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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

Holiday Inn Kearney
110 Second Avenue
Kearney, Nebraska

Thursday, January 26, 2006

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

MODERATOR: LAURENCE J. SAUTER, JR., FERC

1 PROCEEDINGS

2 MR. SAUTER: Good evening.

3 My name is Larry Sauter. I am an environmental
4 project manager with the Federal Energy Regulatory
5 Commission. Tonight with me I have Gertrude Fernandez, who
6 is also with my staff. She is in the back. And I have
7 another assistant out in the hall; you probably saw him on
8 the way in: J.H. Rumpp. He is with TRC, which is an
9 environmental consulting group that's helping us out. On
10 behalf of the FERC, I would like to welcome you all here
11 tonight.

12 Let the record show that the Kearney public
13 scoping meeting began at 7:05 p.m. January 26, 2006.

14 The purpose of this meeting is to give you the
15 opportunity to provide environmental comments specifically
16 on the planned Rockies Express pipeline project. Rockies
17 Express entered into the FERC pre-filing review process on
18 November 18, 2005, through which we are beginning to review
19 the facilities that we refer to as the Western Phase.

20 The Rockies Express Pipeline Project Western
21 Phase is a stand-alone pipeline that, if built, will
22 transport gas from the Rocky Mountain region to the
23 interstate system in the Midwest. Rockies Express has
24 informed us that it contemplates eventually building a much
25 longer system that would actually extend the Western Phase

1 eastward, linking the Rocky Mountain region to the upper
2 Midwest and the eastern United States.

3 This overall plan may or may not ever come to
4 pass, depending on business and market considerations.
5 Should proposals to extend the Rockies Express pipeline come
6 forward they will be considered in their own time.

7 And I need to make a note of explanation about
8 the last paragraph in the Notice of Intent, which we mailed
9 out January 6th. The last paragraph references the FERC
10 intervention process. Intervention is a separate part of
11 the regulatory process and it's not available at this part
12 of the -- at this time in the process. It has no bearing on
13 what we're doing tonight or whether your comments will be
14 considered or anything like that.

15 The main facilities that Rockies Express would
16 involve are approximately 710 miles of 42 inch diameter
17 natural gas pipeline and five new compressor stations. The
18 pipeline would extend from the Cheyenne Hub in Weld County,
19 Colorado, to an interconnection with Panhandle Eastern
20 Pipeline system in Audrain County, Missouri.

21 Most of the pipeline would be co-located with
22 existing pipeline and utility rights-of-way. There are some
23 other associated facilities that Rockies Express is
24 considering. And I'll let the Rockies Express people give
25 you a more detailed description of that in a moment. They

1 will be able to answer some of your questions regarding the
2 project, and they will be available for you to talk with
3 after meeting.

4 Right now I'm going to talk a little bit about
5 the scoping process and the public involvement in FERC
6 projects in general.

7 The current FERC docket number for the Rockies
8 Express project is PF 06-3-000. The PF means that we are in
9 what we call the pre-filing stage of our review. Once
10 Rockies Express files a formal application with the FERC a
11 new docket number will be assigned to it.

12 The National Environmental Policy Act requires
13 that the Commission take into consideration the
14 environmental impacts associated with new natural gas
15 facilities. Scoping is a general term for soliciting input
16 from the public before the environmental review commences,
17 before the environmental impact statement -- before we begin
18 writing the environmental impact statement.. The idea is to
19 get information from the public as well as agencies and
20 other groups so that we can incorporate their comments into
21 the analysis.

22 For this project the official scoping period ends
23 on February 10. However the end of the scoping period isn't
24 the end of public involvement. There will be additional
25 points during the process for public input. Scoping is just

1 the first step.

2 Our scoping process for the Rockies Express
3 project started last month when we issued the Notice of
4 Intent to prepare an environmental impact statement. We
5 have extra copies of the notice at the table at the back if
6 you need one. And we would also request that you sign into
7 our attendance list so that we can supplement our mailing
8 list with your names and addresses.

9 The first step in the process of preparing an EIS
10 is to determine which environmental resource issues are most
11 important to you. Your comments and concerns, along with
12 all the other folks' and agencies that have been asked to
13 participate in the process, will be used to focus our
14 environmental analysis. Your comments tonight, together
15 with any written comments you have already submitted or
16 intend to file, will be added to the record as environmental
17 comments in this proceeding.

18 We'll take your comments and other information
19 that we gather during our analysis and conduct an
20 independent analysis of the project's potential impacts. We
21 will publish these findings in a draft Environmental Impact
22 Statement which will be mailed out to everyone on the
23 mailing list and will be publicly noticed for comments.

24 Please note that because of the size of our
25 mailing list the mailed version of the draft environmental

1 impact statement is going to be on a CD-ROM. If you don't
2 want to receive a CD-ROM, let us know and we'll give you a
3 paper copy.

