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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket No.
ROCKIES WESTERN PHASE PROJECT : CP06-354-000
: CP06-401-000
: CP06-423-000
- - - - -x

Pony Express National Museum
914 Penn Street
St. Joseph, MO

Friday, December 15, 2006

The above-entitled matter came on for public meeting,
pursuant to notice, at 7:07 p.m.

MODERATOR: DAVE SWEARINGEN, FERC

P R O C E E D I N G S

(7:07 p.m.)

MR. SWEARINGEN: I'll go ahead and get started.

My name is Dave Swearingen and I'm an environmental project manager with the Federal Energy Regulatory Commission or FERC. By the door as you came is J.H. Rump with TRC, an environmental consulting corporation. TRC is assisting us in our environmental analysis for the preparation of the draft Environmental Impact Statement that you received in the mail. Erica Lund, also with TRC, is at the sign-in table on the other side of the room.

Also here tonight, to my left, is Harold Winnie, with the Department of Transportation's Pipeline and Hazardous Materials Safety Administration.

On behalf of the FERC, I want to welcome you all here tonight. Let the record show that the St. Joseph public comment meeting began at 7:07 p.m., December 15, 2006.

The purpose of this meeting is for the FERC to get your comments on the draft Environmental Impact Statement or EIS that we recently released for the Rockies Western Phase Project. This is the hard copy of the document. Most of you all received the CD in the mail. Our mailing list for this project was extensively, about 6000 copies that we had to send out. So we sent out the CDs

1 unless you specifically asked for a hard copy.

2 If you received a CD and you decided that for the
3 next go around you'd like to have a hard copy, let Erica at
4 the table know and we'll be glad to send you a hard copy
5 instead of the CD next time, but you need to let us know.

6 Like I said, the purpose of this meeting is for
7 me, at FERC, to get your comments on this draft
8 Environmental Impact Statement. In a moment I'm going to
9 give a brief overview of the FERC process and then Harold,
10 with the Department of Transportation, will say a few words.

11 Where we are in the process? We're in the midst
12 of a 45-day comment period on the draft EIS. The comment
13 period ends on December 28th. All comments that we receive
14 within the comment period will be addressed in the final
15 EIS. To speak tonight, we have sign-up sheets as you came
16 in and if you signed up -- I've got two people who have
17 signed up to speak and after they've had their say, I'll
18 open the floor up to anybody else who would like to speak.

19 Now we take your environmental comments seriously
20 and whether you decide to speak tonight or you want to mail
21 comments in or submit them electronically through the FERC
22 website, it doesn't matter how you get your comments to us.
23 We will give them equal weight as we consider them to revise
24 the draft Environmental Impact Statement.

25 Specific instructions on how to file written

1 comments or electronic comments are contained in the first
2 couple of pages of the draft EIS where as the hard copy or
3 the CD copy it's the same and those instructions are found
4 there. If you have any questions about that, you can ask me
5 after the meeting. I'll be glad to help you out. The
6 comments that we receive from you -- that's the purpose of
7 this meeting -- and the more specific your comments are the
8 more helpful it is. Our job over the next couple of months
9 is to revise our environmental analysis based on the types
10 of comments that we receive. So if you have a specific
11 concern that's the type of comment that is helpful. If your
12 concern is, well, I don't like the project, you can feel
13 free to say whatever you want, but general comments are not
14 as helpful for us as specific comments.

15 If you received a copy of the draft, you'll
16 automatically receive a copy of the final. So you don't
17 have to sign up again on another mailing list. Once we
18 finish the final EIS and mailed it out, we'll forward that
19 on to our commissioners at the FERC. The commissioners will
20 consider our environmental analysis along with non-
21 environmental issues in order to determine whether or not to
22 issue an authorization for the project. Thus, the EIS
23 itself is one tool in the process. It is not a decision-
24 making document.

25 Now I'm going to turn the meeting over to Harold

1 with the DOT's Pipeline and Hazardous Materials Safety
2 Administration.

3 MR. WINNIE: Thank you.

4 Good evening, my name is Harold Winnie. I'm an
5 engineer with the Office of Pipeline Safety, which is a
6 branch of the U.S. Department of Transportation, Pipeline
7 and Hazardous Materials Safety Administration, PHMSA,
8 Pipeline Safety Program. I'd like to thank Dave Swearingen
9 for inviting me to this session.

