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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

- - - - -x
IN THE MATTER OF: : Docket Number
ROCKIES EXPRESS PIPELINE PROJECT : PF06-3-000
- - - - -x

Quality Inn Sandhills
Convention Center
2102 South Jeffers
North Platte, Nebraska

Wednesday, January 25, 2006

The above-entitled matter came on for scoping
meeting, pursuant to notice at 7:04 p.m.

MODERATOR: ALISA LYKENS

1 Midwest. Rockies Express has informed us that it
2 contemplates eventually building a larger system that would
3 extend the Western Phase eastward, linking the Rocky
4 Mountain region to the upper Midwest and eastern United
5 States. This overall plan may or may not ever come to the
6 proposal stage due to business or market considerations.
7 Should proposals for extending the Rockies Express pipeline
8 come forward, they will be considered at that time.

9 The Rockies Express pipeline project consists of
10 about 720 miles of 42-inch diameter pipeline. Five new
11 compressor stations are also planned to help move the gas.
12 The pipeline would extend from the Cheyenne Hub in Weld
13 County, Colorado to an interconnection with the Panhandle
14 Eastern Pipeline system in Audrain County, Missouri. Most
15 of the pipeline route would be co-located, or placed next
16 to, other pipeline and utility rights-of-way.

17 There are additional ancillary facilities that
18 Rockies Express is also considering. In a few minutes I'll
19 ask a representative from Rockies Express to take the floor
20 to present to you a more detailed project description. And
21 they will also be able to answer some of your questions
22 regarding the project at the conclusion of this meeting.

23 Now I'd like to discuss the scoping process. The
24 National Environmental Policy Act requires that the
25 Commission take into consideration the environmental impacts

1 associated with new natural gas facilities. Scoping is a
2 general term for soliciting general input from the public
3 before the environmental analysis is conducted. The idea is
4 to get information from the public, as well as other
5 agencies and groups, so that we can incorporate issues of
6 concern into our review.

7 Our scoping for this project started last month
8 when we issued our Notice of Intent, or NOI, to prepare an
9 environmental impact statement. We have extra copies of the
10 NOI on the table in the back if you'd like one. And you can
11 also put your name on our mailing list. Additional
12 brochures about our website are also available.

13 I need to make a note of explanation about the
14 last paragraph of the Notice of Intent that was recently
15 mailed, which referred to the FERC intervention process.
16 Intervention is a separate part of the regulatory process
17 that is not available until the formal application has been
18 filed with the Commission. It has no bearing on the
19 purposes here during the scoping period regarding the
20 environmental comments. Therefore intervention requests
21 will not be considered at this time.

22 This project is in a design state. Specific
23 details have not yet been identified and finalized. A
24 formal application is not yet filed with the Commission.
25 The goal of this pre-filing process is to help facilitate

1 the interaction of federal, state, and local agencies and
2 affected property owners and other interested stakeholders
3 by preparing a more complete application for the filing of
4 Rockies Express's application at the Commission.

5 We would like to know now what the environmental
6 issues are so we can address them now rather than after the
7 application is filed. I would also like to state that the
8 Commission is an advocate for this pre-filing process and
9 not an advocate for this project.

10 The official scoping period ends on February
11 10th. However, the end of the scoping period is not the end
12 of public involvement. There will be additional points
13 along the process for public input. Scoping is just the
14 very first step in this process.

15 The first step in the process of preparing this
16 EIS is to determine which environmental resource issues are
17 most important to you. Your comments and concerns, along
18 with all the other people and agencies who have been asked
19 to participate, will be used to focus our environmental
20 analysis. Your comments tonight, together with any written
21 comments that you may file or intend to file, will be added
22 to the record as comments on the environmental proceeding.

23 Now I'd like to differentiate between the roles
24 of the Commission, who are appointed by the president and
25 confirmed by Congress, and that of the Commission's

1 environmental staff, which I work for. I am part of the
2 Commission staff.

3 The Commission itself is responsible for making a
4 decision by a Commission vote on whether to issue a
5 Certificate of Public Convenience and Necessity to Rockies
6 Express. The EIS prepared by environmental staff does not
7 make that decision. In general, the EIS describes the
8 project facilities and associated environmental impact,
9 alternatives to the project, mitigation to avoid or reduce
10 impacts, and our conclusions and recommendations to the
11 Commission.

