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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Project Number:
ROCKIES EXPRESS PIPELINE PROJECT : PF06-30-000
EASTERN PHASE :

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Presser Hall
900 South Jefferson Street
Mexico, MO

Monday, September 11, 2006

The above-entitled matter came on for scoping
meeting, pursuant to notice, at 7:00 p.m.

BEFORE:
DOUGLAS SIPE, FERC

P R O C E E D I N G S

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(7:00 p.m.)

MR. SIPE: Thank you all for coming to tonight's meeting. I'm sorry I was a little bit late. I didn't get a chance to introduce myself to everyone. I usually try to walk around, as Karen did, but my name is Doug Sipe. I'm with the Federal Energy Regulatory Commission and again, I'd like to welcome you all here tonight.

I am subbing for the project manager on this project. This is not my project. I am familiar with this project, but Elisa Likens is the project manager for this. She works with me right down the hall. There's nine scoping meetings going on this week. She's performing five of them and I'm doing four of them. So you guys can always get my name and number after this and you guys can call me and any questions you have or anything like that, but the project manager for this project is Elisa Likens.

Everyone here is aware that they're here for the Rockies Express Pipeline, LLC is proposing to build 622 miles of 42-inch diameter natural gas pipeline, five new compressor stations and other apparent facilities in the states of Missouri, Illinois, Indiana and Ohio.

The Rockies Express Project -- this is the eastern phase of this project -- is currently in the

1 preliminary stages of design and at this time a formal
2 application has not been filed with the Commission or FERC.
3 We go by FERC. So if you guys talk about FERC, without
4 saying the Federal Energy Regulatory Commission, that's what
5 we mean.

6 For this proposal, the Commission is initiating
7 its National Environmental Policy Act, NEPA, review prior to
8 receiving the application. This allows interested
9 stakeholders to become involved early in the project
10 planning and to identify and attempt to resolve issues
11 before an application is filed at FERC. So you guys are way
12 early in the process. This is just the preliminary design
13 of the project, so there's a lot of time to take your
14 comments and concerns. And actually, I was on a plane
15 flight delay and the lady sitting beside me happened to have
16 this project in her mother's backyard. So it was kind of
17 ironic out of all these people I get to sit beside one.

18 NEPA requires that Commission take into account
19 the environmental impacts that could result from an action
20 whenever it considers the issuance of a certificate of
21 public convenience and necessity under Section 7 of the
22 Natural Gas Act. The Act also requires us to identify and
23 address concerns the public would have about the proposal.
24 An environmental document, in this case, an Environmental
25 Impact Statement, will be prepared to disclose what the

1 environmental impacts would be if the project is approved
2 and is ultimately constructed or operated.

3 That being said, the purpose of tonight's meeting
4 is to hear from you. I took a glance at the speaker's list
5 before I came up here and I didn't see anybody on it. If
6 you're not on the list, that doesn't mean you don't get a
7 chance to speak. But if you don't want to speak throughout
8 this presentation, we have to have everyone come up to the
9 microphone up front. We do have a court reporter recording
10 this to go on the record. So if you'd like to speak or ask
11 any questions or whatever, come up to the microphone, state
12 your name and have at it.

13 We would like to know what issues there are now
14 so we can address them early before they actually file an
15 application. We can get the issues in the application
16 before its filed with us. I'll talk more about the pre-
17 filing process in a second.

18 The agenda for this evening, after I go through
19 my little spill, Rockies Express, Ron Childs will be here
20 and he's going to give a short description of the project.
21 I'm not sure if everyone here attended their open houses or
22 not. I didn't. If you didn't, then he's going to give you
23 a brief description of the project. Then we'll go over who
24 the Commission is and how the comments that you guys give
25 and whoever else goes on the record.

1 I'd like to introduce a few members who are with
2 me in the environmental review team. When you came in,
3 there was Gertrude Fernandez. She's a FERC engineer. And
4 from ICF, I'd like to introduce Trevor Loveday, Leslie
5 Saiper and Fran Moore. Those ladies were at the back
6 greeting you guys when you guys came in. Trevor, Leslie and
7 Fran, they're the environmental consultants helping us
8 prepare the Environmental Impact Statement.

9 At this time, I'd like to introduce the lady at
10 my left, Karen Butler, from the U.S. Department of
11 Transportation, Office of Pipeline Safety. Karen is with
12 the Pipeline and Hazardous Material Safety Administration.
13 At this time I'd like to invite Karen to speak to you about
14 her agency's role.

15 MS. BUTLER: I'd like to know a little bit about
16 you, first. Can you tell me how many -- just by raising
17 your hand -- how many of you have pipelines in your
18 backyards right now.

19 (Show of hands.)

20 MS. BUTLER: How many of you this will be the
21 first pipeline in your backyard?

22 (Show of hands.)

23 MS. BUTLER: Not too many? How many of you are
24 here as residents with concerns? Can you raise your hands?

25 (Show of hands.)

1 MS. BUTLER: Thank you for that.

2 Good evening. My name is Karen Butler, as he
3 said. I'm a regional project manager with the Office of
4 Pipeline Safety. I'm out of the Kansas City office. You
5 should have seen a brochure out front that looks like this
6 on the table and a business card. If you didn't get that,
7 please do. On the back is the address and contact
8 information for the Pipeline and Hazardous Materials Safety
9 Administration. I want to thank FERC for giving us an
10 opportunity to be so early involved in a project. That's
11 not been in the past and we really appreciate that effort.

