathways for contaminants  
21 and water to flow through it.

22 So the first thing I want to talk  
23 about is the well head protection area. Currently  
24 the pipeline is located within the one and five year  
25 time of travel. Which what that means for well head

1 protection area is you determine how far away the  
2 water is, how long will it take to get to your well  
3 field. And currently the pipeline will be within  
4 the one year and five year time of travel. So  
5 that's a big concern for us.

6 Another thing is that the EIS only  
7 discusses well heads within 150 feet of the  
8 pipeline, which to us, it's an arbitrary number, and  
9 especially with regards to Hoosier Hills Water, it's  
10 insufficient. The well head is somewhere between  
11 eight and 900 feet away from where the pipeline is  
12 going to be, and that is definitely within where the  
13 wells will be drawing water from.

14 Another point about the current well  
15 head protection is that the model had been run to  
16 determine it was based on a pumping rate of 600,000  
17 gallons per day. The current production is up to  
18 1.2 million. And they're currently working on a  
19 third well, and when that is complete it could be up  
20 to 2.9 million. And the point being with that is as  
21 you increase the pumping rate within this well  
22 field, you're going to increase the distance that  
23 water is going to travel to the well field, and  
24 you're also going to decrease the time that  
25 contaminants could travel to the well field.



1 DR. KROTHER: The term called cone  
2 depression was raised by Pete and Jason. For those  
3 of you that aren't hydrogeologists, if this is the  
4 well going down and the water level is it at this  
5 position, once they turn the pumps on and start  
6 pumping, the water level is going to drop and it's  
7 going to drop quicker, of course, in the area of the  
8 well itself. And that forms what we call a cone  
9 depression. When you draw that down, then it forms  
10 a cone which pulls water from all directions into  
11 the well field to satisfy that well. And so as  
12 Jason was saying, right now it's based on 500  
13 gallons per minute, and then 2,000, and it may go up  
14 to, what, 5 or 7,000.

15 JASON KROTHER: I think 2,000 once  
16 there is a third well.

17 DR. KROTHER: Third well, 2,000. But,  
18 Scott, did you say that there was potential for  
19 5,000? So in other words, that cone depression will  
20 spread out and get larger and it will draw water  
21 from greater distances. So this is kind of a an  
22 important concept. And since the water is flowing  
23 towards the river in that area, White Water aquifer,  
24 and is moving beneath the river towards that well  
25 field, then any contamination that occurs from

1       whether it's from construction or whether it's from  
2       the pipeline itself if there happens to be a leak,  
3       and we don't know very much about the nature of the  
4       gas that's going to be carried because we don't have  
5       that information, it was never published as far as  
6       we can see.

7                       And then as Jason was saying there is  
8       also possibilities -- Jason's masters thesis was on  
9       what we call urban carse, he did that at the  
10      University of Texas, where they took a look at all  
11      different kinds of things like electrical pipelines,  
12      regular pipelines, water lines and what that did to  
13      the permeability of the area and how these areas  
14      where these pipes were, then they became actual  
15      conduits that transported the water, then  
16      preferentially along those areas because they were  
17      more permeable once they were installed.

18                      So this is an important thing, and  
19      like I said, there's some tiles out there and if  
20      they break the tiles then you can have the septic  
21      getting out into the invidious soil, which then, of  
22      course, would make its way to the aquifer. And then  
23      the directional drilling that they're going to do  
24      under the river could create some very, very large  
25      what we call conduits that will transport water

1       faster along those areas than it would normally.  
2       Even though the river deposits are very permeable,  
3       that would just increase the permeability and move  
4       the water faster and towards the well field.

5                       So anyway, we're concerned that since  
6       there's 37,000 people who are drawing water from  
7       that aquifer, to me, it doesn't make much sense to  
8       have a pipeline coming that close to a public water  
9       supply. But we'll go through some of the things  
10      that Pete touched upon and try to elaborate on them.  
11      So anyway, back to Jason.

12                     JASON KROTHER: Like I said, one of the  
13      big questions we have is the composition of the gas  
14      coming through it. Usually the natural gas is  
15      composed of greater than 80 percent methane. Other  
16      components include ethane, propane, CO<sub>2</sub>, nitrogen,  
17      and hydrogen sulfite. And hydrogen sulfite can be  
18      up to 20 percent in some cases. And for us that's a  
19      big issue because, first of all, hydrogen sulfite is  
20      highly water soluble and can be poisonous to humans.  
21      So that's, I guess, one thing that we'd like to have  
22      answered is the actual chemical composition of the  
23      gas coming through the pipeline.

24                     DR. KROTHER: Also, methane is probably  
25      80 percent of the natural gas is made up of methane.

1       Methane is a gas, it's not highly water soluble, but  
2       when it escapes into water, in other words, if there  
3       was a break in that pipeline that was feeding  
4       methane into the river, it would probably have a  
5       huge fish kill because it's extremely toxic to fish  
6       and other life, other aquatic life. So that's also  
7       a consideration.

8                       There's a lot of unknowns here and we  
9       need some time to really sort out, you know, all the  
10      problems that can occur due to these types of  
11      pollution.

12                     JASON KROTHER: I guess Pete touched on  
13      this too. Another concern we had is the  
14      contamination that will occur during construction.  
15      It's mentioned in the EIS. The big concern for us  
16      is that the trench will probably be excavated seven  
17      to nine feet deep. There's roughly seven to eight  
18      feet of topsoil there before you encounter the  
19      permeable sand and gravel unit. So for us it's a  
20      big concern meaning you're digging in and giving an  
21      easier pathway for any sort of contaminate down into  
22      the water bearing sand and gravels.

23                     And obviously potential contaminants  
24      from construction could be gasoline, oil,  
25      antifreeze, and some other contaminates that we

1 identified, bacteria, including ecoli, nitrates,  
2 pesticides and herbicides all from the agricultural  
3 production that goes on in that area.

4 Real quickly on directional drilling.  
5 I guess the big question is where exactly it's going  
6 to occur in the White Water River; how far away from  
7 the river banks the initial drilling will begin,  
8 because that's a big question for us as far as the  
9 well head protection area; the deeper the drilling,  
10 the more easily contaminates could enter the  
11 aquifer. So that's another thing we'd like to know  
12 is how deep they plan to go under the river. And  
13 another thing that should be addressed is drilling  
14 under the river poses a risk of pipe rupture due to  
15 bed load scouring of the White Water River.

16 DR. KROTHER: Jason mentioned bed load  
17 scouring. And this is a phenomena that during  
18 extremely high flows the entire bed load of the  
19 stream bottom can actually be picked up and moved.  
20 And so if that pipeline is not deep enough and the  
21 bed load is scoured away, then that leaves the  
22 pipeline vulnerable to breakage from the pressure of  
23 the water, but also there will be large fragments of  
24 rock and stuff that with a very, very high flow that  
25 will move down through and could rupture the

1 pipeline. So the proper installation of that  
2 pipeline underneath the river is extremely  
3 important. And I don't know whether they have  
4 engineers, and maybe they took all that into  
5 consideration, but it's still a risk and I don't  
6 think anybody really knows how much of that bed load  
7 would be scoured during major rain, which I'm sure  
8 you have here. You just came in tonight, so you  
9 would know.

10 JASON KROTHER: The last thing that we  
11 want to talk about is what I called urban carse,  
12 which is basically increasing the permeability  
13 around the pipeline through the excavation and  
14 backfilling. It's not compacted to the same degree  
15 as the original soil is, so water naturally moves  
16 easier through the soil around the utility trench.  
17 And usually on average it's usually 100 times -- the  
18 permeability is usually 100 times greater than the  
19 soil around it. So a big concern for us is the well  
20 field itself is right along the river, including the  
21 well head protection area, so there's a lot of areas  
22 that would drain naturally to it anyway. And by  
23 putting this pipeline in, they're allowing an easier  
24 pathway from areas to the north and northeast of the  
25 well head protection area, including the train

1 tracks that go through there, that's a potential  
2 source of contamination and that's a big concern for  
3 us. And there is some discussion in the EIS of pipe  
4 breakers going in around the pipeline to control  
5 this phenomenon, but we feel it was insufficiently  
6 addressed in the EIS.

7 DR. KROTHER: Jason was just talking  
8 about railroad tracks. In Bloomington, Indiana I've  
9 done a fair amount of consulting on the PCP  
10 contamination from landfills. And there's a  
11 railroad track that runs near this one landfill and  
12 one time they just decided well, how will this  
13 affect the spring probably half a mile away, which  
14 was contaminated. And so they did a test where they  
15 just put water, they pumped water onto this old  
16 abandon railroad bed. And the permeability was so  
17 great that it almost -- in a very, very short period  
18 of time this spring responded to that flush of water  
19 that's going into it. So any of these pathways that  
20 they create by this pipeline, they're going to  
21 become preferential pathways.

22 Another consulting thing I did years  
23 back was down in Jasper, Indiana where there was a  
24 police barracks, state police barracks, that had  
25 their own gasoline storage tanks and they were

1       leaking. And so they called us down and we had to  
2       look at it. And the interesting part was that we  
3       found gasoline -- I don't know -- probably a mile or  
4       more away because there was a storm sewer line that  
5       went near where these spills occurred. And this  
6       gasoline, of course, made its way down to that area,  
7       because that becomes a sump. In other words, if  
8       it's more permeable, fluids are going to move  
9       through that pipeline, and then, of course, they  
10      follow the path of the pipeline. So there's lots of  
11      dangers with this type of construction.

12                   In the conclusions, the construction  
13      of REX in the Hoosier Hills area could result in  
14      contamination of the ground water aquifer, that's a  
15      given. We don't know exactly what that will be.  
16      We'll know a little bit more once we find out what  
17      the composition of the gas is. And Hoosier Hills  
18      cannot afford even minimal contamination that is  
19      acknowledged in the EIS. The pipeline, we believe  
20      very strongly, should be moved away from the Hoosier  
21      Hills WHPA. And that, to me, is just common sense.  
22      Why would you put a pipeline that has a potential  
23      for contamination so close to a well field. It  
24      makes no sense to me at all. There's no reason why  
25      that route of that pipeline can't be moved away from



1       the river and away from the aquifer so that there's  
2       no danger of contamination. Anything else?

3                   MR. KING: Madam Chairwoman, can I  
4       introduce Mr. Cutshaw. I think he's next. And he  
5       is the engineer for Hoosier Hills Regional Water  
6       District.

7                   MR. CUTSHAW: Thanks. My name is  
8       Dan Cutshaw, the name is spelled C-U-T-S-H-A-W. And  
9       we've been asked by Hoosier Hills to evaluate this  
10      pipeline. We ourselves as engineers do a lot of  
11      pipeline work and we're written EISs and engineering  
12      reports and we're very familiar with this type of  
13      project.

