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06-1142-GA BIN

May 8, 2008

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington DC 20426

Re: Rockies Express Pipeline Project, REX-East  
Response to Data May 5, 2008 Data Request  
Docket No. CP07-208-000

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Dear Ms. Bose:

Enclosed for filing are the data responses of Rockies Express Pipeline LLC ("Rockies Express") to the data requests of the Staff of the Federal Energy Regulatory Commission, dated May 5, 2008, in the above-referenced proceeding.

If there are any questions with regard to this matter, please contact the undersigned.

Sincerely,

/s/ J. Curtis Moffatt  
J. Curtis Moffatt  
Van Ness Feldman, P.C.  
1050 Thomas Jefferson Street, N.W.  
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Attorney for Rockies Express Pipeline LLC

Attachments

cc: Lauren O'Donnell  
Alysa Lykens  
Laura Turner  
All Parties

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Introduction

In the final Environmental Impact Statement (FEIS) issued by the Commission Staff (Staff) for the REX-East Project, Staff addressed the issue of subsidence and required Rockies Express to file, prior to the start of construction, a Mining Subsidence Plan. (See FEIS at pp. 4-10 to 4-11). Rockies Express is developing a mitigation plan and intends to submit it for approval prior to the commencement of construction.

Murray Energy Corporation and affiliated entities (together "Murray" or "Murray Energy") have filed supplemental comments and responses that address subsidence issues on properties on which Rockies Express intends to construct the REX-East pipeline and under which Murray either has completed, or has rights to engage in, underground coal mining operations. (See, e.g., Supplemental Comments filed by Murray Energy on April 4, 2008). Rockies Express believes that the Staff's requirements set forth in the FEIS more than adequately address the concerns raised by Murray. The proposed REX-East pipeline will traverse areas that (1) already have been mined and have subsided, or (2) have not been mined, but have the potential to be mined in the future. The REX-East pipeline, therefore, does not traverse any current, actively mined areas. Based on the advice of its experts, Rockies Express believes that the REX-East pipeline can be constructed safely over the route selected and that Murray will, with appropriate coordination with REX East pipeline once in operation, be able to safely develop its coal reserves in areas of possible future development where Murray currently holds mineral rights.

The route of the REX-East pipeline was developed after early consultation with landowners and mining interests, including Murray. As set forth in the response below, at no point prior to its supplemental comments did Murray Energy suggest the need to re-route the pipeline. Indeed, the coal seams traverse the entire area. The specific route that was selected was based on its proximity to the existing rights-of-way for power lines, roads and other infrastructure. The area surrounding the proposed right-of-way includes the towns of Sommerton and Beallsville as well as the Barnesville Reservoir. The area is honeycombed with other, potential future coal development sites. Thus, Rockies Express settled on the specific right-of-way for the REX-East pipeline only after carefully balancing a myriad of environmental, commercial and safety interests.

Rockies Express is confident that the REX-East pipeline can be constructed, operated and maintained safely through the 8 miles of Ohio land on which Murray currently holds certain mining rights to unexploited reserves. Rockies Express has retained Dr. Syd Peng and D.J. Nyman & Associates as experts with respect to the construction of the pipeline through this area. Dr. Peng is a noted expert and professor at West Virginia University Department of Mining Engineering and was recommended to REX-East by Murray. Based on the advice of these and other experts, Rockies Express believes that the REX-East pipeline can be constructed and operated safely, even if future coal mining takes place under the pipeline in areas where Murray currently holds mining

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rights. Further, Rockies Express intends to exercise construction and operation methodologies to specifically address Murray's concerns. These include the following:

1. Class 2 pipe: Rockies Express will use class 2 pipe, where needed, to deal with additional stresses which may be imposed on the pipe by future ground subsidence. Locations for the use of heavy wall pipe will be determined from finite element stress analysis being performed by Professor Peng.
2. Strategic placement of mainline valves: Rockies Express will install mainline valves in this area in compliance with Title 49, Code of Federal Regulations, Part 192. Based on regulatory requirements valves will be located at both ends of the area under discussion. These valves will close automatically in response to a drop in mainline pressure.
3. Use of granular backfill material. Rockies Express will use granular backfill material in areas of concern to minimize friction between the pipeline and the surrounding soils and thereby reduce stress imposed on the pipeline by ground subsidence.
4. Site specific rerouting. Where necessary, Rockies Express will reroute the pipe around specific topographic features such as steep hills where the combination of the ground topography and subsidence could potentially impose undue stress on the pipe. These reroutes will be identified by analyses currently being performed by Professor Peng and others.