12 Given the concerns of the public with respect to
13 public safety, it's my purpose in this meeting to let you
14 know what PHMSA does in an effort to protect your safety.
15 PHMSA will maintain a continuous and regulatory watch over
16 the pipeline from its construction, through its testing,
17 from start-up operations and maintenance activities. The
18 operation and maintenance activities we will be reviewing as
19 long as the pipeline is moving a commodity.

20 The regulatory oversight consist of monitoring
21 the operator's performance to ensure that the pipeline is
22 constructed of suitable materials; that it is welded in
23 accordance with industry standards; that the welders
24 themselves are qualified to join the pipeline; that the
25 pipeline is initially installed to the proper depth; that it

1 is coded to assure effective, cathodic protection from
2 corrosion; that the backfill is suitable and that it is
3 properly tested upon completion to ensure that the pressures
4 the operator intends to move the commodity with are, in
5 fact, safe.

6 Beyond the construction process, PHMSA, which is
7 the Pipeline Hazardous Materials Safety Administration --
8 you'll hear that a lot -- conducts inspections periodically
9 over many different aspects of operation and maintenance of
10 the pipeline. The operator must have a written plan in
11 place to instruct personnel and to relate that to federal
12 inspectors regarding what testing and monitoring and
13 procedures are done and the frequency of those procedures.

14 In addition, if testing or monitoring prompts a
15 response or a corrective action, the operator must detail
16 his process to address problems. Examples of checks that an
17 operator must have in place are the adequacy of cathodic
18 protection -- and we can talk about that later as to what
19 that means if you're not familiar with cathodic protection
20 -- monitoring the surface of pipelines exposed to the
21 atmosphere, annual testing of pipeline valves and inspection
22 of pressure and release devices, periodic patrolling and
23 leakage survey of the pipeline and we also verify that the
24 operators are following their own procedures.

25 Beyond our routine functions, there are new

1 programs in place. Some of which are amp inspections. Yes,
2 can you not hear me? Is that better? Besides amp
3 inspection, we're going to go straight to fact of operator
4 qualifications. The operator qualification regulation
5 requires that anybody conducting a task that's listed as a
6 cover task by the operator means performed on the pipeline
7 by certain individuals that they be qualified. In addition
8 to that in 1988 we had the drug and alcohol testing that
9 came about, so those people are drug and alcohol tested on a
10 random basis, 25 percent of them. Now the point to make
11 here is drug and alcohol testing didn't happen as a result
12 of pipeline incidents. Drug and alcohol testing happened
13 because it was a USDOT requirement overall because there
14 were some incidents in other industries that caused that
15 concern. So there are pre-employment testing and post-
16 incident testing for drug and alcohol.

17 Another initiative relative to this meeting
18 especially is public awareness. There was recently a
19 standard adopted called RP1162. This standard requires
20 operators to identify persons along the right-of-way
21 affected by the pipeline to inform the public about how to
22 recognize leaks and take the appropriate actions and to
23 evaluate the effectiveness of that program. RP1162
24 establishes lines of communication and information sharing
25 with the public, excavators, emergency responders and local

1 officials. Operators have their written plans already done.
2 They were done by June 20, 2006. They are required to
3 submit their plans by October 8th.

4 We inspect the interstate. So interstate means
5 that the pipeline crosses state boundaries. Natural gas
6 operations in Missouri -- if an operator's procedures are
7 found inadequate or if an operator is not following its
8 procedures or the appropriate regulatory requirements, PHMSA
9 is authorized to seek punitive action in the form of
10 remedial action, civil penalties, which is the frequent
11 practice, and even criminal action, which seldom happens.
12 The authority is granted by Congress and the agency is
13 responsible to Congress for the execution of its mandates.

14 The other issue that's really important for us to
15 understand is damage prevention and that is the State of
16 Missouri has a one-call law legislation. The One-Call
17 Center is the facility that helps to coordinate excavation
18 activities with marking underground facilities, usually with
19 painter flags, prior to excavation. Since third-party
20 damage is one of the major causes of damages to pipelines,
21 it is important for us to utilize the One-Call system prior
22 to doing any excavation and to make sure that others digging
23 in our neighborhoods have had their underground utilities
24 located and marked.

25 I hope that this proceeding will be informative

1 for you. If you don't get your questions answered about
2 construction operation and maintenance, please contact me
3 after this meeting and I'll be around for some questions
4 afterwards.

5 MR. SIPE: Thanks, Karen.

6 Along with PHMSA, OPS, you guys changed your
7 name, so what do you go by now? PHMSA?

8 MS. BUTLER: PHMSA.

9 MR. SIPE: Okay. Along with PHMSA, we expect
10 other federal agencies to be cooperating with us in
11 preparing this Environmental Impact Statement. We work
12 really well with the state agencies and maybe possibly the
13 state agencies will be cooperating with us, which means they
14 will maybe adopt the EIS for their proceedings and we can
15 all work together and try to get the information in the
16 Environmental Impact Statement.

17 Now I'd like to call on Ryan from Rockies
18 Express. MR. CHILDS: Thanks for coming out this evening.
19 My name is Ryan Childs. I'm the project environmental
20 manager for Rockies Express Pipeline, LLC. I have with me
21 here this evening several folks from our project team here
22 from our environment construction rights-of-way, public
23 relations group. So we appreciate you all coming out,
24 looking forward to your questions I guess after the formal
25 question session here and curious to hear what you have to

1 say, recognize a few the faces from our open house meetings
2 that we had in this area back in late June. We had an open
3 house meeting over in Bowling Green, Missouri and I
4 appreciate your coming back those of you who were at that
5 meeting coming back to hear this, this evening as well.