14                   We have several concerns regarding the  
15      pipeline as it relates to the Hoosier Hills well  
16      field and aquifer. One thing, the construction  
17      activities as they present themselves in the EIS  
18      prove to be very dangerous and critical to the  
19      aquifer. Any spill or leak of diesel fuel,  
20      hydraulic fluid, drilling mud or anything like that  
21      could endanger the aquifer. And as was stated by  
22      Dr. Krothe and Pete, these do present pathways into  
23      the aquifer.

24                   Also, during construction, as stated  
25      earlier, the White Water River will be directional

1       drilled. The static water level in the well field  
2       is about 12 or 15 feet. When you drill under the  
3       river on this large, a 42 inch pipeline under a  
4       river, you're going to go very deep to get under the  
5       river bed and possibly entering into that ground  
6       water level.

7                   Another concern is the potential for  
8       leaks after the pipeline has been placed in service.  
9       We still don't know what all the constituents or  
10      possible contaminates will be in the gas, but as  
11      stated in the EIS, since this is going through  
12      agricultural areas, there is going to be a thinner  
13      gauged pipe being installed, about half the  
14      thickness as what it would be if it was going  
15      through residential areas. This obviously presents  
16      a problem for reverse pressures and leakage and  
17      things like. Even the higher gauge steel pipe would  
18      not 100 percent make this danger go away.

19                   The major concern that we have is that  
20      if any of the problems that, as we stated  
21      previously, the construction issues, any leaks, or  
22      once the pipe is in service, any leaks of  
23      contaminates, it is in the one year time of travel  
24      of the well head protection area, which means if the  
25      contaminate happens, we have one year to react to

1       that to move our well field and our water treatment  
2       plant. Logistically it would be nearly impossible  
3       to move that kind of infrastructure in one year. We  
4       would have to replace the entire well field, but  
5       initially we would have to find a location or a  
6       piece of property to put the well field in. That  
7       presents problems in and of itself to find property  
8       in another location where the contamination is not  
9       going to be coming down that direction, we would  
10      have to go upstream with that.

11                 Finding property could be very, very  
12      costly and troublesome. The cost we estimate, and  
13      this does not include property aquisition, to  
14      replace the well field, the treatment, and the  
15      transmission to the existing customers is about 16.8  
16      million dollars. And that's a cost to the Hoosier  
17      Hills rate payers that would be very detrimental.  
18      Of course, this cost estimate depends heavily where  
19      the new well field would be located out of the  
20      contamination plume, and the availability of land.

21                 Contamination will also affect  
22      additional water companies in the area. Not only  
23      would Hoosier Hills have to find another location,  
24      but several other water companies in the White Water  
25      River Valley would also have to find other

1 locations.

2 Also, should the pipeline be located  
3 in the present location that it's proposed, Hoosier  
4 Hills would also need to perform continuous  
5 monitoring to detect any possible contaminates that  
6 will come out of the pipeline. We would have to  
7 drill monitoring wells, set that up for sampling,  
8 which would be very costly for us to do and for  
9 Hoosier Hills to pay the operation and maintenance  
10 costs for these type of tests are very high. So  
11 you're introducing additional operation and  
12 maintenance to the system.

13 Another potential problem would be  
14 nondetectable contaminates, if they become evident  
15 in the ground water supply, there would be  
16 significant capital costs to the treatment plant.  
17 Right now the treatment plant is basically a gravity  
18 sand filter, and it will not remove contaminates,  
19 will not remove turbidity which is the cloudiness of  
20 the water. Right now the water coming out of the  
21 wells is very clear, and very pristine actually. If  
22 we had contaminates in the water we would basically  
23 have to change the entire treatment plant operation.  
24 It is considered right now a well type of plant, we  
25 would have to go to a surface water type plant which

1 would include very expensive, possibly ultra  
2 filtration and similar equipment.

3 So in closing, it would be our  
4 recommendation that the pipeline would be further  
5 considered moving the pipeline to the Indy north two  
6 the alternate route. This not only would place the  
7 water being 100 percent adjacent to the existing  
8 right of way, it would remove the possibility of  
9 major contamination of one of the most vital  
10 resources in southeastern Indiana. As an engineer  
11 we do these type of projects ourselves and we  
12 certainly agree that natural gas is a vital resource  
13 and essential. We just don't feel that it should be  
14 placed that close to the well head protection area  
15 and give the expense of possibly contaminating over  
16 37,000 people and their water source. Thank you.

17 MR. KING: Madam Chairwoman, can I  
18 introduce Greg Dole. Greg Dole is the president of  
19 Hoosier Hills Regional District. Greg.

20 MR. DOLE: My name is Greg Dole, like  
21 he said, I'm the president. Spelled D-O-L-E.

22 First, I would like to state one of  
23 the things that we were never informed until the  
24 first notice we received was on -- October 3rd -- of  
25 this and it came from the Department of Natural

1       Resources, State of Indiana. There was nothing from  
2       the Federal Energy Department. So I just wanted to  
3       make that point first. So I think we would have  
4       been a little bit more in depth than we are now, but  
5       we've come as quick as we could with our researching  
6       and our efforts. I do have a letter here that we're  
7       going to submit to the Federal Energy Regulatory  
8       Commission. I'm going to read it out loud:

9                       To whom it may concern, we Hoosier  
10       Hills Regional Water District by and through our  
11       undersigned president, a rural water company in  
12       Franklin County, Indiana wish to express our concern  
13       and objection to the proposed Rockies Express  
14       pipeline that is currently slated to be located in  
15       Franklin County, Indiana. Our concern stems from  
16       our responsibility as stewards for one of  
17       southeastern Indiana's most critical natural  
18       resource, the White Water aquifer in Franklin  
19       County.

20                      The four collective rural water  
21       companies who use the White Water aquifer in  
22       Franklin County serves the interest of over 37,000  
23       households. Providing those households with water  
24       cannot be secured from any other source in our  
25       region.

1                   In short, the contamination of this  
2     aquifer by any means is unacceptable for our  
3     community and region because of its large scale  
4     implications such as: Danger to public health and  
5     the overall quality of our life, including, but not  
6     limited to, the damage of our economic development.

7                   The draft environmental impact  
8     statement was erroneously concluded that there will  
9     be no contamination of this critical aquifer. Such  
10    a conclusion is neither reasonable nor possible. In  
11    fact, contamination is highly probable. The  
12    currently proposed location of the line places it  
13    within the well head production area of the Hoosier  
14    Hills Regional Water district as well as north  
15    Dearborn Water Corporation well head protection  
16    area. See pages 4 through 25 of the draft  
17    environmental impact statement.

18                  This close proximity places the  
19    entirety of our significant investment for the asset  
20    of our well field in extreme risk, and therefore  
21    represents an unacceptable intrusion into all well  
22    field areas. Yet the pipeline's design team failed  
23    to account for the potential contamination of this  
24    critical aquifer and fails to address the serious  
25    implications of the contamination that will most

1       surely occur. This failure places the entire  
2       southeastern region in the State of Indiana at risks  
3       that are unacceptable and unreasonable engineering  
4       decisions.

5                       We are currently in the preliminary  
6       stages of calculating the potential economic damage  
7       for our company in the event of contamination. As  
8       one can imagine, the remediation of an aquifer is  
9       tremendously time consuming if remediation is in  
10      fact possible. We must also consider the  
11      significant cost of interruption of service for our  
12      rate payers through the extensive amount of time  
13      that the remediation price with which to incur.

14                      Based upon the grave magnitude of risk  
15      the well established likelihood the contamination of  
16      this aquifer should the pipeline be allowed to be  
17      located in Franklin County, we strongly urge the  
18      commission to reject the draft environmental impact  
19      statement. It is imperative to study in a much more  
20      careful fashion the proposed route of this line. We  
21      request that you reconsider the option of routing  
22      the pipeline in the Indy north two alternative as  
23      that route does not pose the same risks of certain  
24      catastrophic harm to the public health. We thank  
25      you.



1                   MR. KING: Thank you. That concludes  
2     our comments, Madam Chairwoman.

3                   MS. LYKENS: Carolyn Morgan.

4                   MS. MORGAN: I'm Carolyn Morgan,  
5     M-O-R-G-A-N. I guess I'm speaking for the land  
6     owners and the property owners that this pipeline is  
7     going to greatly impact. I live just north of  
8     Peppertown on Highway 229. I really don't know  
9     where to begin, so I'll just start with June the  
10    26th of '06, when we had our first meeting with REX  
11    at Fairfield Inn here in Greensburg. I spoke with a  
12    land agent representing REX who informed me that the  
13    pipeline was going to cross my 80-acre farm. I wish  
14    I would have gotten his name, but he was the man  
15    that was showing us where this pipeline was going by  
16    using this map on this big table.

17                   I told him that this would ruin my  
18    farm and the plans that we had for it. I can't  
19    explain the expression on his face except to say  
20    that he basically glared at me and said: I'll put  
21    it this way, the more problems you give REX about  
22    this pipeline, because it's going to go through no  
23    matter what you do, the more difficult they will  
24    make it for you when it comes time to negotiate.

25                   On September the 2nd of '06 I caught

1       them coming out of my soybean field. To make a very  
2       long story short, after trying to look at the  
3       document from where they said they had permission to  
4       come on our land, I literally took the notebook from  
5       Mr. Taylor's hand and finally found the document  
6       with our name on it. The document stated I had  
7       given them phone permission and that they had given  
8       me 24 hours notice. I won't even go into the manner  
9       in which I was treated, rude doesn't even come close  
10      to it. I told them that the document was a lie.  
11      And they knew it. I told them to never step foot on  
12      my property again unless they had permission. I  
13      filed trespassing charges against them on September  
14      the 22nd of '06. Two trial dates have been  
15      scheduled and then delayed by REX and rescheduled  
16      for January the 15th of '08. I would like to read  
17      to you the document I received by mail yesterday.  
18      It's addressed to Carolyn and Gary Morgan:

19                       Dear Mr. And Mrs. Morgan -- this comes  
20      from Melvin Wilhelm, Prosecuting Attorney, Franklin  
21      Courthouse in Brookville, Indiana.

22                       Dear Mr. And Mrs. Morgan, enclosed  
23      please find a copy of the plea agreement that the  
24      prosecutor's office has entered in two discussions  
25      with the defense counsel in the above named case in

1       which you are the victim. Please review the  
2       enclosed agreement and contact me if you have any  
3       comments or questions. Unless we hear otherwise  
4       from you, we will assume that the plea agreement  
5       that we are discussing with the attorney for the  
6       defendant is agreeable with you. The plea hearing  
7       is scheduled for January the 15th, 2008 at  
8       10:00 a.m. Thank you for your cooperation.  
9       Respectfully, Jonathan Cleary (phonetic), Deputy  
10      Prosecuting Attorney.