10 Given the concerns of the public with respect to
11 pipeline safety, my purpose at this meeting is to assure you
12 that if the pipeline receives a favorable review from the
13 FERC, the Pipeline and Hazardous Materials Safety
14 Administration will maintain a continual regulatory watch
15 over the pipeline from its construction to its testing and
16 for the entire operational life of the pipeline. This
17 regulatory oversight will consist of measuring the pipeline
18 operator's performance to ensure that the pipeline is
19 constructed with suitable materials, that it is welded in
20 accordance with industry standards, that the welders
21 themselves are qualified to join the pipeline, that it is
22 installed to the proper depth, that it is coated to assure
23 effective cathodic protection from corrosion, that the
24 backfill is suitable and that it is properly tested upon
25 completion to ensure that it can hold up to the needed

1 pressures that the operator requires to transport his
2 product.

3 Beyond the construction process, PHMSA's pipeline
4 safety program conducts inspections periodically over all
5 aspects of the operations and maintenance of the pipeline.
6 The operator must have a written O&M plan in place to
7 instruct his personnel and to relate to federal inspectors
8 exactly what testing or monitoring is done and the
9 frequency. In addition, if testing or monitoring prompts a
10 response or a corrective action, the operator must detail
11 his process to address problems. Examples of the checks
12 that an operator must have in place are the adequacy of
13 cathodic protection, monitoring the surface of pipelines
14 exposed to the atmosphere, annual testing of the pipeline
15 valves and inspection of pressure regulation and relief
16 devices to ensure that the pipeline does not exceed its
17 maximum allowable operating pressure. Periodic patrolling
18 and leakage survey the pipeline following allowed procedures
19 for pipeline repair.

20 Beyond the routine functions that have for
21 decades been the baseline for operations and maintenance,
22 PHMSA has in the past few years implemented new initiatives
23 to ensure pipeline safety. At the forefront is the
24 Integrity Management Program. This program was published in
25 the Federal Register December 15, 2003. It requires

1 operators to identify high consequence areas -- Class 3 or
2 Class 4 areas or other areas with specific population
3 density concentrations or buildings of assembly or
4 buildings, housing confined for third persons. The
5 Integrity Management Program, IMP, mandates that operators
6 rely not on spot checks, but a comprehensive understanding
7 of its pipelines using established risk assessment methods
8 combined with emerging technology.

9 The attempt is to find critical defects and
10 repair them before a failure occurs. The plan is continual,
11 implementing up-to-date mapping techniques, hydrostatic
12 testing, in line inspection or ILI of the pipeline,
13 verification of the ILI and additional steps to assure that
14 the pipeline has a real time file with any anomalies
15 documented and tracked. To measure the effectiveness of its
16 integrity management plan, operators are required to measure
17 performance through a variety of measurements including test
18 excavations.

19 In addition to the pipeline itself, Congress has
20 mandated that operator personnel who perform operating or
21 maintenance or emergency response be qualified -- operator
22 qualifications are OQ -- in the performance of those
23 functions. The aim of this initiative is to minimize
24 operator error as the cause of any pipeline failure.
25 Beginning in 2001, operators were required to develop a

1 written plan to qualify every individual performing a
2 covered task. This has been expensive, not only to perform
3 the testing, but it is also launched more intensive training
4 programs for employees and contractors who operate and
5 maintain the pipeline.

6 The OQ regulation was stacked on top of the 1988
7 requirements for operators to perform mandatory drug and
8 alcohol testing for all employees who perform operations,
9 maintenance and emergency response functions. This was not
10 precipitated by substance abuse in the pipeline industry,
11 but as a U.S. DOT initiative on operators of transportation
12 systems. Drug and alcohol abuse had been discovered in
13 post-incident investigations in other sectors of the
14 transportation industry. Presently, an operator must
15 conduct random drug testing of 25 percent of its employees
16 performing covered tasks annually as well as pre-employment
17 testing and post-incident testing.