6 I'm just going to give you a brief overview of
7 the project because I don't want to tie up all your time.
8 We're here to hear your questions as Doug mentioned. By way
9 of introduction, Rockies Express Pipeline, LLC is a business
10 development of Kinder Morgan Energy Partners, Semplar Energy
11 Pipelines and Storage, which is part of Semplar Energy and
12 Conoco Phillips. So it's a large business development,
13 specifically designed to build a large, long natural gas
14 pipeline or natural gas. The purpose of the overall system
15 is to move the large volumes of our domestic gas that was
16 being developed out on the Rockie Mountain regions in
17 southwest Wyoming and northwest Colorado in particular.

18 I'll give you a brief overview of the overall
19 system and then focus, in particular, on this part of the
20 project. Rockies Express system starts out in northwest
21 Colorado in Meeker. We have a portion of a line that is
22 currently in service that was built and placed in service in
23 February this year. It's bringing natural gas from the
24 northwest Colorado area up to existing pipelines in Wyoming
25 and we are currently under construction, for those of you

1 familiar with the area, from Warms City, Wyoming over to
2 just south of Cheyenne, Wyoming. That portion of the
3 project has already been certificated by the FERC. We've
4 got all the necessary permits and everything to build that.
5 And as I mentioned, this portion is under construction right
6 now and that'll bring guys to the Cheyenne, Wyoming area.

7 The next portion of the project would be from
8 just south of Cheyenne, Wyoming 710 miles area from New
9 Mexico to Missouri basically, just a little to the northeast
10 of New Mexico in Arbring County. We've applied to the FERC
11 for that project for approval of the project and we'll be
12 asking for construction approval to build that in 2007 is
13 our anticipated year of construction, so next year.

14 And then the part that we're here to talk about
15 this evening is the portion where the Rockies Express
16 western phase, I guess, as the FERC calls it, ends there and
17 then coming across, again, from just northeast of New Mexico
18 all the way to southeast Ohio over here, Clarenton, Ohio,
19 being another market hub. It is a major project as you can
20 kind of see the scope of that sweeping across the country.
21 It is, I think, by anybody's standards that's a really
22 significant investment in our nation's energy
23 infrastructure, really allows us to make better use of those
24 domestic supplies around in the Rockies and bring it to the
25 upper Midwest and even Eastern market areas and we do that

1 by having interconnects with other existing pipelines. So
2 we'll be able to move that gas from far out West and bring
3 them here in and through other pipeline systems deliver it
4 to the market areas themselves.

5 I'm just to focus a little bit now on this map
6 and what happens down here. After the meeting, you can come
7 up and take a look at it. You can have a little better look
8 at these, but as Doug mentioned, 622 miles of 42-inch
9 natural gas pipeline system all welded, buried underground,
10 designed, built and constructed with very stringent
11 standards from the Department of Transportation. We will
12 have a series of compressor stations on this systems. Those
13 are necessary -- if you're not familiar how natural gas
14 flows -- the natural gas enters the pipeline system way
15 back to the West at a certain pressure and then it flows
16 through the pipeline system and as it flows it losses
17 pressures through the overall transmission of that gas and
18 so we have to build compressor stations at certain intervals
19 to repressure the gas and allow it to continue its flow. So
20 we're going to have five of those stations out here in the
21 622-mile section. The first four will be right out here in
22 New Mexico.

23 There will be a couple of other compressor
24 stations. As part of this application, they're going to be
25 further back over here. There's one in Nebraska. One back

1 out here in Wyoming and that just reflects the design
2 factors of when that natural gas will be coming into the
3 pipeline system as they develop the gas production fields
4 out in Wyoming and Colorado. There will be a number of
5 mainline block ups situated along the pipeline system that
6 allows us to isolate that, any segment of the pipeline
7 system at any time and we have -- I believe we have like 31
8 of them right now is the number that comes to my mind. It's
9 what's shown on the board and I don't believe that's
10 changed.

11 As Doug mentioned, we are in the preliminary
12 stage of this in the sense of the actual design and starting
13 with the actual routing of the pipeline, where we build it,
14 we follow industry standards and the guidelines provided by
15 the FERC, and the most important of which for most of you
16 folks out here is the fact that we will try to make use of
17 existing utility corridors of the pipelines in particular.
18 So that's why those of you that have the Panhandle Eastern
19 Pipeline system out there across your property will likely
20 be seeing us coming across your property as well.

21 Of course, we started that off by introducing the
22 project to the general community back in June. Since that
23 time, our rights-of-way have been out contacting landowners.
24 I'm sure most of you have been contacted for survey
25 permission. Once we have the preliminary route just

1 established by researching available literature sources like
2 topographic maps and other pipeline maps, we have to go out
3 in the field and see what's shown on those maps is what's
4 truly out there on the ground and then kind of detail the
5 design work as far as where we're going to build it and how
6 we're going to build it based on the results of that survey
7 information.

8 That work is ongoing right now across this 622-
9 mile section. We do have several surveyors out there. We
10 also have to follow-up with environmental surveys for
11 threatened and endangered species, wetlands, cultural
12 resources or anything else; and all that information will be
13 put into the application that we provide back to the FERC
14 and allow them to develop the Environmental Impact Statement
15 for the project.