Based upon representations of Murray, the area of concern, the 8-mile section between Mileposts 621 and 629, traverses areas of the Century Mine. This area is not currently being mined, but Murray currently holds rights and may decide to mine certain parts of the area in the future. It is REX-East's understanding that the development time horizon is five to ten years out. This extended period of time is more than ample to allow Murray to develop mining schedules and communicate them to Rockies Express to allow coordination of subsidence mitigation measures.

The mining technique anticipated to be utilized during any future development, according to Murray, is known as long wall mining. Based on the advice of experts consulted and retained by Rockies Express, including Murray's own recommended expert, Dr. Peng, Rockies Express believes that its pipeline can be operated safely within the area regardless of the underground mining technique used. A characteristic of long wall mining is that the ground subsidence that occurs can be accurately predicted, both as to the timing of the subsidence and the extent of it. This characteristic makes the risks posed by long wall mining significantly less severe than the risks posed by other less predictable underground mining techniques.

Rockies Express will coordinate with Murray's operations, therefore, to implement monitoring and mitigation measures related to any possible effect on the pipeline as a result of planned subsidence resulting from future long wall mining operations. Rockies Express is currently developing a detailed subsidence mitigation plan. Elements of the plan include the following mitigation measures:

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- (1) Rockies Express will identify, in advance, specific sections of pipe that may be at risk due to ground subsidence. These sections will be identified by analyses currently being done by Professor Peng and others.
- (2) Immediately prior to subsidence of the ground by Murray, Rockies Express would uncover the sections of pipe in question. Strain gages and other monitoring equipment will be installed on the pipeline.
- (3) The pipeline will be closely monitored both electronically and visually throughout the subsidence event. Equipment and personnel would be on hand to deal with any potential unforeseen issues.
- (4) Once any such subsidence event is completed, necessary corrective measures would be implemented and the pipeline recovered.

For all the above reasons, Rockies Express believes that the FEIS is sound. The mitigation measures proposed in the FEIS are appropriate and Rockies Express will comply with them. The construction techniques proposed by Rockies Express are more than adequate to ensure safety. Indeed, natural gas and petroleum pipeline infrastructure crosses coal mining reserves throughout the Midwest and eastern United States. The pipelines operate safely and the coal mining operations are neither compromised nor diminished. The FEIS is correct that such safe operation will require close coordination and communication. Rockies Express is confident that both Murray and Rockies Express will maintain such cooperation and communication. Rockies Express does not envision any circumstance that would cause Murray to be required to cease coal mining activity under the REX-East right-of-way.<sup>1</sup>

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<sup>1</sup> Rockies Express notes that certain pleadings have noted that the Commission stated in Section 4.13.3 of the FEIS that "[f]uture mineral development would be permanently prohibited within the REX East Project right-of-way." (FEIS at p. 4-243). Rockies Express understands this statement to restrict surface activities on the right-of-way permanently that may relate to mineral extraction. Rockies Express concurs in this statement. Rockies Express does not read this statement, however, to preclude any subsurface mining or other mineral extraction activities.

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**Data Responses**

**Data Request No. 1:** In response to recent filings by Murray Energy Corporation, the Ohio Coal Association, and others, provide the following information for Belmont and Monroe Counties in Ohio.

- a. Indicate the exact distance from the edge of your proposed pipeline construction right-of-way to active mining operations.
- b. Describe where and when active mining operations would be likely to advance to within 1,500 feet of your proposed pipeline route and indicate the source of this information.
- c. Indicate, by milepost, the segments of the proposed pipeline route that traverse areas for which the mining rights have already been acquired by the Murray Energy Corporation or other mining interests

**Response:**

The Rockies Express pipeline will cross over areas in Eastern Ohio where active and future longwall mining operations are located. These operations are conducted by Murray Energy Corporation.

Longwall mining is an underground mining technique that involves removing all of the coal in sections called panels that vary in width between 600' and 1000'. In terms of potential impact to a pipeline, the most important aspect of longwall mining is that it results in ground subsidence at the surface that occurs immediately after a given area is mined. The subsidence occurs in a confined area immediately above the panel. The amount of ground movement is dependent on the thickness of the coal seam being mined. The subsidence occurs over a very short period of time, after which the ground once again becomes stable. Hence the location, extent and timing of subsidence are planned and predictable.