11                   It says: The State of Indiana versus  
12      John R. Taylor. Recommendation: Comes now the  
13      State of Indiana and the Defendant and show the  
14      court the following: The Deputy Prosecuting  
15      Attorney anticipates that the defendant intends to  
16      enter a plea to the charge listed below. The State  
17      agrees to the following recommendation for the court  
18      for sentencing.

19                   Charge, Count 1, Trespass, Class A  
20      misdemeanor. 12 months in the Franklin County  
21      Security Center, count 12 months suspended; \$250.00  
22      fine; \$116.00 court cost; the victim shall have no  
23      contact with Gary and Carolyn Morgan as additional  
24      condition of probation.

25                   Count 2, Mischief, Class D

1       misdemeanor, dismissed as restitution is already  
2       paid -- and that was to the Shram (phonetic) family  
3       that farms my land.

4                       Trespass, Class A misdemeanor, 12  
5       months in the Franklin County Security Center with  
6       12 months; \$250.00 fine; \$160.00 court cost;  
7       defendant shall have no contact with William  
8       Listerman (phonetic) as additional condition of  
9       probation.

10                      I guess first of all, I look at the  
11       time it took me to get that to court, and then I  
12       find it very odd that he would go to court the day  
13       after the deadline for public comments on the EIS  
14       draft. I received information from Joe Rust by  
15       e-mail on November the 25th, '07 that there was a  
16       new route called the Morgan variance where it would  
17       move the pipeline along the existing power line  
18       easement that goes through my property. This would  
19       make the 42-inch natural gas pipeline approximately  
20       500 to 600 feet farther away from my home, my barn,  
21       and my well that meets all of my water needs. The  
22       original route was approximately 50 feet from the  
23       barn, 75 feet from the well, and about 100 feet from  
24       our mobile home. I felt much better about this,  
25       however, I still did not want this pipeline on my

1       property.

2                       I received a phone call from a REX  
3       representative on the 26th of December wanting to  
4       come to my property to show me where the line would  
5       be going with the Morgan variance route. I answered  
6       him that I had trespassing charges against them and  
7       that I was not to allow REX on my property as it  
8       would be a conflict of interest. I also asked him  
9       that if they could give me any information exactly  
10      about this variance route. They want the 50 foot  
11      permanent easement, you're not going to get that  
12      back. And we were told that they wanted 75  
13      additional feet to use to run their equipment over  
14      that we would get back. But with my property they  
15      want 105 feet.

16                     The pipeline has turned my life upside  
17      down. I'm just going to share with you a little bit  
18      about what I have gone through personally. And I  
19      know many of you have gone -- I know what you're  
20      going through. My husband of 23 years was the  
21      president of Arnold Morgan Music Company of Dallas,  
22      Texas for 28 years. His father passed away in 1993.  
23      We went to the bank and borrowed a large sum of  
24      money to buy his brother out. Let's see. In 1985  
25      the bank called the note.

1                   The business closed down. My husband  
2           was absolutely shattered. He had worked hard all  
3           his life. We moved in with his mother. I'm  
4           originally from this area and when we found out in  
5           1992 that the old Rifle Farm was for sale in  
6           Indiana, we bought the farm. It joins the farm that  
7           my grandpa owned for -- it was in the family for  
8           over 100 years, it joined that farm.

9                   We bought the farm. He went to work  
10          in the factory. He was what you called a box  
11          cutter, he took the big boxes and put them in this  
12          machine. He did this eight hours a day. I went to  
13          work at the Hampton Inn as assistant manager. We  
14          got the farm paid off, we purchased tractors,  
15          backhoe, and many other things to build roads and  
16          ponds. We were excited because we knew we had a  
17          prime piece of property for development and were  
18          always getting phone calls to see if we were  
19          interested in just selling an acre or two.

20                   We're in the Batesville School  
21          District, it's a four star rated school. Your  
22          property just automatically goes up if you're in  
23          Batesville School District, and only six miles from  
24          Batesville. And we're right on State Road 229.

25                   We had spent hours and money on taking

1 the necessary steps to start our project. After we  
2 found out about REX Pipeline I saw a big change in  
3 him. The times I would look outside and just see  
4 him walking over the land. I knew he was in deep  
5 depression as we both knew that our dreams for  
6 developing our farm had come to an end. With REX  
7 coming through our property he knew that we would  
8 never be able to develop our farm.

9 On October the 17th, '06, my husband  
10 left one morning without notice. He's living with  
11 his 89-year-old mother in Rockwell, Texas. He  
12 simply couldn't face again another loss. The  
13 development of our farm was going to be our  
14 retirement. We had also built a new foundation for  
15 our new home that we had waited so long for. We had  
16 been living in a mobile home since buying the farm.

17 I was forced to quit my job at the  
18 Hampton Inn where I had been assistant manager for  
19 13 years on September the 3rd of '07. I had to quit  
20 due to a heart condition discovered in '05. I am to  
21 avoid stress as much as possible. I've been trying  
22 to sell my farm since March of '07. How many offers  
23 do you think I've had? I haven't had any. The  
24 realtor told me that the pipeline was the biggest  
25 factor as to why I had not gotten any offers. They

1       were even having difficulty getting an accurate  
2       appraisal because there hasn't been any farms in the  
3       last several years like my little farm for sale. He  
4       said we went down 129 north and south, we went down  
5       46 east and west, we went down 229 north and south,  
6       there's no farms like yours for sale. So we  
7       couldn't even really get an accurate appraisal on  
8       it.

9                        REX is now trying to go back to the  
10       original route. Truly they are keeping their word  
11       of June the 26th, '06, you fight REX on this  
12       pipeline and in the end you'll wish you hadn't. And  
13       I will stand on any witness stand, I'll put my hand  
14       on any Bible -- and I'm a Christian -- and, you  
15       know, I couldn't pray, God, move this off of my farm  
16       because I'm to love my neighbor as myself. And I  
17       see that in my neighbors here. And I tell you, it's  
18       a sad day in America what is happening because of  
19       REX pipeline.

20                      This e-mail that I got says Rockies --  
21       this is after I didn't play ball with them. Rockies  
22       Express has met with the landowner -- I've never met  
23       with them except that day they trespassed on my  
24       property -- and notes that the landowner does not  
25       like the route variation nor the proposed route, the



1 landowner does not want the pipeline anywhere on  
2 their property -- Yeah, they're sure right about  
3 that -- because the Morgan property route variance  
4 offers no clear environmental damage, Rockies  
5 Express is seeking authorization to construct along  
6 the proposed pipeline route. Thank you.

7 MS. LYKENS: Thank you.

8 Shirley DeMarco.

9 MS. DEMARCO: I'm with her.

10 MS. LYKENS: Jimmy Brattain.

11 MR. BRATTAIN: My name is Jimmy  
12 Brattain, B-R-A-T-T-A-I-N. And I feel about like  
13 that lady right there. We have a 65-acre farm and  
14 we saved up money to get that. We have it paid for.  
15 We sacrificed a lot. I had never heard of REX  
16 pipeline until -- I don't know what date it was.  
17 But how could they find us, you know, where they  
18 started to here.

19 I've got six children and we purchased  
20 that piece of ground for our family, you know.  
21 There seems to be a lot of problems and I don't know  
22 whether REX will put that pipeline through or not.  
23 There's a lot of people that find a lot of problems,  
24 as I've heard these gentlemen speak.

25 I could have, at one time, subdivided

1       my land and put about three or four different places  
2       for residences on there and probably could have got  
3       \$30,000 for each parcel. I've talked to a guy at  
4       the courthouse here in Greensburg. And like the  
5       lady that was just up here, who would want to come  
6       out and pay me \$30,000 for a couple of acres or so  
7       to build a residence now? I don't think anybody.

8                       I've been looking on the computer a  
9       lot about how safe the natural gas pipelines are,  
10      and I've been told by some of the people from REX  
11      that the pipelines are really safe, they could show  
12      me housing developments that's built within 125 feet  
13      of the pipeline. So I got my computer and typed in  
14      natural gas pipeline accidents, and I set up half of  
15      the night reading of all the accidents that's  
16      happened from several years back up until recently.  
17      There's been thousands of pipeline accidents. So I  
18      wouldn't believe anybody that said that pipelines  
19      are safe. They can rupture, you know. A lot of  
20      them are caused by machinery digging into them.  
21      Some of them are corroding. Some of them have been  
22      in the ground a long time and they're under high  
23      pressure. And many people have been killed. And  
24      also, on the pages where I looked on the computer  
25      there's a lot of attorneys advertising that they

1 specialize in pipeline accidents. They're trying to  
2 get some business.

3 So I didn't really have any papers or  
4 anything here, but I'm about like that lady there.  
5 I can't remember your name. I'm sorry. Morgan.  
6 But anyway, I've never let the surveyors come on my  
7 place, but they did and they got arrested for it  
8 too, because a county officer lives just down the  
9 road, he knows me very well and I know him and he  
10 knew that I didn't want anybody on there surveying.  
11 I was called and asked and I told them no. I  
12 checked with two attorneys and they said don't let  
13 them on your place. So I was going by what the  
14 attorneys said.

15 Well, one day he was driving by and  
16 there was a guy out there with a tripod and whatever  
17 they are using, you know. Went and asked him if he  
18 had permission to be on there, and he said I think  
19 yes, he did, you know, they had a paper there, but  
20 it was falsified. There was several others  
21 falsified. I've even got a picture of the guy  
22 standing in my little field right there. He even  
23 took a picture of him and gave me his picture. So  
24 he was given a ticket. And I feel kind of bad for  
25 the guy because he's just working, you know, trying

1       to make a living. As far as I'm concerned, I hope  
2       he don't have to pay a fine or anything, really.  
3       But I still haven't let them come on my place.

4                   I got a call -- I think it was either  
5       yesterday morning or day before yesterday, a nice  
6       gentleman, he talks really nice, you know, I believe  
7       I could really like him, and he's probably here  
8       tonight, but I don't know him. If I saw him right  
9       now I wouldn't know him. But he asked me if I  
10      changed my mind. I said no, not really, I'm still  
11      in a group that's opposed to this pipeline. You  
12      know it wouldn't be so bad, and you would know this  
13      yourself, if somebody called up and said we're going  
14      to run a 6-inch water pipeline down the side of your  
15      property, would you care? Not really, because water  
16      is not that dangerous, you know, unless you're  
17      drowning in it.