12 Therefore the EIS is used to advise the
13 Commission and to disclose to the public the environmental
14 impacts of constructing and operating the proposed project.
15 The Commission will consider the environmental information
16 from the EIS, public comments, as well as a host of non-
17 environmental issues such as engineering design, market,
18 rates, finances, tariffs, and design and cost in making an
19 informed decision on whether or not to approve this project.
20 Only after taking these concerns into -- these factors into
21 consideration will the Commission make its final decision on
22 whether or not to approve the project.

23 So the purpose of tonight's meeting is to take
24 comments, together with what is filed in the form of written
25 comments, into consideration. We will publish those

1 findings in a draft EIS which will be mailed out to our
2 mailing list and will be publicly noticed for comments. The
3 draft EIS will include any mitigation or recommendations
4 needed to reduce impacts as appropriate.

5 Once the draft EIS is issued for public comment,
6 the public will have 45 days to provide written comments.
7 We will also come back here and have another public meeting
8 such as this one on the draft EIS.

9 Now regarding the environmental mailing list:
10 Because of the size of the mailing list, and to save the
11 government some money in mailing, our preferred version of
12 the draft EIS is a CD-ROM format, with the EIS files in
13 Adobe Acrobat. That means that unless you tell us
14 otherwise, the draft EIS that you will find in your mailbox
15 will be a CD-ROM. If you prefer to have a hard copy mailed
16 to you -- and that's about this thick usually; it looks like
17 a Yellow Pages book -- that's fine. Just let us know and we
18 will indicate that. You can either give us the return
19 mailer that was attached to the NOI tonight or you can mail
20 it back to the Commission.

21 At this time I would like to introduce Ryan
22 Childs with Rockies Express.

23 MR. CHILDS: Good evening.

24 My name is Ryan Childs. I'm with Rockies Express
25 Pipeline Company Project Management. And with me here

1 tonight are Dirk Peterson over here, also of our project
2 management group, and in the back -- back there trying to
3 hide out -- is Sterling Hopper, one of our right-of-way
4 supervisors.

5 And just to give you an idea here, as Alisa
6 mentioned, we'll be happy to take any of your questions and
7 try and answer them as best we can over here after this
8 formal part of the process, I guess.

9 But just by way of introduction also about our
10 good company, Rockies Express Pipeline Company is a business
11 development of Kinner Morgan Energy Partners, and then
12 Sempra Pipelines and Storage, which itself is part of Sempra
13 Energy. So that's some of the background, as you'll see on
14 some of the literature as far as who Rockies Express
15 Pipeline Company is.

16 I'm just going to add some comments to what Alisa
17 already gave you as far as the overall project scope. I'm
18 not going to really get into design details tonight because
19 we're still working on that right now as we speak. But just
20 kind of the basic purpose of the project is to move our
21 domestic gas supplies from the Rocky Mountain region --
22 primarily southwest Wyoming, northwest Colorado -- bring
23 those domestic supplies east and get them into the upper
24 Midwest markets and ultimately to the east coast.

25 Dirk, do you want to stand over there? Dirk's

1 got a good pointer. He's going to point out where we start
2 over there by the -- south of Cheyenne, Wyoming, in
3 Colorado, and then we come across east following existing
4 pipeline systems -- the first part of it is Trailblazer
5 Pipeline System, which a lot of you all are familiar with.

6 As Alisa mentioned, we'll be co-located with
7 them, basically following the siting guidelines. And in our
8 situation we're going to do about 40 feet offset from that
9 existing Trailblazer line, typically. In some areas it's
10 going to be a little more than that; some areas it's going
11 to be closer because it depends on what's out there in our
12 path as we go down the Trailblazer line.

13 And then we're going to turn and follow about
14 where Dirk's finger is there, right at the Lincoln
15 County/Frontier County line area. We're going to turn and
16 follow down along the existing Platte Pipeline system. And
17 again, we'll be offset about 40 feet from that.

18 And that's -- and ending all the way down in
19 Audrain County, Missouri, down by -- a little northeast of
20 Columbia, Missouri, near Mexico, Missouri, if you know that
21 area.

22 As Alisa mentioned, it's going to be a continuous
23 steel all-buried 42 inch pipeline moving only natural gas
24 through that -- no other products or anything. We will have
25 to have some compressor stations along the route; that's

1 based on -- you've probably seen the pumping station south
2 of North Platte here at some point in time on the
3 Trailblazer system. It will be similar to that, but there's
4 not going to be one in this immediate area. The closest one
5 to the west would be over closer to Julesberg, Colorado.
6 And then there's going to be one further east down near
7 Holdridge, Nebraska would be the one closest to us on the
8 east-end side. And those locations and the amount of
9 horsepower it's going to use is dependent on the volume of
10 the gas that's going to be moving through there.