4 This is the first time I've ever done there where
5 we mailed out CD-ROMs to everybody. So I expect a lot of
6 people are going to say, 'Hey, I want a paper copy.' Don't
7 be bashful. But some folks like these, and you have to
8 admit it costs about 78 cents to make one and maybe a buck
9 to mail it. And that beats \$23 to publish the paper volume
10 and another seven or eight to mail it. So the government is
11 very interested in mailing out CD-ROMs. Don't be bashful if
12 you want a paper copy. Let us know.

13 In fact, on the mailer attached to the Notice of
14 Intent you can indicate whether you want a paper copy. You
15 can hand that in to us tonight, give it to Gertrude in the
16 back of the room after the meeting, or you can mail it to
17 the Commission as it instructs you to on the notice.

18 During the comment period we'll hold additional
19 meetings to receive comments on the draft impact statement.
20 We will then finalize the document using the public comments
21 we receive. The final EIS will be mailed out to everyone on
22 the mailing list. If you receive a draft impact statement
23 you'll receive a final impact statement.

24 Now I want to differentiate the roles of the FERC
25 Commission and the FERC environmental staff. The Commission

1 is responsible for making a determination of Public
2 Convenience and Necessity on the proposed project. The
3 environmental impact statement is prepared by the FERC
4 staff; it does not make that decision.

5 In general what an EIS does is it describes the
6 project facilities and associated environmental impact, the
7 alternatives to the project, mitigation to avoid or
8 eliminate impact, and our conclusions and recommendations.
9 So the EIS is really used to advise the Commission and to
10 disclose to the public the environmental impact of
11 constructing and operating the proposed project.

12 The Commission will consider the environmental
13 information in the EIS, the public comments, as well as a
14 host of other non-environmental issues, like engineering,
15 markets, finances, rates, tariffs, design -- lots of things
16 of that sort. It will consider all of these things before
17 they make a decision on whether to approve a project. Only
18 after taking the environmental and non-environmental factors
19 into consideration will the Commission make its final
20 decision on whether or not to approve the project and issue
21 a Certificate of Public Convenience and Necessity.

22 Okay, then. Let me introduce Ryan Childs at this
23 point to give you an overview of the planned Rockies Express
24 pipeline project.

25 MR. CHILDS: Good evening. My name is Ryan

1 Childs. I'm part of the project management team with the
2 Rockies Express Pipeline Company. With me tonight I've got
3 Mr. Dirk Peterson, also of our project management team, and
4 Jeff Schwartz, back over here, is one of our right-of-way
5 supervisors in this area. And we'll be happy to discuss
6 some of what we brought up here this evening after we hear
7 your comments and considerations.

8 I'll just add a little bit here to what Larry has
9 said about our project. By way of introduction I should
10 mention that Rockies Express Pipeline Company is a business
11 development of Kinner Morgan Energy Partners, and a unit of
12 Sempra Energy. And so it's a joint project in development
13 like that. It is a major investment in our nation's energy
14 infrastructure is where we see this project.

15 As Larry mentioned, the overall purpose of it is
16 to bring our domestic natural gas supplies that are being
17 rapidly developed back in northwest Colorado and back in
18 Wyoming there -- in southwest Wyoming, actually -- that gas
19 will come through existing facilities and pipelines that are
20 currently being built and will come into the Rockies Express
21 Pipeline System just south of Cheyenne, Wyoming and Weld
22 County, Colorado.

23 As Larry mentioned it would be 710 miles in this
24 first section, what he referred to as the Western Phase,
25 coming across Colorado into Kimble County, Nebraska, and

1 then dropping back down into William County, Colorado,
2 coming into Nebraska again over at Perkins County. And this
3 first 260 miles or so of the project would bring you over to
4 about Frontier County. It would be co-located with existing
5 pipeline system out there, natural gas pipeline that some of
6 you all are familiar with called the Trailblazer pipeline.

7 About milepost 260 down here we would then turn
8 and follow along another existing pipeline called the Platte
9 Pipeline. We would follow that line all the way down here
10 to just a little northeast of Columbia, Missouri, 710 miles
11 in this first portion. And, as Larry mentioned, that gets
12 us into the existing Panhandle Eastern Pipeline system.
13 What that allows is the movement of those domestic gas
14 supplies out here in what are really rapidly developing gas
15 fields out in Wyoming -- back home for me -- it would allow
16 it to come over here to these existing pipelines in Missouri
17 and it would be taken up into the upper Midwest areas in
18 Michigan, upper Midwest areas like that.