18 Another initiative relevant to this meeting is
19 public awareness. Recently, a standard was adopted by PHMSA
20 as a regulation, API RP 1162. The standard requires operators
21 to identify persons along the right-of-way affected by the
22 pipeline to inform the public about recognizing leaks,
23 taking appropriate action and to evaluate the effectiveness
24 of the program. RP 1162 establishes lines of communication
25 and information sharing with the public, excavators, the

1 emergency responders and local officials. Operators have
2 prepared the written plans to comply with the standard
3 through June 20, 2006 and are required to submit their plans
4 to PHMSA by October 8, 2006 for review.

5 The initiatives that I've described above are a
6 sampling of PHMSA's pipeline safety program. As I said
7 earlier, PHMSA inspects the interstate natural gas operators
8 in Missouri. If an operator's procedures are found
9 inadequate or if an operator is not following its procedures
10 or the appropriate regulatory requirements, PHMSA is
11 authorized to seek punitive action in the form of remedial
12 action, civil penalties, which is a frequent practice and
13 even criminal action. The authority is granted by Congress
14 and the agency is responsible to Congress for the execution
15 of its mandates.

16 The other issue that is important to understand
17 is damage prevention. The State of Missouri and the State
18 of Kansas have state laws that require anyone performing
19 excavating activities to call the One Call Center in advance
20 of the work and have all underground utilities located with
21 paint and/or flags. Since third party damage is one of the
22 major causes of damages to pipeline, it is important for
23 each of us to utilize the One Call system prior to doing any
24 excavations and to make sure that others digging in our
25 neighborhoods have had the underground utilities located

1 prior to excavating by looking for the paint and/or flags
2 marking those facilities around construction sites.

3 Should you need additional information, you can
4 visit the PHMSA website or you can contact me at the Kansas
5 City, Missouri regional office and my phone number is on the
6 brochure that's laying on the table there. I hope that the
7 proceeding has been informative. PHMSA's Pipeline Safety
8 Program's mission is safety and we want to assure the public
9 that its interest are not ignored in this area. If there
10 are any questions, I will be around for a short way at the
11 conclusion of the meeting.

12 MR. SWEARINGEN: Thank you, Harold.

13 The preliminary statements now are over and now
14 is the time for me to turn the meeting over to you all.
15 Like I said, this is your chance to make your comments on
16 the draft Environmental Impact Statement. If you have
17 questions about the FERC questions, I can answer questions
18 about the environmental review and the FERC process.

19 If you have questions for Rockies Express,
20 something very specific to a negotiation or an easement
21 situation on your property, there are members,
22 representatives of Rockies Express here tonight and they'll
23 hang around after the meeting and you can talk with them
24 about those types of issues.

25 So with that, we have a couple of people who have

1 signed up to speak and they have had their opportunity, I
2 will open the floor to anybody else who wishes to make
3 comments regarding environmental issues of the Rockies
4 Western Phase Project.

5 The first person that I have here is Darla
6 Emendorfer. What you will need to is I'll ask you to come
7 up to the podium and you'll see there's a little microphone
8 there. That's not an amplification. What that does is it
9 helps the transcriber get everything on the record. The
10 proceeding is going to be put into the public record. So
11 when you come up, if you could state your name clearly and
12 spell it. That way it will be accurate for the record.

13 Ms. Emendorfer.

14 MS. EMENDORFER: My name is Darla Hall Emendorfer
15 and I have several questions. So if you can allow me those,
16 that will be fine.

17 One is aimed at the safety during the
18 installation of the pipeline. And so I don't know exactly
19 who this is directed to, but I assume the DOT as well as
20 Rockies Express. But I was wondering is there a DOT
21 official on site during the installation with the
22 installers?

23 MR. WINNIE: There will be inspectors that will
24 be there from time to time.

25 MS. EMENDORFER: Okay.

1 MR. WINNIE: I cannot guarantee there will be
2 somebody there 100 percent of the time, but there will be
3 inspectors.

4 MS. EMENDORFER: How often do you do your
5 inspections?

6 MR. WINNIE: We have people that cover a large
7 section of the lines, so how often do we do our inspections?

8 MS. EMENDORFER: Uh-huh.

9 MR. WINNIE: Well, we would have somebody out
10 there inspecting the line.

11 MS. EMENDORFER: But not all the time you said.

12 MR. WINNIE: I can't guarantee they're going to
13 be on site the whole length of it all the time, no.

14 MS. EMENDORFER: Right.

15 MR. SWEARINGEN: That's the DOT's inspection. Of
16 course, the FERC, is the agency that's regulating the actual
17 authorization and construction of the project. During
18 construction there will be environmental inspectors out
19 there 100 percent of the time for the construction. Now an
20 environmental inspector is looking to make sure that the
21 pipeline is being constructed to the standard of the FERC
22 authorization. So if the FERC authorization says you have
23 to A, B, C, and D, then the environmental inspector is
24 ensuring that, indeed, the company is doing A, B, C, or D.
25 On top of that, there are compliance monitors who are