11 The project is designed to move about a billion
12 and a half cubic feet of gas a day through the system.
13 There will be block valves along the way. Some of you might
14 have seen those on existing pipelines. That allows us to
15 isolate segments. And those are all designed or specs to
16 the Department of Transportation safety standards.

17 This project, of course, is regulated not only by
18 the Federal Energy Regulatory Commission but also by the
19 Department of Transportation for safety specs and all that.
20 So there's a lot of layers of federal oversight, and then
21 also at the state and even the local levels from a lot of
22 different aspects, both design, operation, and for safety
23 and environmental standards.

24 So that's some of the things we're dealing with
25 right now.

1 As Alisa mentioned, it is in a design stage. We
2 design it by starting with that existing pipeline and
3 following it. That's one of our primary design
4 considerations. But then we've been in consultation with
5 federal, state and local environmental regulatory agencies.
6 They have put in that we have to take into consideration
7 input from landowners, from a variety of sources that we
8 have to consult with in order to design this thing, in
9 addition to just the actual what I call hydraulic
10 constraints of moving natural gas through a pipeline like
11 this.

12 I'll talk about the schedule here briefly. Right
13 now we're in the design stage, as I already mentioned. But
14 we'll be going forward with our application to the Federal
15 Energy Regulatory Commission for this first 710 miles here.
16 And we have a target date of May the 24th of this year.

17 Some of you right now have surveyors out there
18 going across your land right now. I appreciate the
19 permission that you've granted in order for us to do that.
20 Backing up to that design factor, that's something really
21 important to us right now so that our surveyors are able to
22 give that information back into the design. Part of that,
23 too, will be the environmental crews that will be coming
24 after our survey crews, and they will be looking for things
25 like cultural resources and wetlands, water bodies, or

1 protected species that we have to consider in our
2 construction. All that is incorporated into that permit
3 application that well be sending to Alisa and the rest of
4 the staff there at the Commission.

5 And then we go through a process where we
6 continue to work with the other agencies and with the FERC
7 to get all the necessary permits and approvals to construct
8 the project. We're targeting early spring of next year to
9 receive those necessary certificate from the Federal Energy
10 Regulatory Commission and all the other necessary
11 environmental permits and approvals. That would allow us to
12 get started with construction some time, the April-May time
13 frame of 2007.

14 There would be some initial setup that might
15 happen even a little earlier than that, like March, in terms
16 of bringing equipment out to the area and just setting up
17 with the construction crews that are going to be necessary
18 to build it. But we would go ahead and construct during
19 2007 in different segments.

20 And we won't start over by Cheyenne and come all
21 the way across with one crew; we break it up into what we
22 call construction spreads, which are basically about 100 to
23 130 mile stretches of pipeline that each contractor will be
24 building simultaneously. That's how you get it all done in
25 one construction season like this. And then we'd be placing

1 it in service at the end of 2007. We'd have to have gas
2 ready to flow by January 1 of 2008.

3 That's the overall concept of the project and the
4 schedule.

5 I would just add, Dirk, if you could grab one and
6 hold up one of those pamphlets there.

7 Landowners received one of these in our initial
8 request to have survey permission. If you didn't it was an
9 oversight and left out of your envelope. But we've got some
10 here tonight. And it's got contact information in there.
11 It's got 1-800 numbers that you can call any time to get
12 more information about the project or comments, whatever.
13 And it also has our website listed on there, which has a lot
14 of information.

15 I recognize a lot of faces out here. I apologize
16 about being bad with names. But I know a lot of you came
17 out to our company-sponsored open-house back in December. I
18 appreciate your coming back out here again tonight to give
19 comments to Alisa and the FERC staff here.

20 And you will see that in our website we have
21 incorporated a lot of the questions and responses to that.
22 If you go to the website and check that you'll see a lot of
23 general questions and specific questions, even, from those
24 round of public comments are incorporated on the website.

25 Again, I appreciate your all coming out this

1 evening. And Dirk and Sterling and I look forward to
2 talking to you after the meeting as long as you have
3 questions or want to talk to us. And I'll turn it back over
4 to Alisa so you can get to some comments.