19 Ultimately the overall system concept, as Larry
20 said, you know, if the market demands are there and we go
21 through this same process for the next portion of it would
22 come from this point here in Missouri and continue on
23 across, ultimately winding up over on the southeast Ohio
24 line right there with Pennsylvania. Overall it would be
25 1323 miles of new natural gas pipeline. That would allow us

1 to efficiently move that gas from out west all the way back
2 to the eastern markets.

3 That's kind of the purpose and the overall
4 concept of it.

5 Larry mentioned it's a 42 inch pipeline, three
6 and a half feet in diameter, all steel, welded, buried.
7 What we're looking at here is, of course, following the
8 Department of Transportation safety standards and our
9 design, construction testing and operation. I won't go over
10 all the specifics of that and what that entails, but for
11 purpose of a lot of you folks' interests, that does include
12 about three feet of cover, 36 inches is what we're talking
13 for depth of cover on this pipeline. DOT standards require
14 at least 30 inches; obviously we'd be going a little deeper
15 to account for, you know, normal soil movement and all that
16 through the years.

17 We will -- In order to ship the gas we're talking
18 about moving through here -- And this is designed initially
19 for one and a half billion cubic feet of day movement of
20 natural gas -- we're going to have to build some compressor
21 stations along the way so that we'll be able to move that
22 gas down those different segments. We start out with a
23 compressor station out here at the very beginning back in
24 Weld County in an area where there's a lot of other
25 pipelines -- kind of a major hub where a lot of pipelines

1 come together with different facilities. That would be our
2 first compressor station.

3 Our next one would be over in Sedgwick County,
4 closer to southeast in Julesburg, Colorado. The next one
5 down the line would be over here in -- I'm trying to get my
6 bearing on this again. It's in -- I guess it would be
7 Phelps County there. And that would be over by the -- just
8 in between Wimmis and Bertrain. And from there we come down
9 to a compressor station that would be down closer to Steel
10 City would be the next one down south of Beatrice. And then
11 one more would be placed over here near Turney, Missouri.
12 That allows us to move, as I mentioned, to keep re-
13 pressuring the gas and allow it to move down the line.

14 We're going to have to have mainline valves
15 spaced out there. These are block valves that allow us to
16 segment the pipeline system at any time and isolate those
17 different portions of the pipeline. What our initial design
18 is looking at is about 42 of them. And again, they are
19 spaced out there according to Department of Transportation
20 safety standards.

21 We would have some interconnects with other
22 pipeline companies to allow us to move gas into other
23 pipeline systems, depending on how the market considerations
24 go on that.

25 As far as the proposed schedule, we anticipate

1 making our filing with the FERC in May of this year. May
2 24th actually is our target date for that filing. There has
3 to be a lot of work that gets to that point of application,
4 and I'll just back up and mention that we have been in
5 consultation with a lot of different federal, state, local
6 agencies, and receiving comments from landowners. I
7 recognize some of the faces out here from some of the
8 company-sponsored open houses when we were out here back in
9 December -- in this general area. We didn't actually have a
10 meeting here in Furney; we had one a little further down the
11 line in Hastings and we had one back up in North Platte.
12 And I appreciate those of you coming back out again for this
13 one.

14 But we're taking all those comments and the
15 information we're receiving from the agencies, plus what's
16 going on in the field right now.

17 And some of you have one of those existing
18 pipeline systems out there on the property, and you've been
19 contacted by Rockies Express. And I appreciate all those of
20 you who have given survey permission for us to go out and
21 actually look at it on the ground. We've got a couple of
22 different levels of surveys going on right now.

23 There's centerline surveys, which is there we
24 further identify where we propose to install the new
25 pipeline. We're typically going to stage 40 feet offset

1 from the existing pipeline system, whether it's Trailblazer
2 or Platte.

3 And I'll say 'generally' and 'typically.' And
4 I'm not really trying to duck anything out there. But
5 that's what you've got to consider over 710 miles. There's
6 a lot of very specific locations along the way that we'll
7 have to take a lot harder look at. And it will look
8 somewhat different than that typical offset at those
9 locations. But overall if you just pick a point on the
10 pipeline system that's probably what you'd be seeing out
11 there.

12 So our centerline, our civil surveyors are out
13 there right now on people's property staking. And crawling
14 behind them will come archaeologists. We have a team of
15 archaeological crews that go through and investigate the
16 cultural resources, as we're required to by the FERC and the
17 state and historic preservation offices. We'll be looking
18 for any cultural resources: arrowheads or historic
19 structures, anything like that that might be long the
20 pipeline system that, again, would factor into our design
21 aspects of the pipeline and how we actually route that
22 pipeline.

23 We take all that information that we've received
24 from the field and from your comments and the comments from
25 the different agencies that we work with, build it all into

1 an application, and that's where we get to May 24th. After
2 that time the FERC is reviewing that overall application.
3 We are making applications to all the other federal, state
4 and local agencies out there with regulatory approval to get
5 all the necessary permits we need to build it.