16 I'll briefly mention this schedule here. We've
17 already started our community dialogue back in June and
18 that's an ongoing process. We're out here I guess I'd call
19 it late summer with our FERC scoping meetings right now and
20 I'm not sure if Doug's going to mention some of these
21 schedule points later on or not, but just real briefly we
22 intent to gather all the information we can to complete our
23 design and provide all that environmental information to
24 allow the FERC to evaluate the project. We'll have all that
25 together by mid-winter and we anticipate making our formal

1 application with the FERC in April, if not sooner. And just
2 looking down the review process time that it takes the FERC
3 review one of these projects and make sure they have all the
4 issues address, we would anticipate our construction on this
5 portion starting in New Mexico and going east in 2008 with
6 the pipeline portion, so some of the compression station
7 work will be coming in 2009. By mid-2009, we'll be done
8 with the overall project completely, but gas would actually
9 start flowing under that schedule by the end of December
10 2008. So just a general timeframe idea, 2008 would be the
11 year of our construction from Mexico going east and that
12 would start out here were we ended in 2007 basically.

13 There's a number of points in there other than
14 our application to the FERC and the information we provided
15 to the DOT. We filed that. Other federal, state and local
16 permits are necessary. There's an amazing amount of permits
17 that we'll have to require for a project like this, of
18 course, to protect different resources -- environmental and
19 cultural resources. We have to get permits from highway
20 departments to go underneath roads, to construct those. We
21 have just a stack of permits taller than I am that we have
22 to obtain for this project before we even turn the first
23 spade of dirt.

24 But one of the most important steps in all of
25 this process prior to the construction is going to be

1 acquiring easements. We will acquire easements to build and
2 then to subsequently operate this pipeline system and when
3 the right-of-way folks are coming around talking about it,
4 we acquire a permanent easement where the pipeline itself
5 will be located and that easement will be maintained so we
6 can continue to operate our pipeline in the future. But we
7 also, during the year of construction, have a temporary
8 easement that is immediate adjacent to the permanent
9 easement, that we use for construction purposes just during
10 that year and extra work spaces that might be necessary
11 when, say, installment across the water body increases or
12 something like that or when we set up the boring machine to
13 bore underneath the road or a highway, and all of that
14 information will be explained to you by the right-of-way
15 agents when they want to talk to you about that easement
16 acquisition process as far as what will be necessary as far
17 as the your land will be disturbed in order of us to build
18 and operate the site in the future.

19 I think I've pretty much covered all the
20 highlights. I would mention -- I think most of you should
21 have this little brochure that I'm holding in my hand here.
22 It's just a simple handout that kind of has a very brief
23 overview of some of the points that I've detailed up here
24 and it has the system map on the back, of course, and our
25 project map. What's really important is it has an 800

1 number on here and it also has a project website if you've
2 got Internet access. I'd encourage you to go to either one
3 of those resources. If you want to talk to somebody live
4 and in person, you can call that 800 number. We do have
5 that manned on a regular basis, so any of our rights-of-way
6 agents can answer questions that you might have. Or if that
7 person can't answer it, they can get your questions to the
8 people who can answer and we'll get back in touch with you.

9 Also that project website that we have set up has
10 an amazing amount of information on it, detailed maps that
11 show the project coming across each county that we cross and
12 a lot of information in there about how we build one of
13 these projects and how that easement acquisition process
14 works.

15 As Doug mentioned, we'll be here after the formal
16 part of this meeting and be happy to discuss our project
17 with you more. But again, I appreciate your coming out this
18 evening and thanks very much.

19 MR. SIPE: Thanks Ryan.

20 I've gone through my notes here and I failed to
21 mention at the beginning who FERC is. I don't know if
22 everyone knows who FERC is. We are an agency in Washington,
23 D.C. We're made up of about 1200 people. Through the
24 Natural Gas Act, we do regulate interstate natural gas
25 pipeline companies. There are five commissioners

1 politically appointed to the Commission and they change in
2 and out, you know, through the years. They have like four-
3 year terms and then some of them extend that, but what
4 happens is this one portion of it. This is the
5 environmental portion and there's other portions of a gas
6 pipeline filing. Everyone puts together the information.
7 We do it through an Environmental Impact Statement and send
8 information upstairs to the commissioners. They look at the
9 information along with markets, tariffs and rates and
10 economic issues and then they vote on the project. That's
11 how these projects are given their certificate. As I
12 mentioned earlier, a certificate of public need necessity
13 comes from the commissioners voting yes or no to the
14 project.

15 That's just a little overview of who FERC is and
16 now I'd like to go into the pre-filing process. June 2006
17 the FERC staff began what is called a pre-filing process for
18 this proposal, and I saw a lot of hands that showed that you
19 guys had a pipeline in your backyard or on your property
20 somewhere in the system and I think there's probably on
21 there which probably not installed by using the pre-filing
22 process. This process has been designed over the last
23 couple of years to involve the public and other agencies
24 early on in the process. Like I said, we are in D.C. and we
25 do regulate these guys all over the country, but you guys

1 know the issues where you live. That's why we want to come
2 out here early and get those issues and hopefully be able to
3 mitigate the issues and work those out.

4 I hope everyone received a copy of the NOI. If
5 you didn't, I think I was told that this mailing list for
6 this project is like 13,000 people. That's just not people.
7 That's agencies and other entities involved, but the mailing
8 list is constantly changing. That's a big complaint I get
9 throughout the country. My neighbor got it, but I didn't
10 get it. So it's a problem keeping up with that, but we
11 constantly try to keep up with the mailing list. If you
12 didn't receive one, let one of us know and you can get on
13 the Internet site where we can possibly send you one.