1 monitoring the inspectors and the construction.

2 After construction is completed, the FERC will
3 have additional inspection to make sure that the pipeline
4 that has been constructed and the restoration and the clean
5 up and all that has happened before the FERC authorizes an
6 inservice for the project. So at that level, then I will
7 come out and take a look at the line or we will have a group
8 of contractors who will go out and do an inspection of the
9 line.

10 After the pipeline has gone in service, then we
11 have additional inspections that happen every so often,
12 every few months or after a couple of years then they're
13 annual inspections. For example, last week I went out and
14 did a personal inspection of a pipeline that was built four
15 years ago and I will continue to inspect those projects,
16 especially paying attention to any problem areas like if
17 there's an area that seems to be eroded or that maybe the
18 reseeding hasn't taken place. Then I will continue to
19 inspect those and the company will be responsible for any
20 type of remedial actions over the course of time. So those
21 inspections can go on for years after the pipeline has been
22 constructed.

23 MS. EMENDORFER: Okay. I'm not sure if this is
24 relevant to this, so feel free to not answer the question.
25 But there is an existing pipeline called the Platt Pipeline,

1 which I believe that Kinder Morgan is the parent company
2 owner, which is also the owner of Rockies Express. Is that
3 pipeline currently being inspected as well?

4 MR. SWEARINGEN: The Platt Pipeline and Rockies
5 Express -- and correct me if I'm wrong -- I think Rockies
6 Express purchased that pipeline.

7 MS. WEAKLEY: Kinder Morgan purchased that
8 pipeline approximately 12 to 18 months ago. Rockies Express
9 itself is being developed by Kinder Morgan, Conoco Phillips
10 and Semplar.

11 MR. SWEARINGEN: That is Alice Weakley with
12 Rockies Express. So yes, Kinder Morgan owes the pipeline
13 now. However, the Platt Pipeline is not regulated by the
14 FERC. It's an oil products line and the FERC regulates
15 natural gas pipelines. So you're correct in your assumption
16 that this proceeding really does not have any bearing on
17 that pipeline, although we know that it's there and it's
18 presence is important in the routing of this pipeline.

19 MS. EMENDORFER: Exactly. And that was my point
20 in bringing it up because it is important in the routing.
21 Okay.

22 Secondly, I'm curious or thirdly, maybe, I'm
23 curious about the FERC's involvement in terms of if you
24 could provide, perhaps, some examples of a pipeline or some
25 sort of -- I'm sorry I'm not speaking very well. If you

1 could provide some examples of some reasons why you would
2 not approve a pipeline such as this. I'm not asking you
3 specifically about Rockies Express, but any of those. For
4 example, there may be some of us here in the room who are
5 not really familiar with what FERC does and certainly not
6 very familiar with draft environmental impact statements and
7 all those things. So it might shed some light on things for
8 us.

9 MR. SWEARINGEN: Okay. I'll make a few comments
10 on that. Like I said in my remarks, the FERC Commission is
11 five commissioners who are appointed by the President and
12 approved by the Congress when they have to approve the
13 President's appointees. That is the FERC Commission and
14 they alone will vote on projects that come before them. Now
15 this environmental document -- what my job is, what we do I
16 don't make that decision and my work here is not making that
17 decision. So what we do is we submit this environment
18 statement, but there are a lot of other factors that that
19 Commission takes into consideration -- the utility market,
20 the regulatory market, the rates that are being requested,
21 certain tariff issues, whether or not there is a supply and
22 demand. All those issues go before our Commission and
23 there's a lot of accounting and legal and regulatory looks
24 and this environmental document is just one piece of that.