18                   But, you know, this pipeline is  
19      dangerous, and everybody should know that, you know.  
20      When that sucker blows up, you better not be near  
21      it, because I've read all the reports about it. It  
22      will blow a hole in the ground 25 foot deep and kill  
23      everything around it and kill you deader than  
24      anything. So if you want to look on past history on  
25      natural gas pipelines, and I know like somebody said

1       over here, we need the gas, I'm pretty sure.

2                       But just like on my place, they come  
3       right by several houses when they could have went  
4       north a little bit and there's no houses back there  
5       at all. But they chose, evidently, to come right  
6       through my one neighbor, other neighbor lives across  
7       the road, and there's an older lady over here that's  
8       across the road, on down another one, and at the end  
9       of my property another one. But they're coming  
10      right down through my place. And my place is kind  
11      of rough, you know, got some valleys and little  
12      fields here and there and a couple of streams on it.  
13      And it's like a museum piece to me. There's no  
14      price on it, you know.

15                     And I can imagine REXs negotiator  
16      coming to me and telling me what they're going to  
17      give me for compensation. And I was trying to think  
18      how many people in my life has walked up and give me  
19      anything. Two people, and a total of the money they  
20      gave me was \$16.00. And there's another story that  
21      goes with it, but you don't need to know that. But  
22      nobody is coming up and saying, here, I want you to  
23      have this because I know how hard you've worked.

24                     I've got neighbors that live probably  
25      ten miles away. If the pipeline was going through

1       their place, I wouldn't worry about it because I  
2       don't even know those people. I'd feel kind of bad,  
3       you know, for them, but I don't even know them, you  
4       know. I wouldn't know them if I saw them.

5                       So, I don't know. She talked about  
6       she has been worried, her husband was worried. I  
7       talked to another guy back there, I asked him if  
8       he'd ever lost any sleep over this, and he said I  
9       sure have, and so have I. I've laid there of a  
10      night thinking all the things I could say to change  
11      somebody's mind and I realize it's just like a  
12      little sound out in the dessert someplace.

13                      But I do want you to know, and  
14      everybody else, that I do oppose that pipeline. And  
15      I just hope that things work out for the best for  
16      everybody. You cannot satisfy, I'm sure, everybody,  
17      because nobody knows what I intended to do with my  
18      property. If I had an appraiser come out and  
19      appraise the property, he has no knowledge of what  
20      my intentions were for that property. One of them  
21      was to leave it to my family, because, you know, a  
22      lot of people don't have acres, you know it? They  
23      live in town, little house. A lot of people don't  
24      ever have a few acres. And my whole family, hardly  
25      no one has a few acres. They have a house, but no

1       few acres.

2                   And I could see them cutting right  
3       through my woods. And I've got some old grandma  
4       trees in there, you know, they're not really worth  
5       anything because they've got low limbs on them and  
6       they're not high quality hardwood, but I wouldn't  
7       want them to cut it.

8                   Then I got to thinking wonder what  
9       they will do with the 75 foot that they're going to  
10      take besides the 50 foot. And what are they going  
11      to do with the stumps when they cut them off?  
12      They'll probably say how about us pushing them over  
13      into a ravine, you know, dig them out, push them  
14      over to a ravine. And I got to laying there  
15      thinking about that, no, I don't want those stumps  
16      down in my ravine.

17                   We'll haul them off.

18                   No, I don't want them hauled off my  
19      property.

20                   Well, we're going to have to do  
21      something with them.

22                   Well, don't even come on my property,  
23      you won't have to worry. I don't want the stumps  
24      hauled away, don't want them dumped in the ravine, I  
25      don't want them digging in my ground. So if they

1 do, they're going to do it anyway, you know, and I  
2 won't be able to do nothing.

3 I'm a little over six foot, weigh too  
4 much. But who am I against the company that's got  
5 -- I read on the computer the other night, one of  
6 those companies that we're talking got like  
7 158 billion dollars in assets, 158 billion dollars  
8 in assets. How much do we have? About \$300.00. I  
9 don't know what we got. We're like about everybody  
10 else, week to week, month to month, day by day.

11 But as somebody said, we do have our  
12 place paid for, and it took a lot of hard work.  
13 Now, somebody comes out and appraises it, well, you  
14 couldn't sell it to anybody. That pipeline is a  
15 dangerous thing.

16 And I'll soon be done. But another  
17 thing that really sticks in my mind is that the  
18 United States of America, we are at war with  
19 terrorists. And I don't know whether the Homeland  
20 Security has -- I'm sure they're 100 miles ahead of  
21 me, you know, on thinking about things, as you guys  
22 are with all those books and stuff up there. That's  
23 such a vast area from where it begins to where it  
24 will end, there's no way to guard that place, that  
25 pipeline. People can blow that up and they could



1       make us miserable. Because one of these days if  
2       that pipeline goes through there, there's going to  
3       be a lot of factories hooked onto it, a lot of homes  
4       are going to be hooked onto it.

5                       In September I was reading about  
6       natural gas line accidents and I saw in our news in  
7       Indianapolis just one time where gas pipelines were  
8       attacked in Mexico. Well, that night I went in and  
9       I put gas pipe -- natural gas pipeline accidents  
10      Mexico. Here comes a bunch of information back.  
11      Sometime in September there was eight charges set on  
12      a pipeline it seems like 30 inches, six of them blew  
13      up. A Honda plant shut down, a Hershey's plant shut  
14      down, and a cereal plant, where they make cereal,  
15      had to shut down, had to evacuate like 1,200 people.  
16      I got to thinking Indiana, Illinois, have you ever  
17      been out through Illinois? I'm not supposed to ask  
18      you questions, but there's vast areas out there  
19      where there's nothing hardly except fields, you  
20      know, and that that pipeline is coming across there  
21      someplace.

22                      People, we cannot safely secure this  
23      pipeline. I don't know what we're going to do  
24      though if we really need the gas. And I don't know  
25      what else I can think of, but that's just what's in

1       my head a little bit. And I have lost sleep over it  
2       because that's what we have, you know. We don't  
3       have a lot of other stuff. I often thought, too,  
4       that some of these guys that run these big pipeline  
5       companies, they've probably got a mansion on a  
6       tropical island with a 5 million dollar yacht  
7       sitting out there. And we don't even have a boat, a  
8       john boat.

9                       I don't know whether any of that makes  
10       sense to you guys or not, but as a common, ordinary  
11       person, I feel like I have to oppose something like  
12       this, because that's all I've got.

13                      And this water thing over here, I  
14       hadn't thought about that. We use well water too.  
15       And I know if something ever got in our well, we'd  
16       really be against it, you know. I never dreamed  
17       that they would come up with something like this,  
18       but I can see it now.

19                      Anybody else? I can't, you know,  
20       think of too much more that I need to say. I just  
21       appreciate it. I think we should have had a lot  
22       more people here. This is kind of a bad deal. It  
23       wouldn't be right, you know, to have this meeting  
24       and change. When was it changed to be out here you  
25       reckon? We went to other school awhile ago. There

1 was a lot of people that should have been here but  
2 is not. And it's a bad night, too, to have it, but  
3 that's not anybody's fault. But I think more people  
4 should have been here, because there is a lot of  
5 people opposed to this. If we all don't get  
6 together very much, I don't know exactly what all  
7 the rest of them are thinking. But we'll just have  
8 to wait and see. I want to be right with everybody.  
9 Thanks a lot.

10 MS. LYKENS: Thank you.

11 Joe Rust.

12 MR. RUST: I'm Joe Rust and I'm a  
13 resident of Decatur County, Indiana. I have  
14 followed the REX East Pipeline process since the  
15 initial notification we received in June of 2006,  
16 inviting me, and my wife, Susan Rust, to an open  
17 house at the Fairfield Inn here in Greensburg. It's  
18 now been made emphasis by Carolyn Morgan's rendition  
19 of what happened there, but I know I've heard other  
20 people had similar results from their discussions  
21 with the REX land agents that were there.

22 My wife and I have been shocked and  
23 dismayed at the way things have developed over the  
24 course of the last 18 months. We naively thought  
25 that the Federal Government would protect the rights

1 of citizens and insure the pipeline investigation  
2 process would be conducted in an above board and  
3 ethical way. Boy, have we learned some lessons in  
4 how things really work in Washington, D.C.

5 I will not belabor all the points  
6 along the way that told us that we, the people are  
7 the problem here, not REX, or the natural gas  
8 industry. We're the obstructionists, we're the  
9 people who they just have to deal with. Many of the  
10 problems are well documented on both of the dockets  
11 such as: Flawed mailing lists on the part of REX  
12 and FERC in the beginning; inaccurate or nonexistent  
13 maps; pipelines dissecting property, rendering them  
14 undevelopable, and therefore reduced in value; an  
15 unreasonable agricultural mitigation agreement for  
16 this part of the United States as it was proposed  
17 originally; landowner's property is trespassed on;  
18 landowners insulted and lied to and property  
19 damaged. If you listened to anything that Carolyn  
20 Morgan said you would know the truth.

21 Ordinary citizens have no rights  
22 except to some miserly compensation for the right of  
23 right of ways that the gas company takes across  
24 their properties. The list goes on.

25 Let's jump forward to the application

1       that REX filed on April 30th of 2007. By FERC's own  
2       docket postings it was apparent the application was  
3       grossly incomplete. REX filed the document at that  
4       point because of economic and time constraints, and  
5       FERC accepted it as a valid application. As I  
6       stated in a docket posting May, if I filed my taxes  
7       in such an incomplete way I would be fined and  
8       possibly in jail by now. But, REX met the deadline.  
9       FERC complained and told them about all the things  
10      that were missing, such as, the minor issue, the  
11      plan on how to cross the Mississippi River and an  
12      acceptable Ag Mitigation Agreement, to name two.

13               Of course, FERC had asked for many of  
14      these things previously and REX didn't supply them,  
15      so obviously the application should have been  
16      rejected and REX should have been told to come back  
17      when things were done correctly. They didn't.

18               On September 7th of 2007, FERC issued  
19      a "Notice of Schedule for Environmental Review" on  
20      REX East filing. This notice set forth a schedule  
21      that I assume FERC staff arrived at knowing how long  
22      it would take to complete a thorough environmental  
23      review of this massive addition to our country's  
24      natural gas infrastructure. The key date was the  
25      issuance of the Draft EIS on January 4, 2008. This

1 notice was signed by Richard R. Hoffman, Director,  
2 Division of Gas-Environment and Engineering, Office  
3 of Energy Projects, whom I am sure you all know, and  
4 I do too. I met him in New Orleans a few weeks ago.  
5 I see that Mr. Hoffman now is leaving FERC and  
6 joining the staff of the Interstate Natural Gas  
7 Association of North American later this month. And  
8 I'm sure he will be missed.