6 Subject to receiving all those approvals from all
7 the different agencies and from the FERC, we anticipate
8 starting construction in 2007. What we're looking at right
9 now is, as this thing indicates, April for a construction
10 start. Somewhere in March-April if we've got all our
11 permits in hand we would start coming out and setting up in
12 our contractor yards, our stored yards, things like that.
13 But the real construction would probably be in May to June
14 of 2007.

15 And a lot of people ask this question: How do
16 you build all that in one season, because we're going to
17 have it in place by January 1 of 2008. We break that up
18 into what's called construction spreads of different
19 lengths. It might be anywhere from 100 to 130 miles,
20 something like that, that we actually build. It allows us
21 to have simultaneous construction happening along the route
22 and be able to get it all tied in, operating and flowing gas
23 by January 1, 2008.

24 That's kind of the overview and the schedule
25 there. I would just mention some of the materials that

1 Dirk's got up here this evening.

2 We do have our preliminary alignment sheets. We
3 might be able to locate your property if it's crossed by the
4 pipeline here.

5 And we also have some of these pamphlets that we
6 handed out before. And I'd just mention on this that we
7 have some contact information. There's a 1-800 number there
8 that goes to our right-of-way office and you can always call
9 that. And if they can't answer your question they'll put
10 you in touch with those of us who can.

11 There's also a website for the project that's
12 been set up. It has a lot of information on that entire
13 project that you can take a look at any time. And I would
14 encourage you to do so. A lot of the comments that we
15 received from the open houses that we held back in December
16 with, you know, folks across the project area, we'll have
17 answer to those comments. And some of those might be the
18 same ones you have.

19 So I would encourage you to pick one of these up
20 if you haven't received one of these in the mail with
21 information from our right-of-way group. It's got this same
22 little map on the back to kind of help you visualize the
23 whole thing.

24 And I just appreciate you all coming out this
25 evening. I look forward to hearing your comments and

1 questions. And Dirk and I will be around as long as you
2 have questions afterwards.

3 Thanks very much.

4 MR. SAUTER: Thanks.

5 As I said earlier, after the meeting tonight the
6 Rockies Express folks will be available with project maps
7 and their information to answer questions about the project.

8 I think I've probably talked enough. It's time
9 really for me to listen to what you have to say.

10 If you'd rather not speak tonight you can hand
11 written comments to Gertrude in the back of the room, or you
12 can send them in to the Secretary of the Commission by
13 following the procedures that are outlined in the Notice of
14 Intent. Either way, your comments will be considered in our
15 analysis.

16 We're about ready to call our first speaker.

17 Can I have the list, please? Is there anyone on
18 the list?

19 (No response.)

20 MR. SAUTER: As you can see, we've got a court
21 reporter with us tonight to transcribe all the comments, my
22 comments, Ryan's comments, your comments into the record,
23 the public record. I would ask that each speaker first
24 identify themselves and any affiliation, agency or group you
25 are with. And also if you could please spell your last name

1 for the record and speak clearly into the microphone.

2 I don't see a microphone -- Oh.

3 MR. CHILDS: We've got a microphone here.

4 MR. SAUTER: It seems like a rhetorical question,
5 but would anybody like to speak?

6 (No response.)

7 MR. SAUTER: Would anybody like to ask questions?

8 (No response.)

9 MR. SAUTER: You're a tough audience.

10 (Laughter.)

11 MR. SAUTER: I've been in this situation before,
12 believe it or not.

13 I guess I'm going to make a command decision. If
14 I can't coax any comments out I'm going to close the meeting
15 down. But that just means the record is off, the record is
16 closed, and you can talk all night, if you'd like to, to
17 Rockies Express.

18 Are there any questions you have about what FERC
19 is doing here or what we plan to do?

20 (No response.)

21 MR. SAUTER: Okay. Good.

22 Okay. I'll bring the formal part of the meeting
23 to a close.

24 Anyone wishing to purchase a copy of the
25 transcripts tonight or in the next ten days should make

1 arrangements with our court reporter. The transcript is
2 also going to be available on the FERC website around about
3 day 11 or 12.

4 Within our website there's a link called the e-
5 library. If you type in the docket number PF 06-3-000, you
6 can use the e-library to gain access to everything on the
7 record concerning this planned project, as well as all the
8 filings and information submitted by Rockies Express.

9 Last chance.

10 (No response.)

11 MR. SAUTER: On behalf of the Federal Energy
12 Regulatory Commission, I would like to thank all of you for
13 coming out tonight. Let the record show that the Kearney
14 public scoping meeting closed at 7:31 p.m.

15 Thank you again.

16 (Whereupon, at 7:31 p.m., the scoping meeting was
17 adjourned.)

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