Murray has provided Rockies Express with a map designating where it currently owns rights to coal resources, locations of current mining activities and locations of proposed mining activities based on their current rights. The map was provided in paper hard copy form only and is plotted at a scale of 1" = 5000'. Thus any determinations of locations and distances derived from it are approximate. A copy of the map is attached to this response and is substantially the same as the map attached by Murray to the Weir Report. Murray has stated that the locations and timing of proposed activities are preliminary and are subject to change. No other data has been provided by Murray.

Based on a review of the map, Rockies Express has determined the following:

- a. At the time of construction, the proposed pipeline construction right-of-way will be less than 1500' from an active longwall mining panel at one location only. This will occur over an approximate distance of 3000' along the pipeline at approximate milepost 634. At the closest point the

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construction right-of-way will be approximately 500' from the panel. As one moves east or west from this point the pipeline and the panel diverge and the separation quickly increases.

- b. At no point, during construction, will the pipeline be over an active mining panel.
- c. During construction, the pipeline will cross previously mined (and subsided) panels for an approximate distance of 6 miles between mileposts 629 and 635.
- d. Murray owns rights to unmined mineral resources beneath the proposed pipeline route over an 8-mile stretch between approximate mileposts 621 and 629. Murray has indicated to Rockies Express that it anticipates exploiting certain of those resources sometime during the next 5 to 10 years. Every point along this stretch of pipeline could, at one time or another, be subjected to subsidence resulting from the mining operations. Pursuant to the mitigation condition in the FEIS, Rockies Express will submit a mitigation plan which includes active communication and monitoring to prepare for any eventual subsidence should the future development occur.

**Data Request No. 2:** Should future mining operations advance to a point proximal to the pipeline that would require either pipeline relocation or additional stabilization, who would be responsible for the costs? Under what circumstances would cessation of mining operations be the only viable alternative?

**Response:**

In the future, if Murray Energy develops the coal reserves existing beneath the pipeline under its currently existing rights, Rockies Express will take full responsibility for monitoring and inspecting the pipeline, for implementing any mitigation measures that are required, and, in the unlikely event that they are required, performing any repairs. Rockies Express will be responsible for all the costs associated with these activities. Rockies Express cannot foresee any circumstances that would require Murray Energy to cease or alter its mining activities. Murray Energy's only responsibility will be to communicate with Rockies Express and keep it informed on a timely basis of the locations and schedules of mining operations in order to allow Rockies Express to effectively and safely implement its monitoring and mitigation programs.

**Data Request No. 3:** In the Weir International, Inc. report entitled *Report on the REX East Project and its Adverse Impact on Coal Reserves and Mining Plans of Murray Energy Corporation and Subsidiary Companies* (Weir Report), the authors suggest that the REX pipeline could avoid most of the future planned mining areas by following a

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route that would approach the Clarington Hub from the south. Explain why REX chose to route the pipeline through rather than around the mining areas?

**Response:**

When selecting the route of the pipeline Rockies Express followed FERC guidelines and normal industry practice and, as much as possible, followed existing utility corridors. As common sense would dictate, Rockies Express also tried to follow the most direct route to the final destination for the pipeline, the Clarington Hub, which lies only two miles east of Murray's operations. Initially Rockies Express chose a route that was collocated with an existing electric transmission line from milepost 618 to milepost 637. The route then followed existing TETCO pipelines to its terminus at the Clarington Hub. Rockies Express then implemented a reroute from milepost 620 to milepost 627 to deal with concerns raised in connection with the Barnesville Reservoir. Rockies Express met with Murray for the first time in December 2006. Subsequent meetings occurred in August 2007 and December 2007. In addition, several telephone and email exchanges took place. At no point did Murray express an interest in having the pipeline rerouted. Their expressed concerns were with safety measures that Rockies Express would implement and with ensuring that Murray Energy would not be liable for any damage to the pipeline.

Rockies Express did not consider a route to the south of Murray's interests because a need to do so did not arise until March 2008 when Murray first indicated that it had reservations about the route. It was only at that point that Rockies Express did consider, briefly, a route further to the south. Rockies Express found that in order to completely avoid areas of potential future mining where Murray currently holds interests, the length of the route would have to be extended by an unreasonable amount. That reroute was quickly abandoned and not developed any further. Such an extended reroute is unnecessary since the pipeline can be built, operated and maintained safely over active coal mining areas.





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