14 The project is still in the design stage. We
15 can't mention that enough because people come to these
16 meetings and automatically think that it's a done deal.
17 This project's going through, how it's proposed right now
18 and that's we're just here to put on a show. Well, I'm not
19 here to dance and sing, which I probably should be with this
20 beautiful theater here, but we're here to get everyone's
21 input. This pipeline can be moved. It's not a done deal
22 where it sits right now. If it is on your property, when we
23 come back with the -- we'll have meetings later, the draft
24 Environmental Impact Statement comment meetings. It may not
25 be on your property any more. So if it is on there now,

1 that not to say it's going to remain on there.

2 Like Ryan mentioned earlier, you probably are
3 being contacted by right-of-way agents and hopefully you
4 guys have talked to a lot of them. I cannot stress enough
5 to allow survey permission. It happens all the time where
6 people are not sure of the project and they may not like the
7 land agent or they may not like the company officials they
8 talk to, but if you don't allow survey permission, we don't
9 have the information we need to look into your property and
10 see if it should be on there.

11 Sometimes we have a large land, especially out
12 here in the West, the Midwest where they own a lot of acres
13 and they don't allow survey permission. We need that
14 information so FERC can look at it and make a decision on it
15 if it should be there or should not be there, along with the
16 other agencies.

17 The goal of the pre-filing process is to help
18 facilitate the interaction with federal, state, local
19 agencies and affected property owners and other interested
20 stakeholders, by preparing a more complete application.
21 What that means is years ago the company would just file an
22 application with us. We'd have zero input before we got to
23 see that application. Well, now we do all these scoping
24 meetings. We do all the interagency meetings. We do the
25 overflights. You maybe see a helicopter flying the right-

1 of-way. We meet with the company usually. Like my
2 projects, I do a weekly conference call. So there's a lot
3 of information put into this application up front. We want
4 the company to have a good application. We don't want them
5 just to meet the minimum filing requirements that you can go
6 to FERC's website and look at. We want them to have better
7 filings than the minimum. That's what the pre-filing
8 process does. And also, like I said, it helps out the other
9 agencies, too.

10 FERC is not a proponent of the Rockies Express
11 Project, but an advocate for the process involved in
12 reviewing the project. What that means is FERC is charged
13 with two things. We are charged with infrastructure. We
14 want to make sure the infrastructure is out there to provide
15 the natural gas to people who need it, but also we're
16 charged with protecting the environment. Everyone thinks
17 that FERC, you know, sometimes we get the story that FERC
18 railroads projects down people's throats and that's not the
19 truth. We want to try to work out all the issues and make
20 this project work for everybody.

21 FERC e-Library system -- I don't know if everyone
22 here has a computer, but is a very good tool. You can e-
23 subscribe to this project. You go on www.FERC.gov and you
24 can e-subscribe to this. What that means is everything that
25 is going to be filed from the company, from other agencies

1 and from all interested stakeholders filed with the
2 Commission you will get an e-mail telling you what that was.
3 It's a very good system. I understand when you initially
4 set it up sometimes it's frustration and they're working out
5 the bugs on that, but it is a very good system. I mean I
6 would e-subscribe to all my projects because I don't need to
7 go look every day at what's being filed. It's just is e-
8 mailed to me. It's a very nice feature.

9 Instructions on how to access the FERC website
10 are addressed in the Notice of Intent that most of you
11 hopefully received. The notice also contains instructions
12 on filing written comments if you prefer to comment in that
13 manner. Like tonight we're here to take your verbal
14 comments and I will take questions on this project tonight,
15 but you don't have to. I mean you can wait until I close
16 the formal part of this meeting and you can ask me anything
17 you want or you can file written comments. It's pretty easy
18 to file written comments with FERC.

19 Please not notice states that the comment period
20 expires on September 29, 2006. That scares a lot of people.
21 In scoping we do put closing dates on comments that are
22 supposed to be filed with us, but that does mean we're not
23 going to accept the comments later down the road.
24 Basically, that date means that the scoping comments -- NEPA
25 has these dates that state scoping comments are over at this

1 point. Well, you can still comment the whole way through
2 the draft Environmental Impact Statement up to the final
3 Environmental Impact Statement. You have a year down the
4 road yet you can comment. We do close the initial comment
5 period to gauge what the preliminary issues are. I just
6 need to tell you guys that because official scoping is going
7 to close at that point, but like I said, we'll accept
8 comments after that.

9 Let me discuss the EIS process so you understand
10 that a little bit. Rockies Express is conducting studies,
11 environmental studies of the preferred route per FERC
12 regulations and NEPA, and it's also studying several route
13 variations and alternatives. If you e-subscribe to this
14 project, you're probably going to see in the next couple of
15 months Rockie Express will be filing what's called resource
16 reports, draft resource reports with us. Sometimes they
17 file them. Sometimes they don't. It depends on the project
18 manager at FERC. But what that is, is they're filing those
19 resource reports early with us so that we can take a look at
20 those along with the other agencies and make sure that all
21 the information in there is correct and adequate so once
22 they do file we don't have to send out a big data request
23 basically asking them for everything that should have been
24 in there.

25 The resource reports will cover geology, soils,

1 vegetation, wildlife, including federally-listed species,
2 land use, recreation, cultural resources, reliability and
3 safety, air noise quality and alternative. Those resource
4 reports that come in there that's the information we use to
5 prepare our environmental impact statement and that is why
6 it's so important to allow the company to have survey
7 permission because again we need to know what environmental
8 issues and other issue are out there, and if they don't have
9 survey permission, they can't utilize that.