9                   Anyway, after the schedule in the  
10 document there is a statement: "If a schedule  
11 change is necessary, an additional notice will be  
12 provided so that the relevant agencies are kept  
13 informed of the Project's progress." It would seem  
14 the public also, in addition to these agencies,  
15 would want to know this also.

16                   But anyway, on September 18th, 2007,  
17 FERC held a teleconference with key cooperating  
18 agencies to discuss their concerns with REX East.  
19 Agencies such as USDA, Department of Agriculture, US  
20 Fish and Wildlife Service, US Environmental  
21 Protection Agency and state level environmental and  
22 agricultural offices in Indiana, Illinois, Ohio. I  
23 don't believe Missouri was represented. But anyway,  
24 they were included in the teleconference. Many of  
25 the agencies had concerns about how the REX pipeline

1 would affect their areas of responsibility. I will  
2 quote from the meeting summary: "Some agencies  
3 expressed concern in terms of conducting a complete  
4 and meaningful review within the limited time  
5 allotted for cooperating agencies." So, one would  
6 presume, this was a pretty tight schedule to get the  
7 job done right. And this was going to be done in  
8 January.

9 On September 25th, 2007, REX filed a  
10 response to FERC's proposed schedule. They were  
11 none too pleased with the January DEIS release date  
12 and pleaded for FERC to speed up the process so they  
13 could get the gas flowing sooner to meet all of  
14 their financial needs. They wanted the DEIS  
15 released by the end of November.

16 Well, it was released on November  
17 23rd, 2007, almost a month and a half early. It  
18 appears someone at FERC ignored its own staff and  
19 agency recommendations and rushed the DEIS out so  
20 that REX could get on with the project. Had they  
21 been a little bit longer in the process, they may  
22 have heard about the Hoosier Hills Water District  
23 and some other things that have come up since then.  
24 But the only thing that I could find was a quote by  
25 the FERC Commission Chairman, Joseph Kelliher in the

1 Bloomberg News and picked up by some newspapers  
2 around November 16th that stated "Kinder Morgan  
3 Energy Partners could get federal approval for it's  
4 \$4.4 billion REX pipeline by early spring 'we've  
5 been able' -- this is we, this is Joseph Kelliher  
6 saying this 'we've been able to rework the schedule  
7 and accelerated the timetable' Kelliher said after  
8 the commission's open meeting." No mention what  
9 changed to allow this to happen. So the question I  
10 have, what changed?

11 A record of a November 7, 2007  
12 teleconference with some of the cooperating agencies  
13 advising of the accelerated schedule was not posted  
14 to the FERC docket until December 17, 2007, almost a  
15 month and a half after the meeting took place and  
16 three weeks after the DEIS was issued. Why the  
17 delay in posting this notice? It's a very important  
18 document.

19 REX, and probably FERC, wonders why we  
20 citizens don't trust this process. We and our local  
21 governments are left out of the loop.

22 Mr. Kelliher should come out of his  
23 Washington, D.C. office and meet with the landowners  
24 instead of the Wall Street investment community. He  
25 should explain what happened to move up the DEIS



1        schedule. After all, the citizens and communities  
2        out here are the ones who are losing the rights to  
3        large portions of their property and farmers crop  
4        yields are going to be reduced, and we are the  
5        people who have been lied to and intimidated by REX.  
6        He might learn something if he would get away from  
7        the J.R. Ewing types who just want their pipeline in  
8        the ground at any cost without regards to the  
9        environment. He should spend some time listening to  
10       those who will have to live with the consequences of  
11       the REX pipeline because the whole thing was rushed  
12       through for Kinder Morgan to make their money on  
13       schedule. Thank you.

14                        MS. LYKENS: Betsy Lecher.

15                        MS. LECHER: Well, I didn't come  
16       prepared with a great big, long speech, so mine will  
17       probably be pretty short.

18                        My name is Betsy Lecher, L-E-C-H-E-R.  
19       And our name was in the environmental statement.  
20       And it said that based on the result of the Rockies  
21       Express analysis the potential for pipeline exposure  
22       in this area, we concluded the potential for erosion  
23       and subsequent pipeline exposure in this area was  
24       low. Therefore, we did not identify a pipeline  
25       reroute.

1                   And I know that we have -- we're in  
2     very Rockies and very hilly land, so I got to  
3     looking things up. We are the owners of the land  
4     where REX plans to cross Walnut Fork Creek. Walnut  
5     Fork Creek collects water from Peppertown to Pine  
6     Creek, a distance of two-and-a-half miles. On page  
7     G 20 and G 21 on the draft environmental impact  
8     statement has the pipeline crossing tributaries to  
9     Walnut Fork 19 times. A study by Robert C. Rogers,  
10    PE with WTH Engineering for the Franklin County  
11    Highway Department did a study of Walnut Fork Creek  
12    before a bridge replaced a slab crossing in 2004.  
13    His report said that the creek has a drainage area  
14    of 6.36 miles with a channel length of 4.91 miles.  
15    The creek bed is gravel and the banks have very  
16    little rocks. When we have heavy rainfalls we have  
17    flash floods in the valley. And I've written to  
18    FERC many times telling them that I was worried  
19    about this crossing.

20                   We've had three major floods in the 29  
21    years we've owned the property. I have enclosed  
22    copies -- I have newspaper clippings of some of the  
23    damage the water has done. Incidents were July  
24    19th, '81; May of 1989; and July of 2001. And I  
25    received pictures from Division of Natural Resources

1        showing the map. And there have been floods down  
2        there. I've got newspaper clippings that shows and  
3        talks about these floods. And I am worried that the  
4        pipe is going to get exposed because the hills are  
5        very steep down in Franklin County, and they're  
6        putting this in a flood plain, it shows clearly a  
7        flood plain.

8                        And this is a project site map by the  
9        Rockies Express Pipeline. But they plan to put this  
10       pipe through there, and I've even heard they're  
11       going to put a safety valve, a shutoff valve, in  
12       that valley where it's a flood area. So I am  
13       concerned that it's going to wash out and afraid  
14       that our soil is going to go with it, because  
15       they're going to take all the trees down in this  
16       valley where the pipeline is. When the roots are  
17       gone, the soil is going to be gone.

18                      I don't know that there's anything  
19       that they can do, because the velocity of that water  
20       is very high. We have flash floods. My husband has  
21       seen where the water has come down six inches.  
22       There's an offset where the water has come down six  
23       inches at a time, it is that swift. So I'm  
24       concerned.

25                      And in the DES it sounded like they

1 took Rockies Express Line's word that it would not.  
2 But I've got articles here from the local paper that  
3 talk about this very area. And it does flood, so I  
4 want them to consider that. At least -- at least  
5 make sure that there's no erosion. That's all.  
6 That's my concern.

7 MS. LYKENS: Thank you. Would you  
8 like to some of those filed for the record for us to  
9 consider?

10 MS. LECHER: Yes. This is the  
11 picture. In the one article -- here it is right  
12 here. It talks about -- this is where it actually  
13 washed out two big culverts. And that is right  
14 here. Here's where Rockies Express plans to cross  
15 it. And in 2001 the water actually went all the way  
16 around this house. So there's a lot of water,  
17 there's a lot of water that comes down. Yes, you  
18 can have that.

19 MS. LYKENS: Thank you, very much.

20 MS. LECHER: And then they plan to go  
21 up the hill on our property. And there it says part  
22 of it is up to 60 percent slope. I don't know how  
23 they can control the erosion on that. That's been  
24 my concern because -- let's see -- on page 20 and G  
25 21 it said they're going to cross tributaries to

1 Walnut Fork.

2 MS. LYKENS: Thank you.

3 Monica Yane.

4 MS. YANE: My name is Monica Yane,  
5 Y-A-N-E, and I live in Franklin County. My husband  
6 and I own land along the route of the proposed  
7 pipeline. During the last year and a half I've  
8 followed the progress of this project closely and  
9 I've written to FERC with my concerns. We're happy  
10 to see that the Draft Environmental Impact Statement  
11 recommends a route variation on our place that would  
12 eliminate the 90 degree turn of the pipeline and  
13 place it a little further from our house. Then in a  
14 recent letter from REX to FERC, we saw that REX is  
15 arguing against the alternative route. Their  
16 statement reads, and I want to quote this: "Mr. And  
17 Mrs. Yane have indicated in their informal  
18 conversations with Rockies Express representatives  
19 that the route variations would not shift the  
20 pipeline off their property, and therefore, they  
21 will continue to oppose the pipeline across their  
22 property. Because the Yane property route variation  
23 offers no environmental damage, Rockies Express is  
24 seeking authorization to construct along the  
25 proposed pipeline route."

1                   I have two problems with this  
2       statement. The first is that neither my husband nor  
3       I have discussed, formally or informally, the route  
4       variation with anyone from REX.

5                   The second is the threatening tone  
6       adopted by REX. They're letting us know that unless  
7       we fall into line, they'll put the pipeline anywhere  
8       they like. I'm quoting REX because I think their  
9       statement typifies REX's attitude toward anyone who  
10      they think is obstructing them, not just individual  
11      landowners, but local governments and state  
12      agencies. I don't think a corporation like this  
13      should be granted their certificate prior to meeting  
14      all FERC's requirements and then trusted to deliver  
15      on their commitments.

16                  Reading the REX East docket during the  
17      past year has given me the impression that REX was  
18      failing to fulfill many of FERC's requirements for a  
19      project like this one. I thought that surely FERC  
20      would delay the project until all the environmental  
21      questions had been answered and agreements reached.  
22      I was shocked to learn that when REX requested the  
23      schedule to be moved up, the request was granted.

24                  The EIS came out earlier than expected  
25      and showed that many of the criteria for the project

1 will not be met prior to issuing the certificate.

2 My request is that FERC slow the  
3 process down enough to ensure a safe,  
4 environmentally benign result. This is a massive  
5 project with massive potential for environmental  
6 damage. It seems to me that it calls for stricter  
7 regulation rather than less regulation.

8 Apparently REX and Kinder Morgan have  
9 powerful connections in Washington, but that  
10 shouldn't mean that we citizens are not important,  
11 or the protection of our federal agency. In a year  
12 the Bush Administration will be gone and new FERC  
13 commissioners will be appointed, however, the  
14 pipeline they helped to rush into operation will be  
15 pumping 1.8 billion cubic feet of natural gas per  
16 day through the midwest. As someone who will be  
17 living next to it, giving up some peace of mind and  
18 not a little of our land, I hope that the FERC  
19 employees will be mindful of their obligations to  
20 us.

21 MS. LYKENS: Thank you.

22 Mr. Yane? Don't want to speak?

23 That was the last of our speakers. Do  
24 we have anyone else who would like to come up at  
25 this time? Please come forward. Please identify

1       yourself for the record. Thank you.