25 I can't speak for the Commission in terms of

1 exactly where this project is going to go or speaking in
2 general, there are a lot of projects that come in our door
3 and companies say, well, we want to do this and we want to
4 that and we want to do this. There's kind of a weeding out
5 of those projects by the time they get to the Commission.
6 There's a lot of projects that come in the door and a couple
7 months later they withdraw or because the market is not
8 there or they don't have the financing for whatever reason.
9 So there are projects that never see the light of day that
10 don't make it to the commissioners. Once the project makes
11 it to the commissioners, that is when it gets voted on.

12 MS. EMENDORFER: Okay. My last question is maybe
13 perhaps more aimed at Rockies Express, so again feel free to
14 say, you know, it's not answerable. But it's my
15 understanding as well as some of the other people,
16 landowners who are on the current Rockies Express Western
17 Project Phase or exactly what the title is I'm not sure.
18 But there seems to be yet another pipeline that wants to
19 come through on the same route and that's the concern of
20 landowners because, you know, we've already got one pipe --
21 in some cases we've already have the pipeline. Now we have
22 this Rockies Express expansion and now, all of a sudden, a
23 year after the initial notification that Rockies Express is
24 coming through, now we have something called Keystone coming
25 through and that's of a concern to my family certainly and

1 what's next, you know? Because basically, at the end of
2 this I'm left with literally nothing that I can do anything
3 with except maybe farm, grow some grass on and that's not
4 what I bought the property for.

5 (Applause.)

6 MS. EMENDORFER: That's a concern.

7 MR. SWEARINGEN: As you may already know, the
8 Keystone Pipeline Project is another project that is not
9 regulated by the FERC. It is, I think, another petroleum
10 products line that we are aware of. That's through the
11 press releases or the newspaper and the industry talk. We
12 are aware of the Keystone Pipeline and its routing that its
13 looking at. But beyond that, our agency does not have a say
14 in that pipeline.

15 MS. EMENDORFER: Thank you. I appreciate the
16 time.

17 MR. SWEARINGEN: The next person I have that is
18 signed up to make comments is Scotty Hall.

19 MR. HALL: I will say a couple of words. I'm
20 familiar with your organization. To me, the environment is
21 part of the words you're using in this meeting and we bought
22 property that had an existing pipeline. The original
23 easement was issued way back in the early 1900s. Well, we
24 was hoping it wouldn't happen. They've come in and they've
25 serviced it, et cetera. But now we've got -- that was my

1 daughter speaking -- we've got another 42-inch natural gas
2 line going in, want more easement exactly and now here comes
3 the Canadian deal.

4 Well, now as far as I'm concerned, you have
5 ruined my environment for this farm. You're going to
6 require another 100 acres or more -- not a hundred acres --
7 100-foot easement for each one of them and I think we've
8 probably gave more than we should have to give. But anyway,
9 that's my end on it.

10 In the last little bit, and I see there's a
11 conservation agent back there, or at least his patch says
12 that, my nephew bought some property on over the hill down
13 the Missouri River bottom and he wanted me to look at it for
14 drainage problems and I was there and out of the brush, out
15 of the drainage ditch some brush grewed up, comes five hard
16 hats. One of them was Rockies Express. The other four with
17 pads and orange vests were looking for rattle snake habitat.
18 That's something to do with the environment? I don't know.
19 But they were there on a mission. Now as to what that
20 mission accomplished, I do not know. But I do know one
21 thing, we're going to end up with a 300-foot when it's over
22 with, through our little farm, that's going to be of no
23 value. You can't build a road over it. You can cross it
24 but you can't build a road right over it. You can farm it
25 and that's the extent of it and we're willing to pay a

1 little bit of money for damages, which I know I'm not
2 supposed to get into this. I understand. But we're going
3 to be running product through that 24 hours a day period.
4 The rest of my life and someone else's life.

5 I hope that I haven't taken too much of your
6 time.

7 MR. SWEARINGEN: No, sir, not at all.

8 MR. HALL: I feel that I have relieved myself a
9 bit. Thank you.

10 (Applause.)