5 Thank you.

6 MS. LYKENS: Thank you.

7 You may have noticed that this meeting is being
8 recorded by a transcription service, so all your comments
9 will be transcribed and put into the public record. I ask
10 that each speaker first identify yourselves and, if
11 appropriate, the agency or group that you may be
12 representing. Also, please spell your name for the record
13 and speak clearly into the microphone.

14 This is your microphone up here, if you haven't
15 noticed.

16 Remember, the more specific your comments about
17 the environment, the more useful they will be for us. And
18 we are looking for comments on the record. The team will be
19 glad to answer your individual questions after the formal
20 proceedings have concluded.

21 If you would rather not speak tonight you may
22 hand in written comments or send them to the Secretary of
23 the Commission by following the procedures outlined in the
24 NOI. Either way, your comments will be considered.

25 All right. I have one speaker tonight. Joe

1 Estermann.

2 MR. ESTERMANN: You want me up there?

3 MS. LYKENS: Yes, if you could come to this
4 microphone here.

5 MR. ESTERMANN: Okay.

6 Am I supposed to speak to you people rather than
7 back this way?

8 MS. LYKENS: Yes.

9 MR. ESTERMANN: Okay. I'm on the air?

10 MS. LYKENS: Yes, you are.

11 MR. ESTERMANN: Okay.

12 I don't want to filibuster this thing. But
13 there's one very important thing that's completely -- the
14 world has changed. In '52 -- Well, actually it should be in
15 -- We've got four easements through us already: a big one
16 plus a power line. We've got a railroad and a highway and
17 two pipelines already. And so we're kind of, I guess,
18 experienced.

19 But we need to get this thing down and out of our
20 way. It needs to be -- should be ten feet cover in the low
21 spots and a lot more on the other.

22 I live in Sand Hills and they can blow six inches
23 off in one day. And here this past week one day we took
24 four feet off a hill just because they want the hill gone.
25 And so depth is the big thing, I think: Get it out of our

1 way. And then we're a lot easier to get along with.

2 I don't hear much applause.

3 (Laughter.)

4 MS. LYKENS: Thank you.

5 (Applause.)

6 MS. LYKENS: There we go.

7 Would anyone else like to approach the
8 microphone?

9 (No response.)

10 MS. LYKENS: Come on. There's got to be
11 something you're concerned about.

12 Thank you. Please identify yourself.

13 MR. HUNTWORK: Okay.

14 My name is Gerald Huntwork. And the concern I
15 have -- I represent a county that you would be crossing.

16 MS. LYKENS: Okay.

17 MR. HUNTWORK: And a zoning administrator for
18 that county. And I would caution the folks that are putting
19 this in to please check with zoning regulations in the
20 counties that you would be crossing.

21 MS. LYKENS: Right.

22 MR. HUNTWORK: Some -- I mean every county is
23 different. I would hate to see happen what has happened in
24 Cass County down in southeast Nebraska where \$140 million
25 was spent on the erection of a power plant that's winding up

1 in court. And at this point in time the court has told the
2 company to tear that \$140 million structure down. I'm sure
3 it will go to the U.S. Supreme Court. But we certainly
4 don't want to get that kind of an effort here.

5 So I caution you and I encourage you to contact
6 the counties.

7 Thank you.

8 MS. LYKENS: Thank you.

9 Anybody else?

10 (No response.)

11 MS. LYKENS: Okay. One more time. One last
12 chance before I close the meeting?

13 (No response.)

14 All right.

15 Anyone wishing to purchase a copy of the
16 transcripts, you can see the court reporter after the
17 meeting. We will be placing a copy on the FERC website
18 after about ten days or so.

19 I also wanted to let you know we have two
20 brochures over there. One is on the website, how to
21 navigate it. If you have the docket number, which is in the
22 NOI that you have, you can use this brochure and you can
23 take a look at all the information that has been filed in
24 this project.

25 The other thing we have is a brochure entitled

1 Interstate Natural Gas Facility On My Land. And it answers
2 some very general questions that property owners may have
3 about having easements on the property and what their rights
4 are. So we have a few of these left back in the back.

5 I appreciate you all coming tonight. And, again,
6 I am really appreciative of the turnout. On behalf of the
7 Federal Energy Regulatory Commission, thank you.

8 Let the record show that the meeting concluded at
9 7:28 p.m.

10 (Whereupon, at 7:28 p.m., the scoping meeting was
11 adjourned.)

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