2                   MR. CLAPP: Good evening. My name is  
3       Donald Clapp, C-L-A-P-P, farm owner. It crosses my  
4       farm about maybe a third of a mile from the house, a  
5       little closer than I would like.

6                   Three things I'd like to mention.  
7       One, I suspect if you went the 600-and-some miles  
8       one end or the other of this pipeline you'll not  
9       find anybody that wants it, but I'm sure it's going  
10      to be. That's my first comment.

11                  The second thing is, does it concern  
12      you that even though they do not have permission to  
13      do this yet, about five miles from here they've  
14      already unloaded three train loads of pipe. I don't  
15      think they plan on taking it back.

16                  Next thing is, relative to the water  
17      system, something for you guys to think about, if I  
18      as a private citizen was farming upstream from your  
19      place and I spilled, oh, say, 50 gallons of apozem  
20      (phonetic), how quick would I be in front of a judge  
21      and you would take everything I had or ever would  
22      have to remediate this problem? What are you going  
23      to do to REX? My guess is nothing. You're going to  
24      be on your own.

25                  That's all I've got to say.



1 MS. LYKENS: Thank you. Would anybody  
2 else like to come forward? No other comments at  
3 this time? Please come forward. Thank you.

4 MS. LECHER: Just one thing. In that  
5 big Bible there it says REX's recommendation. How  
6 much teeth was there in that recommendation? Is REX  
7 required to do what FERC recommends or what?

8 MS. LYKENS: Thank you for that  
9 question. The question is in that big Bible book  
10 how much merit do those recommendations have.

11 Basically this is a draft document.  
12 And the reason we're out here now is to get your  
13 input and we're going to go back and reevaluate and  
14 issue a final EIS sometime in the future. So these  
15 recommendations will come out because some of them  
16 required REX to give us more information by the end  
17 of the comment period. Some of them will probably  
18 stay in because they're for construction type  
19 things, and if REX does not provide that information  
20 before the end of the draft EIS period, then they're  
21 going to have to provide it before construction.  
22 And the other ones will be modified or revisited and  
23 might be omitted or put back in.

24 Now, those recommendations are  
25 important because once the final EIS is released as

1 a final document, the commission then gets this  
2 document and reads it and they adopt -- they usually  
3 adopt those recommendations and turn them into  
4 conditions of the certificate if they approve the  
5 project.

6 So right now we have 148, I believe,  
7 recommendations in here. And it could be more, it  
8 could be a lot more, or it could be less. But that  
9 would most likely be attached to the FERC  
10 certificate. And all recommendations that say prior  
11 to construction or prior to the -- let me go back --  
12 prior to the end of the comment period if that  
13 information is still not available, we're going to  
14 condition them to give it to us prior to  
15 construction, they won't be able to construct until  
16 these conditions are met.

17 UNKNOWN FEMALE SPEAKER: (Inaudible.)

18 MS. LYKENS: She asked if that means  
19 that you have to file the recommendation or is that  
20 something we would talk about.

21 If that commission issues the orders  
22 approving the project and these conditions are  
23 attached, they have the option of accepting the  
24 certificate in full, which means they'd have to  
25 abide by all the certificate conditions or they can

1 reject it. So those are Rockies Express's two  
2 options. They either accept the certificate with  
3 the attached conditions or they reject it. They may  
4 ask for a rehearing, which is a part of the process,  
5 and we could revisit that. But pretty much for them  
6 to go forward with construction and plans for  
7 construction they would have to accept the  
8 certificate with the conditions. Does that answer  
9 your question?

10 MS. LECHER: Not going to put the  
11 pipeline through.

12 MS. LYKENS: They still have a lot of  
13 work to do, that's for sure.

14 Is there anybody else? Anyone else  
15 have a question?

16 MS. YANE: Is the schedule a go, you  
17 know, on track issued in the spring?

18 MS. LYKENS: Well, I don't know. Some  
19 of you follow the docket. Rockies did file a change  
20 in the compressor station in Ohio and Hamilton  
21 compressor station and it changed the pipeline  
22 route. They also filed several landowner lists.  
23 So, you know, my feeling is that we will need to  
24 still go to the landowners and include them in the  
25 process. So I feel -- this is my opinion -- that we

1 will need to probably revise the schedule again.

2 MR. WILLIAMS: I have a question.

3 MS. LYKENS: Sure.

4 MR. WILLIAMS: This is regarding the  
5 safety of the pipe. I understand when it goes  
6 through agricultural areas that they use a thinner  
7 walled pipe than they do if they go through a  
8 residential area. And what I understand is based on  
9 density. The pipeline is going within 300 foot of  
10 my house, and as other people have mentioned pretty  
11 close to their house. How much density does it take  
12 to have a thicker pipe going by the property, you  
13 know, whether there's one or two families or three  
14 or 400 families, I think a life is a life when it  
15 comes to safety.

16 I keep hearing about economics that  
17 they're only wanting to do this because of economics  
18 and that's the reason they only want to go three  
19 foot deep because going deeper is economically not  
20 feasible.

21 I think we are putting, you know --  
22 obviously, they're only doing this for the monetary  
23 value that they're going to receive on this. I  
24 don't think the American citizens are being  
25 considered much. The almighty dollar is coming

1 first.

2 My question is: Why are they allowed  
3 to use a thinner pipe in agricultural areas where  
4 there is a residence compared to a densely populated  
5 area?

6 MS. LYKENS: Harold Winnie with the  
7 USDOT, Office of Pipeline Safety.

8 MR. WINNIE: In answering your  
9 question, federal code requires, in part 192, which  
10 covers natural gas transmission pipelines, natural  
11 gas pipelines, there is a graduated process where  
12 you evaluate class locations, Class 1 being the  
13 rural areas, and then as the population density  
14 increases you have Class 2, 3, and then Class 4 is  
15 your multiple four-story structures.

16 Those class locations in the federal  
17 code since 1971 have had requirements that you  
18 calculate the pressure that's being able to carry in  
19 the pipeline based on a percent of SMYS, which is  
20 the specified minimum yield strength of the  
21 material. So you take the diameter of the pipe and  
22 take the strength of the steel, and steel comes in a  
23 number of different strengths in today's age. We  
24 started years ago, we had an A25 grade A, which was  
25 25,000 PSI pipe, steel the pipe was made out of. We

1       went to Grade B, we've elevated to X42, X60. Today  
2       we're in the X80s, X70s and X80s in a number of  
3       pipelines that have been made.

4                       So you take this specified minimum  
5       yield strength and material and then you calculate  
6       based on the diameter and the wall thickness that  
7       you're using and maximum pressure where that pipe  
8       would yield and then that's derated based on class  
9       location. And that's how that's calculated and  
10      determined, and that's been a standard in code, you  
11      know. Is it right? Is it wrong? You know, that's  
12      the standard that's been developed and put into the  
13      pipeline safety code and has been there for a number  
14      of years.

15                     MR. PROFFITT: Doesn't answer the  
16      question.

17                     MR. WINNIE: Do what?

18                     MR. PROFFITT: It doesn't answer the  
19      question. I understand your specifications and  
20      regulations. What this gentleman asked, sir, why  
21      are you using a thinner pipe in a rural area such as  
22      ours? We went through the standards and we  
23      understand the yield strengths you talked about.  
24      Essentially because there is less people apt to be  
25      hurt if that pipeline ruptures. It sounds more

1       logical to me.

2                   MR. WINNIE:  The pipeline is going to  
3       operate at a given pressure.  Okay?  And we can  
4       carry this on afterwards if you'd like.  No.  I mean  
5       after we're done here.  But you're going to have,  
6       based on that derating factor, if you're in a Class  
7       3 location -- and I'd have to get the code out to  
8       look at it -- let's say it's .5.  Okay?  So,  
9       whatever, when you calculate it if you use an X70  
10      pipe and you run the formula, then you've got to  
11      calculate, derate it by .5 to whatever that  
12      specified minimum yield strength is, what the  
13      pressure rating is.  So you have to have a certain  
14      wall thickness in order to operate at a certain  
15      pressure.

16                   So when you get into a rural area,  
17      you're right, you have a thinner wall thickness, but  
18      that doesn't mean that -- that's the federal code  
19      and that's what I was saying, that's how it was  
20      calculated, and that's how it's determined with the  
21      pressure that can be in the pipeline.

22                   MR. PROFFITT:  Why is a thinner pipe  
23      used in rural areas?  That's the question, please,  
24      sir.

25                   MR. WINNIE:  Why is a thinner pipe

1       used in a rural area? Because that's the way it's  
2       calculated and that's the derating factor that was  
3       put to the federal code.

4                   MR. PROFFITT: Why?

5                   MR. WINNIE: I do not know why it's  
6       used. I know that that's the way the federal code  
7       is written and that's the calculation that is made  
8       in order to determine what the pressure is in the  
9       pipeline.

10                  MR. PROFFITT: Sir, you obviously are  
11       familiar with federal codes, but we're merely trying  
12       to determine -- there's a thicker pipe in the heavy  
13       residential area and a thinner pipe in a rural area  
14       and we're asking why are you using a thinner pipe in  
15       a rural area?

16                  MR. WINNIE: You're asking me to make  
17       a determination of something, explain something that  
18       was determined and calculated years ago, and I don't  
19       know the foundation of how that was put together.  
20       Okay?

21                  MR. PROFFITT: Nor are you going to  
22       project a possible logical reason for it?

23                  MR. WINNIE: I'm here to talk about  
24       pipeline safety. And, you know, the federal code  
25       has evolved and changed over the years to address



1 federal safety and pipeline safety. And, you know,  
2 we've implemented many new standards over the last  
3 five years to make pipelines safer and make them  
4 better and to look after the public. So, you know,  
5 I don't know what you want me to eject. You want me  
6 to make some speculation that I can't make. I'm  
7 sorry.

8 MR. PROFFITT: I think the whole point  
9 is, the bigger the number of people, the more  
10 protection they're going to get. Whether it's in  
11 the rural areas they would rupture, it's going to  
12 rupture over a bigger area and the density is not as  
13 great. In the 70s that would have been true. Now  
14 the rural areas more people are coming out in the  
15 rural areas and it's denser. And based on back in  
16 the 70s it's somewhat outdated, it's still not  
17 keeping the public safety --

18 MS. RUST: I'm Susan Rust. Back in  
19 2005 before REX East was applied for FEMSA received  
20 a request for waivers that covered both REX West and  
21 REX East projects. The waiver requested was for  
22 even a more thinner wall pipeline than is in the  
23 federal code, I believe, and also that the pressure  
24 per square inch could be higher than that size of a  
25 pipe would be allowed to handle.