10 Once they file their application, we will
11 prepare, along with our consultations, a draft Environmental
12 Impact Statement. This draft Environmental Impact Statement
13 will go to all of our cooperating agencies and out to the
14 public, and then the next meeting that we come to for this,
15 which I have no idea what the schedule is on this -- when
16 we would be out here next -- probably about -- when did you
17 say you were going to file?

18 MR. CHILDS: Probably April.

19 MR. SIPE: The company will file in April. So
20 that mean approximately probably four to five to six months
21 after that you will see a draft Environmental Impact
22 Statement on the street for public comment. We'll come back
23 to you guys and you guys will have a chance to look at that,
24 whoever is on the mailing list. It's very important that
25 you remain on the mailing list, send back in these little

1 forms you sign up here tonight and you will receive the
2 Environmental Impact Statement to comment on. Then you can
3 come slam FERC on how bad of a job they did or come praise
4 us on how good the EIS is.

5 The EIS will include any mitigation or
6 recommendations needed to reduce impacts as appropriate.
7 Once the draft EIS is issued for public comment the public
8 will have 45 days to provide written comments. We will also
9 come back here and have another public meeting, like I just
10 mentioned earlier. It's usually right after the 45-day
11 comment period. We come usually right after that, near
12 then. So once you've received the Environmental Impact
13 Statement, it will say in there when we're coming out for
14 the comment meetings.

15 Comments received from the draft EIS will be
16 incorporated in the final EIS. So it will be a draft EIS
17 and then the final will be on the street. So basically,
18 we'll take all scoping comments. That will go in the draft
19 Environmental Impact Statement. Then we'll take all the
20 comments you guys and all the agencies give us on the draft
21 EIS and then put out a final.

22 Comments will also be taken on the final EIS,
23 which will be incorporated into the proceeding brought
24 before the commissioners. Basically, once the final goes
25 out, any comments received after that I have to put in a

1 document and send it upstairs addressing those issues and
2 putting it in front of the commissioners. Along with the
3 environmental issues, like I mentioned earlier, the
4 commissioners will take that information and they will vote
5 to approve or deny this project.

6 Since I'm so long-winded up here, I don't have a
7 big speakers list, so I did go a little bit further on into
8 this by giving you as much information as I possibly could
9 think of, which I know I probably forgot something. I'm
10 seeing people yawn. So we are about ready to take comments
11 from you. If you do not feel comfortable speaking tonight,
12 please understand that written comments are considered
13 equally by the Commission. So I encourage you to write the
14 Secretary of the Commission.

15 Now for those of you who are on the speaker's
16 list, please come to the microphone when I call your name and
17 bear with me on the pronunciation. I went to a meeting in
18 Louisiana one night and there was a bunch of Cajun names and
19 I couldn't pronounce them. They put me over the coals for
20 that. It was kind of funny.

21 When you come up to the microphone, please say
22 your name slowly and spell your last name for court
23 reporter. Remember the more specific your comments, the
24 more useful they'll be for us.

25 Like I mentioned earlier, we do have a court

1 reporter. A record is made of everything that is said here
2 tonight during the official scoping meeting. If you'd like
3 a copy of the transcript, please see the court reporter
4 after the meeting.

5 If we did receive a lot of speakers, I usually
6 cut the time limit down, but that's not a problem. So the
7 first speaker on the list is Jerry Crutchfield.

8 MR. CRUTCHFIELD: Thank you. I am Jerry
9 Crutchfield, C-R-U-T-C-H-F-I-E-L-D. I live at 1320 County
10 Road 2150, Huntsville, Missouri 65259. That's in Township
11 53 North, Range 15 West, Section 21 of Randolph County.
12 It's also at mile marker 789 of the Panhandle Eastern
13 Railroad or pipeline, pardon me.

14 I had -- well, first of all, I found about the
15 meeting about 3:45 this evening, but my particular situation
16 is that I've lived in this property about five years. I
17 built there. I allowed an extra entire right-of-way for the
18 Panhandle pipeline. In other words, I think they have 50
19 feet. I allowed them 60 more feet. Well, now, if you can
20 imagine, if we allow 10 feet of free space and 50 feet for
21 the permanent easement that comes 10 feet into my house. It
22 also takes my driveway, my parking, my electric, my water,
23 my second water system, entire drain fields, septic fields
24 and 19 of the 32 trees on my property.

25 I also share this property with three family

1 members. It's a rural private park. It has a 10-acre lake.
2 This particular lake sits on a sandstorm that sits on a
3 limestone. So I have a lot of personal problems with this
4 project. I had offered an alternative site free of charge
5 for the pipeline within 300 feet of this site.

6 I had a couple of things that I'd like to say.
7 There's some people here that's worked awfully, awfully hard
8 on eminent domain rights in the State of Missouri and I'd
9 like to point out that, as we checked for encroachment,
10 everything is about encroachment on the pipeline. There's
11 nothing about encroachment on private property or homes, not
12 a thing in the law.

13 I had a question to Ryan. As we talk about this
14 project, we're kind of used to living next to a 16-inch
15 crude oil pipeline with 400 pounds of pressure maximum. I
16 would like for Ryan to explain to me and this group what a
17 catastrophic event would be like on a 42-inch natural gas
18 pipeline with 450 pounds of pressure and an additional 16
19 inches of crude oil under 400 pounds of pressure. I just
20 like to know what the immediate impact area would be, maybe
21 some temperatures involved -- just a thumbnail of if we
22 could get it. And that's all I have to say at this time if
23 there's no more questions.