11 MR. SWEARINGEN: I can shed light on one of the
12 things you brought up here.

13 MR. HALL: I'm sorry. I did hear what you said
14 there too before.

15 MR. SWEARINGEN: About the people looking for
16 rattle snakes I can just say that part of what we require
17 for the companies for them to do biological surveys. Before
18 we can do an analysis on particular environmental impacts,
19 we want to know what vegetation habitat is there, what
20 species habitat is there, cultural resources, wetlands --
21 all those types of things and land use is also one. So if
22 you've got a pond or you've got some farming activity or any
23 kind of activity on your land, that's part of what we need
24 to know as part of our environmental analysis.

25 So if they were out there looking for rattle

1 snakes, as long as they have permission to be on your
2 property, they were doing what it is that we need them to
3 do.

4 MR. HALL: They did not have permission, sir.

5 MR. SWEARINGEN: Well, that's another issue.

6 MR. HALL: I didn't get into that. I don't want
7 to bother about that. We're surveying. We're doing all
8 these things without written permission on the part of the
9 landowner.

10 MR. SWEARINGEN: You can talk to somebody from
11 Rockies Express about the permission on the property.

12 MR. HALL: It's like wasting your breathe.
13 Sorry.

14 MR. SWEARINGEN: Those are the only people that
15 we had to sign up to speak, however, this is your meeting
16 and this is your opportunity to provide comments. So I'll
17 open the floor. Again, all I ask is that you step up and
18 spell your name for the record.

19 Is there anybody else that would like to make
20 comments? Yes, ma'am?

21 MS. FORSYTHE: My name is Mary Diane Forsythe,
22 F-O-R-S-Y-T-H-E. I'm from Caldwell County. I also own the
23 farm with Bob C. Roberts. We have recently signed our
24 easement to Rockies and I want to share with the people who
25 have not sign up. Our agent was very kind. She worked with

1 us for about four months before we finally signed. But like
2 the first lady, we have 40 acres. The pipeline goes
3 diagonal across that 40 acres. We have horses. Of 15 I'm
4 going to have to move 4. We were able to come to an
5 agreement on the four and they are going to go around one
6 barn building, which is in the -- not the work area, but the
7 easement area.

8 We were very satisfied with the way we were
9 treated. Every time that Rockies Express has wanted to come
10 on the property, we got a phone call a couple of days before
11 and the gentleman told us that he or someone else would be
12 out there. We do appreciate that. And I think this is --
13 it's going to be hard on all of us because the area that
14 we're speaking of we had planned on putting a house. Well,
15 if we end up with all three of those lines on our property
16 that's going to put the last of the line out in the road.
17 So we're not going to be able to put our house in that
18 location. We're very disturbed about that, but that's the
19 way life is. You have to learn to go with the flow, you
20 know. But it's really hard. When you're getting up there
21 in years where you're planning on settling for the last time
22 and somebody comes in and says, no, you're not.

23 Well, I guess we just have to learn to cope with
24 that. But I and a few of the rest of us, we really do
25 appreciate you coming out tonight and letting us speak. We

1 hope some of these issues will be resolved for some of our
2 people, but we really do thank you. That's all.

3 MR. SWEARINGEN: Thank you, Ms. Forsythe.

4 (Applause.)

5 MR. SWEARINGEN: Is there anybody else who would
6 like to make comments?

7 (No response.)

8 MR. SWEARINGEN: If not, I'll go ahead and close
9 the formal part of the meeting. Anyone wishing to keep up
10 with the official activity associated with the Rockies
11 Western Phase Project can use the FERC website. That's
12 www.FERC.gov. Within our website there's a link called
13 eLibrary. If you type in the document number, which for
14 this project it's CP-06-354. You can use eLibrary to gain
15 access to everything on the public record concerning the
16 Western Phase portion of the project, including all the
17 public filings and information submitted by Rockies Express.

18 Like I said earlier, the representatives from
19 Rockies Express will stay in the room here for a little
20 while after the meeting if you want to talk to them
21 individually about a negotiation or an easement issue or any
22 other question that you might have for them.

23 On behalf of the Federal Energy Regulatory
24 Commission and the Department of Transportation, I want to
25 thank you all for coming here tonight. Let the record show

1 that the comment meeting concluded at 7:39 p.m. Thank you.

2 (Whereupon, at 7:39 p.m., the above-entitled
3 matter was concluded.)

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