1                   And I had some questions about that in  
2 my conversations with Harold. One, of course, is  
3 why would you let this happen? But the other  
4 question is: Why weren't the people of Illinois,  
5 Indiana, and Ohio given the opportunity to comment  
6 on this? FEMSA said, oh, they didn't receive any  
7 adverse comments. Well, that's because nobody here  
8 knew about it, we didn't have the opportunity to  
9 comment. I had the opportunity to speak to  
10 Stacy Gerard with FEMSA when we were at a conference  
11 in New Orleans in November and she was shocked, she  
12 didn't make the correlation between REX West and REX  
13 East. She said all these comments, they were all  
14 from the west side, we on the east got the waiver  
15 process.

16                   And here again, this is our federal  
17 government not taking care of our interests as  
18 citizens of the United States.

19                   MR. RUST: Can I ask you a question?

20                   MR. WINNIE: Susan, are you aware that  
21 there is a notice out to revamp the special permit  
22 process?

23                   MS. RUST: Well, we talked about that  
24 in New Orleans, actually, that if you're going to  
25 have regulations, let's have the regulations be

1 right, let's not be passing on waivers. Let's have  
2 the public know what they're dealing with up front  
3 rather than the pipeline -- we want to change what  
4 the regulations are, because basically that's what  
5 you allowed to happen.

6 MR. WINNIE: And there are instances  
7 where regulations do receive special permits to do  
8 things and that's where technologies have developed  
9 and proven, or beginning to prove, that there is a  
10 reason to do that, to provide more economical energy  
11 to America. And, you know, those are needs. That's  
12 definitely a need.

13 Now, we can debate whether that's the  
14 right thing to do or not. But that is a process  
15 that is done, and it is recognized that there are  
16 times when that special permit is necessary in  
17 emergency situations and also in developing  
18 technologies to do a better job.

19 MR. BRATTAIN: Where is the pipe  
20 coming from? What country? Anybody know? And is  
21 there more than one grade of pipe and are there more  
22 than one company that's going to make the pipe?

23 MS. WEEKLY: And primarily we have  
24 three different pipe suppliers for the pipe: Oregon  
25 Steel Mill in Portland, Oregon. They also have a

1       sister company in Canada. Some of the pipe is  
2       coming from Germany, and some of the pipe will be  
3       coming from India.

4                   MR. PROFFITT: My name is Rob Proffitt  
5       and I'm from Franklin County, Indiana. And I think  
6       I'd like to note a couple of things. I'm sorry that  
7       that gentleman didn't really answer my question. I  
8       suppose, for example, one wants to talk about  
9       pipeline safety. I recall several years ago when  
10      the Alaskan Pipeline ruptured and I believe it was  
11      owned by BP, at least that section, and when it  
12      ruptured BP later admitted, after some 15 years,  
13      they had never inspected that pipeline. And I  
14      believe it's a matter of public record and the  
15      pipeline safety commission was asked why hadn't they  
16      checked it. They admitted that as well.

17                   So, let's talk about pipeline safety  
18      for a moment. Through Franklin County we have very  
19      pristine areas and I happen to own a large amount of  
20      land in that particular area. And my home is in the  
21      area of vast woodlands around me, very beautiful  
22      woodlands. And we've read a lot about the  
23      California fires. Now, it seems like every summer,  
24      particularly this past summer when we had a draught  
25      condition, our county commissioners very wisely put

1       on, for example, a fire safety ban. They said this  
2       woodland, it's a tinderbox, nobody is allowed to  
3       hardly do anything. That proposed pipeline is going  
4       to go through a great amount, not only on my place,  
5       but my adjoining neighbors, through this timberland  
6       area.

7                     If that pipeline were to rupture, and  
8       there may be a frictional possibility that it would  
9       ignite when it does rupture, it could create a mass  
10      fire hazard like none of us can even contemplate.

11                    What's interesting, I contacted our  
12      governor's office here in Indiana. I wanted to talk  
13      with the governor's office about it, but the  
14      governor, of course, is a very busy man, and so I  
15      talked to one of his assistants, and I talked about  
16      this particular situation. And she said well,  
17      Mr. Proffitt, I can see where you're coming from,  
18      but -- now, this is her, almost, quote -- the  
19      governor doesn't consider this a state problem, he  
20      considers it more of a local matter of concern. I  
21      said, a local matter of concern?

22                    If that woodland area -- and there's a  
23      lot of woodland area there, a lot of us even sell,  
24      occasionally, timber off of those areas. I said if  
25      that pipeline were to rupture and if it would cause

1       a fire hazard -- and assuming many of us who live  
2       close by weren't incinerated instantly, do you think  
3       my Brookville Volunteer Fire Department is going to  
4       be able to deal with a hazard like that?

5                       And she said well, probably not.

6                       I said then therefore, how could you  
7       possibly consider it a local matter?

8                       Well, I will relay your feelings and  
9       comments onto the governor. And that's a typical  
10      bureaucratic maze, I suppose.

11                      So that left me wondering about, you  
12      know, really how much security do we have for this  
13      particular situation? I guess aside from all the  
14      many very interesting comments I've heard tonight,  
15      and some of them were, obviously, very well  
16      documented. The thing that really angers us as  
17      landowners -- and I know this is not a problem of  
18      the FERC commission -- is that it seems this whole  
19      proposal is REX's all take and no give.

20                      And I mean that, for example, in my  
21      home I have been offered upwards of \$300,000 for my  
22      home and approximately five acres where my home  
23      sits, you know. That's not too bad, I suppose, as  
24      prices go. I've had three unsolicited offers for my  
25      home within the past year or so. And I think what's

1       interesting, as this pipeline issue became more  
2       publicized one of the people came back to me and  
3       said, you know, I think I'm -- and there was nothing  
4       written, we were just discussing this -- I think I'm  
5       going to have to retract that offer, I don't believe  
6       that I would want to live anywhere near that  
7       pipeline.

8                       And I said I can understand that. I  
9       said just as a matter of interest, if you were  
10      seriously interested in buying it, what would you  
11      offer me? And remember, here's a guy that offered  
12      me close to 300,000.

13                     He said I would probably, even if I  
14      wanted to live near it, I would give you maybe less  
15      than half of that amount.

16                     Now, think about it. If we're taking  
17      -- and that's what a lot of these homeowners are  
18      saying -- we're taking tremendous losses no matter  
19      -- and I'm not an attorney, but I suppose how they  
20      could contest it in court is to reimburse me for  
21      some of my loss in potential land value, but we're  
22      taking a definite loss in the value of our property.  
23      Many of us look very good on paper, you know, when  
24      we list our asset values we put down our farmland  
25      and maybe some other things. Wow, we do look good

1       on paper.

2                       But when we come along and have  
3       someone cutting into this value like that, offering  
4       us nothing by way of reimbursement for that, that  
5       just somehow doesn't seem to be fair. It just  
6       doesn't seem to be the American way.

7                       And I think the other that's  
8       interesting, when FERC comes along a lot of us  
9       thought well, if they're going to go through the  
10      acres of my land, they're going to reimburse me for  
11      ten acres to my land. That's not true guys. What  
12      they're going to do is figure this out  
13      mathematically and they're going to pay you just for  
14      that little trench that's going through. Now it  
15      doesn't matter, but that's maybe going to cut right  
16      smack through the middle of your land.

17                      I have a neighbor, for example, that  
18      has developmental property. We're talking about the  
19      land intended use here. This neighbor had to go get  
20      certification that this land that was being proposed  
21      is prime building property land. It's beautiful  
22      homes being built there. REX is proposing to come  
23      right through the center of this property. And I  
24      believe, and I don't think she would mind, and I'm  
25      not telling who she is anyway, so there is no



1 confidence broken here, but REX had made an initial  
2 offer of coming through some 10 or 13 acres of her  
3 land at \$4,300. That land is conservatively  
4 estimated to be anywhere worth from 7,800 to \$10,000  
5 an acre as building property land. That's the kind  
6 of people we're dealing with. And so consequently  
7 we are greatly annoyed about it.

8 I've written to -- I'm like Joe Rust  
9 here. I've written more letters, I have made more  
10 phone calls, I have written to my Congressman, I've  
11 written to my governor, I've written to my state  
12 legislatures. You name it, and I have certainly  
13 written to FERC. And I have written to everybody  
14 that's anybody and I keep getting back these nice,  
15 well, we see where you're coming from and we'll keep  
16 your valuable comments under consideration. But all  
17 we do, we keep getting beat down and beat down and  
18 beat down.

19 You know, maybe some of the partisan  
20 candidates in New Hampshire tonight have got it  
21 right, and I'm not going to be partisan, it's time  
22 for a change. It's really time for a serious  
23 change. And I think it's interesting how -- and  
24 again, I'm not casting any aspersions, but isn't it  
25 interesting how we want to get this all done right

1       away. Boy, we want to get this done, wow, before we  
2       run out of time. Because I think that when we get a  
3       new president, regardless of who or she is, there's  
4       going to be a lot of changes in a lot of committees  
5       who may take a different attitude on this. And we  
6       don't have to be too naive to know that our present  
7       administration -- and that's my right as an American  
8       to stay here and say there's certain things about my  
9       government and people that I don't like. Thank God  
10      I still have that right. And there's a lot of brave  
11      boys and girls out there who are fighting around  
12      this world tonight that I have and you have that  
13      right. And I appreciate for the opportunity of  
14      being here tonight.

15                   But isn't it interesting that our  
16      current administration is known as the energy  
17      administration. I'm paying -- I stopped and filled  
18      up tonight -- \$3.19 for a gallon of gasoline. And  
19      let me deal one thing, I won't digress too much.  
20      One time when I was talking -- by the way, last  
21      summer I had FERC on my property. I had Indiana  
22      State people on my property. You name it and I was  
23      having me a real convention. And I did pass out  
24      lemonade, by the way. I had them on there and REX  
25      said to me Proffitt, Proffitt, how could you be --

1       how could you be so selfish about this. I said I  
2       beg your pardon? He said America needs energy and  
3       they need it now, we need this gas. I said listen  
4       to me mister, that's like telling me you want to put  
5       an oil pump on the edge of my field there and you're  
6       still going to charge me \$3.00 and some for a gallon  
7       of gasoline. Well, he says -- I said no, listen,  
8       you're interested only in one thing and that's  
9       making money. My job is to make sure as an  
10      individual property owner that you don't just  
11      steamroll over me and the others around here.