24 MR. SIPE: Thank you. The question you had for
25 Ryan that information will be -- a study will be done on

1 exactly what you just asked and that will be in the draft
2 Environmental Impact Statement.

3 MR. CRUTCHFIELD: Thank you.

4 MR. SIPE: So you'll get a chance to look at that
5 in a couple of months. So I'd hate to put Ryan on the spot
6 answering a question like that because he wouldn't have the
7 information readily in front of him right now, but it will
8 be in the Environmental Impact Statement and OPS will be
9 reviewing that.

10 MS. BUTLER: Yes, and they're required to put
11 together what's called a potential impact radius. And while
12 this isn't necessarily in a high consequence area, there are
13 certain requirements in their waiver that exceed what is
14 normally required and so they will be putting that together.
15 So that information will be available for you, and I
16 appreciate very much the fact that you were willing to come
17 to the microphone.

18 MR. CRUTCHFIELD: Those of you who may or may not
19 know me it's not unlike me to forget something. So if I
20 may?

21 MR. SIPE: Sure, you can ask another question.

22 MR. CRUTCHFIELD: As we talk about impact areas,
23 I take exception to the idea that because there's 20 homes
24 in a row that impact area would be any different than 20
25 individual homes. In my community right now I know of four

1 homes that this line is suppose to be within 20 feet of and
2 I take great exception to the fact that those folks only
3 live by themselves and are not given the same consideration
4 that folks in a group were. Thank you.

5 MR. SIPE: Thank you. The concern that Mr.
6 Crutchfield has with the pipeline being so close to homes
7 that is something that we are definitely going to look into
8 and the pipeline company will initially route most projects
9 within or on existing rights-of-way. At FERC we kind of
10 require that they look for existing rights-of-way instead of
11 looking on getting pipelines or whatever other utilities
12 spread out across the country. We usually to keep them
13 close to existing rights-of-way. But with your concern with
14 your community, then that's one issue we'll take a look at a
15 reroute or a variation. Or like you said, you gave them
16 some information where you'd kind of like to see the
17 pipeline. So we'll take a look at that. Those are the
18 types of concerns that really help us out, so if anybody
19 else has something like that that they'd like to say, please
20 step up and say so.

21 Another thing, when you are dealing with the
22 right-of-way agents, we try not -- we don't regulate right-
23 of-way agents. We regulate the companies. The companies
24 hire out right-of-way agents. They're like consultants. So
25 sometimes the right-of-way agents will throw the eminent

1 domain term out there very quickly. They're not supposed to
2 do that. They're suppose to make you aware of the eminent
3 domain issue and move on with it, but it's not suppose to be
4 threatening by any stretch of the imagination. I know
5 sometimes as so as the right-of-way agent gets resistance
6 they will throw that right back at them is the eminent
7 domain theory.

8 I can assist you guys in you want to work with
9 the pipeline company. You want to negotiate things out with
10 them. You want to discuss things with them. You want to
11 file comments with us. That's why we're here tonight. You
12 know, negotiations with right-of-way agents are sometimes
13 difficult for some people who has never really negotiated
14 anything because that's what they do. They're trained at
15 negotiating for their easements.

16 If you do have questions or concerns regarding
17 that, give us a call, give me a call or Elise a call and
18 helpfully we can help you out with that. It is scary. I
19 don't like when eminent domain has to be used to take
20 someone's property, but it has happened in the past.
21 Sometimes it shouldn't have and sometimes it should have.

22 We don't have any other speakers on the list. I
23 see a hand. If you'd come up to the microphone.

24 MR. RIETHERS: I'm Harold Riethers, R-I-E-T-H-E-
25 R-S. I have a question on your public spacing. We've been

1 -- in the neighborhood we've got a lot of flags out there
2 were they're proposing and I'm wondering since you're
3 following the Panhandle Eastern model why they couldn't set
4 the public station up at South Central station they have up
5 there or else move it another mile and a half east and set
6 up the Panhandle up there and kind of keep it all in one
7 section where everybody's kind of use of these things
8 instead of here and there and just keep it kind of together?

9 And another question I have. How far from
10 residences does it have to be?

11 MR. SIPE: I appreciate that. Your first
12 question, we will have the pipeline company look into that.

13 You need to step to the microphone.

14 MR. CHILDS: Thanks, Doug. The real short answer
15 to that the compressor station locations on this pipeline
16 are designed specific to the gas volumes and pressures and
17 delivery locations that are for this system. The Panhandle
18 has a completely different set of design characteristics for
19 that system from the volumes and the pressures that their
20 gas comes and where they're deliveries are at and that's
21 really -- there is some flexibility in the overall design,
22 but you run a hydraulic study of how the gas is going to
23 move through that system and that optimizes the locations
24 and the horsepower that you need to use on a compressor
25 station location. But certainly, there is some flexibility

1 within that. Generally, it's going to be within a mile or
2 two range for a given system for where the model kind of
3 optimize it. Thank you.