12                       Here's the idea guys, and I'm not  
13      going to moralize here. I feel that when all is  
14      said and done in this world of monetarism that we  
15      deal with, you have a responsibility to look out for  
16      you, nobody else is going to do it for you, but you  
17      have to do it on the basis that you will not break  
18      any moral, legal, ethical, or spiritual guidelines  
19      in doing so. So I encourage you, I beg you, I pray  
20      for you, fight with every ounce of breath you've got  
21      in you, encourage your neighbors to make phone  
22      calls, write letters in spite of these deadlines  
23      that everybody talks about. And maybe we will lose,  
24      maybe we'll have to live with this thing, but  
25      wouldn't it be better to be able to go to bed at

1       night and say, God, I've lost fighting, than to win  
2       doing nothing. Please, stand up for who you are.  
3       Don't let these people buffalo you around. I've had  
4       too many encounters with them, and I'm not six feet  
5       tall, but boy, I'll tell you one thing, I am an  
6       American, this is my country and that's my land, and  
7       by George, I intend to fight for every inch of it.  
8       I hope you do the same thing.

9                       Thank you for your time.

10                      MS. LYKENS: Thank you.

11                      MS. YANE: I have a question for  
12       Mr. Winnie. I read the waiver that allowed REX to  
13       use cheaper pipe and up their pressure. And the way  
14       this states several times that this was acceptable,  
15       in fact, I think this was greeted, you know, with  
16       pleasure by the impacted states and that there was a  
17       public comment period and that no comments were  
18       received. Since then we've found out that this  
19       waiver applied to REX West and evidently those  
20       states knew that the pipeline was coming through.  
21       Because I know Indiana didn't. I've talked to all  
22       kinds of Indiana officials. They were not aware.  
23       Those states had a public comment period and no one  
24       decided to comment, but we didn't. So really the  
25       process for REX East has not been completed, and I'm

1       wondering if FEMSA is going to go back and make sure  
2       that there is a comment period for REX East and, you  
3       know, belatedly FEMSA contacts the states that the  
4       pipeline will be going through.

5               MR. WINNIE: First, I'm not sure where  
6       you got your information, because I'm not aware that  
7       the comment filing was only for REX West. I will  
8       look and see because I'm not sure that that's true.

9               As far as the comment period, there  
10      was, and we do have a process that was filed in  
11      headquarters in D.C. where there was public notice  
12      and the comment period and contact made. In fact,  
13      we did go back and find an e-mail where one of the  
14      engineers out of our office called each of the state  
15      program managers to make sure that they were aware  
16      of it and make sure to talk to them about it prior  
17      to the presentation that was given to the technical  
18      committee, advisory committee that we also run these  
19      types of things in front of and discuss it there as  
20      well. So it was presented to that technical  
21      committee as well.

22              So I'm not -- to say that FEMSA is  
23      going to go back and have a public comment period,  
24      I've not heard any discussion about that or any  
25      indications that that's going to happen.

1 MS. MORGAN: You know, when  
2 Mr. Underwood called me December the 26th, I told  
3 him, I said, you know, this pipeline being laid,  
4 it's all about money. It's all about the money.  
5 They don't care anything about us. And I said, you  
6 know, they can get more gas -- more money on the  
7 east coast for this gas than they can out in the  
8 Rockies, and that's what it's all about. I said  
9 what do you have to say about that, Mr. Underwood?  
10 And I'll go to court and I'll swear to tell the  
11 truth and nothing but the truth, and you know what  
12 he said? He said I can't argue with the truth.  
13 That's what Mr. Underwood said that lives in  
14 Westport, Indiana.

15 MS. LYKENS: Thank you. Is there  
16 anybody?

17 MR. ROBINSON: I'm Don Robinson. I'm  
18 from Mooresville, Indiana. There's two things that  
19 I wanted to mention and I want to make sure we've  
20 got on the record. I'm very strongly in favor of  
21 the five foot cover over agriculture land. It  
22 appears in some literature and people say no, that's  
23 not going to happen. And I'm very much in favor of  
24 the pipeline that goes across my land having five  
25 foot of cover over it. Nobody knows what kind of

1       farming techniques we're going to have within the  
2       next 50 years, and we may be reaching down there for  
3       some good land.

4                       We haven't been getting a very good  
5       answer on safety factor. At Rockville last night we  
6       talked about 72 percent versus 80 percent capacity  
7       on a pipeline. I'm not a civil engineer, but I did  
8       a little work on Allison transmissions and I could  
9       tell you that when you move from 72 to 80, it's kind  
10      of like running your car at three-quarter throttle  
11      or 80 percent throttle. All of the safety factor is  
12      being used up as far as it can go. The problem that  
13      you have, sometimes, at least in transmission  
14      shafting, is that somebody put a little nick on it  
15      and you needed that extra safety factor to keep from  
16      breaking it under stress.

17                      So I think most of us understand the  
18      difference between 72 percent capacity and 80  
19      percent capacity of failure.

20                      MS. LYKENS: Thank you. Anybody else  
21      have a question or a comment they'd like to do at  
22      this time?

23                      MS. LECHER: Right now they're putting  
24      this pipe according to how many people are there.  
25      Ten years from now when there's a bunch of houses

1       over there we've got to dig that pipe up and build a  
2       stronger one.

3                   MS. LYKENS: I can try to take a stab  
4       at that. That goes back to the class locations. If  
5       ten years from now, I'll let Harold address it, but  
6       my understanding is ten years from now they would  
7       need to go back and dig it up and replace it.

8                   MR. WINNIE: There are situations  
9       across the country where pipelines are operating in  
10      class 1 locations and now are in Class 2 or Class 3  
11      locations and operators have made the choice either  
12      to go back and replace the pipe with heavier pipe or  
13      lower the pressure to reach the right operating  
14      pressure, calculations and pressure.

15                   Now, there is some conditions, and I'm  
16      going to address a couple of things. There are some  
17      conditions in the waiver, in the special permit that  
18      was granted, and I'd have to look at those to see  
19      exactly how those are addressed as the population  
20      changes. There's also -- you've got to remember  
21      that there are 46 conditions that were added to  
22      requirements over and above pipeline safety standard  
23      regulations starting with the, manufacture of the  
24      plate steel to make the pipe all the way through the  
25      corrosion, the operation, construction, and



1        installation and the life of the pipeline, they're  
2        required to do additional things in order to have  
3        the 80 percent special permit. So there are  
4        requirements that were built into putting extra  
5        requirements on the operator in order to do the  
6        special permit that we're talking about. So those  
7        are, hopefully, to catch what you're talking about,  
8        the nick in the transmission that might cause the  
9        transmission not to last too long. These additional  
10       requirements are there to help catch those nicks and  
11       try to prevent them from being a problem.

12                    MR. CLAPP don't want to buy that from  
13       somebody coming from India.

14                    MS. LYKENS: Anybody else?

15                    MR. RUST: I'd like to just go back to  
16       this pipeline depth issue. Where does the three  
17       foot depth come from. The requirement that REX  
18       initially proposed was a three foot deep topsoil,  
19       where did that come from?

20                    MR. WINNIE: That's an easy one.  
21       That's federal code. That's where that comes from,  
22       out of part 192.

23                    MR. RUST: Now, with that answer, why  
24       would federal code require only a depth of three  
25       feet in agricultural areas east of the Mississippi

1 River. Obviously that three foot code is defective.

2 MR. WINNIE: That's not just east of  
3 the Mississippi, that's nation wide is the federal  
4 code. That's the standard depth that's required.  
5 If you get into heavy rock there's a different depth  
6 that's required, which is less, because the rock  
7 helps protect it. But that's a minimum depth to  
8 protect the pipeline or help protect the pipeline.

9 MR. RUST: And with that, then I would  
10 ask is there anything in the code about agricultural  
11 land that has drainage tiles in it?

12 MR. WINNIE: I'd have to go look, Joe.  
13 It's not there.

14 MR. RUST: And what I'm asking is,  
15 we're all talking about we're meeting the minimums  
16 and going for the waivers and all of that. It would  
17 have appeared to me that somebody at FEMSA, if they  
18 know about drainage tiles and how farming is done  
19 east of the Mississippi River, would have required  
20 from day one that this pipeline be buried at least  
21 five foot depth, at least five foot depth, and we  
22 would have not have been going through this  
23 aggravation about the mitigation agreement.

24 And everybody in this room, I think,  
25 understands what has happened. In the original

1       proposal REX proposed a three foot deep pipeline.  
2       In agricultural areas -- it didn't really matter  
3       where, I don't believe, except in rock areas it  
4       could be two feet, I believe. So when the  
5       mitigation all started, the argument started, REX  
6       firmly held to the belief that three feet was the  
7       way to go. And it's only recently that I believe  
8       that they've come off of that three foot and agreed  
9       to a minimum of topsoil depth of five feet.

10                       But the Department of Natural  
11       Resources posted this letter on the dockets, it's  
12       dated December the 10th, it was posted on the 19th,  
13       where the Ohio Department of Natural Resources is  
14       still concerned that REX is still fighting this. So  
15       what he said in here, and I believe he quotes a  
16       representative of REX, inform OD and R and DSWC  
17       which is the Ohio Department of Natural Resources  
18       that burying the pipeline at a depth of five feet  
19       would be cost prohibited.

20                       Now, this is dated December 10th,  
21       posted December 19th. But in the Draft EIS it  
22       states that FERC recommends a five foot depth of  
23       pipeline. And what I'm asking is: I want FERC to  
24       state here and I want REX to state here, if they  
25       would, that they're absolutely going to adhere to a

1 minimum of five foot depth, because it's unclear in  
2 the Draft EIS whether this is a recommendation or  
3 this is something that once they get out in fields  
4 they negotiate with each farmer. Is that a fair  
5 question?

6 MS. LYKENS: That is a fair question.  
7 The clarification, FERC believes that we -- we do  
8 agree that five feet is probably necessary in areas  
9 of drain tiles, condition is to negotiate if the  
10 landowner wants five feet, REX should in good faith  
11 negotiate that five feet. That's what that is. And  
12 this clarification for the draft at final, we will  
13 clarify that for the final.

14 Any other questions?

15 MS. LECHER: If FERC recommends five  
16 foot, why don't they just amend it for agriculture,  
17 because a lot of farmers aren't aware that they've  
18 got this choice.

19 MS. LYKENS: That's a good comment and  
20 we'll consider that. Thank you. That's a good  
21 clarification for us to make.

22 Anybody else like to speak tonight? I  
23 hope it has stopped raining out. And, again, I  
24 apologize for what happened. We definitely had it  
25 confirmed here and somehow our notice got issued

1 with the wrong address. I understand they're doing  
2 some renovations at the junior high. That might not  
3 have been communicated to us. So I apologize. I'm  
4 glad you all were able to make it and I hope you  
5 have a nice evening. We are going to be available  
6 afterwards to talk to you individually. REX is here  
7 and they have some maps. So thanks again for coming  
8 out tonight. I appreciate it. Thank you.

9  
10 (Meeting concluded at 9:07 p.m.)