4 MR. SIPE: The distance factor of the pipeline
5 has to be away from a residence there really is none. I
6 mean I had a project in Boston. It was a replacement
7 project and it had about -- let me think -- 300 and some
8 homes within 50 feet of the pipeline project. They were
9 ripping people's front porches off their houses to replace
10 this pipeline. I couldn't believe it. We got zero comments
11 from the public on it. I still can't believe that project,
12 but yet it really is no distance factor. The pipeline is
13 not going to want to put it close to a residence if they
14 don't necessarily have to. They want to do that. We don't
15 want them to do that. OPS doesn't want them to do that. So
16 we do have forums going on right now in Washington, D.C.
17 We're going to soon form the PIPA group and the PIPA group
18 is a further study. The Pipeline Safety Improvement Act of
19 2002 is a very, very good thing. What that does is it has
20 sections in there that it regulates when these interstate
21 pipelines have to test their pipes. It regulates the time
22 that they have to do that in certain areas and like the high
23 occupancy areas there's certain timeframes when they have to
24 come back through and test the pipes. It's always in a 10-
25 year timeframe. So no longer are we going to have in this

1 country pipelines that sometimes blow up that you see out
2 there from like a failure of an old pipeline because all
3 these pipelines need to be tested now. So the companies
4 right now at this point are catching up on all that.
5 They're testing all of their lines and they're improving all
6 their systems.

7 We thought we were going to see a lot more
8 replacements come in the door than what we have, but at FERC
9 we have seen a lot of replacements come in from that
10 testing. Like I say, they concentrate on the high occupancy
11 areas and move out to the rural areas. Under that Pipeline
12 Safety Improvement Act, Congress charged the federal
13 agencies to do certain studies and one of those studies
14 under Section 11 is encroachment on pipelines. We did that
15 to a point with the Transportation Research Board and we put
16 out this little booklet, but it really didn't do exactly
17 what the Act requires. So now with OPS and FERC and a lot
18 of the other federal agencies, we are going to get together
19 early this year or next year and develop this PIPA group
20 with the industry and with some other stakeholders on how we
21 can deal with encroachment on pipelines and also pipelines
22 encroaching on residences. So that is a problem. I just
23 put in a pipeline in the Northwest where the pipeline was
24 over 50 years and the problem with that is you have
25 developers that encroach right up on top of these pipelines

1 and sell these homes to people and the people don't realize
2 there's a pipeline there until something has to be done with
3 it. So we are looking into that -- Pipeline Informed
4 Planning Alliance, PIPA.

5 MS. BUTLER: I brought a copy of the TRB study if
6 anybody would like to see a copy afterwards just review what
7 was in it.

8 MR. SIPE: Do we have any more speakers?

9 MR. BRADLEY: My name is Arthur Bradley. I live
10 in Randolph County, the southwestern part, and we have a
11 pipeline on our property at this time. Anybody ever hear
12 the new magic fault? My main concern is water. We have a
13 cow-calf operation and my creek systems are spring fed.
14 This proposed project cuts a 90-degree ditch 9 feet deeper
15 across my creeks. I have to have 1500 gallons of water a
16 day for my cattle at this time. If they do this and ruin my
17 spring-fed creek water source, I'm out of business. I don't
18 know any other way to put it. Water is our life. Thank
19 you.

20 MR. SIPE: Thank you. They are required to,
21 during construction and after construction, provide you with
22 the water that you had previously that is normally on your
23 property.

24 MR. BRADLEY: What about after construction?

25 MR. SIPE: After construction, they are monitored

1 with FERC for a number -- sir, I can't talk back and forth
2 to you. If you want to talk me, please come to the
3 microphone. That's the bad part of it. Everything is on
4 the record.

5 MR. BRADLEY: I'm sorry. Talking to me and my
6 previous situation, will water my cattle. I've already
7 stated I have to have 1500 gallons of water a day. If
8 that's shut off, I have no other water.

9 MR. SIPE: Understood. Thank you.

10 Any other speakers?

11 MR. COOK: I'm Otto Cook. The last name's
12 spelled C-O-O-K. And you stressed that we should give the
13 surveyors permission to cross our property. I didn't have
14 to. They took it on their own. Some of my neighbors got
15 the same treatment. And if this construction is all going
16 to be handled like this, we're all in for a bad year.

17 MR. SIPE: That's too bad, sir. They should have
18 survey permission from you before they come on your
19 property.

20 MR. COOK: I saw three men crossing my field,
21 waist-height boots, channeling their way across. They were
22 practically across when I saw them.

23 MR. SIPE: Sorry about that, sir. We will
24 discuss that with Rockies Express.

25 MR. COOK: Thank you.

1 MR. SIPE: Thank you.

2 Any other speakers? Again, I'm going to be here
3 after the meeting. You guys can ask me anything you'd like,
4 get my name and number and go from there.

5 Would you like to say anything?

6 MS. BUTLER: We want to hear. You all took the
7 time to show up tonight and we very much appreciate it and
8 we really want the opportunity to hear your concerns. If
9 you don't want to do it on the record, as soon as we quit,
10 please take the time to come down and tell us what it is. I
11 know the operator wants to do it right, so obviously there's
12 been some problems already that I'm sure they'll talking
13 about or will be shortly. All right.

14 MR. SIPE: Again, you want to take the brochures
15 that was in the back table. This is how to get on e-Filing
16 or e-File or e-Subscription FERC library. This is actually
17 a new brochure that actually Elise, the project manager for
18 this project, produced. It's pretty good. Actually, it's
19 new "What Do I Need to Know About the Gas Line on my
20 Property?" So there's some good information in there.

21 Again, thanks to everyone for coming out tonight.
22 And without any more speakers, the formal part of this
23 meeting will conclude. I'd like to thank you again for
24 coming out tonight. Let the record show that this meeting
25 concluded at 8:02 p.m. Thank you.

1 (Whereupon, at 8:02 p.m., the above-referenced
2 matter was concluded.)
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