

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

- - - - -x
IN THE MATTER OF: : Docket Number:
TRANSWESTERN PHOENIX : CP06-459-000
EXPANSION PROJECT :
- - - - -x

Central Arizona
Seniors Association
9360 East Manzanita Circle
Prescott Valley, Arizona

Monday, June 4, 2007

The above-entitled matter came on for scoping
meeting, pursuant to notice, at 7:10 p.m.

BEFORE:
DOUG SIPE, FERC

P R O C E E D I N G S

(7:10 p.m.)

MR. SIPE: Good evening. On behalf of the Federal Energy Regulatory Commission, referred to as FERC, I would like to welcome you all tonight. This is a public comment meeting on the draft Environmental Impact Statement. If everyone received the draft Environmental Impact Statement, that's what it looks like or you may have received a CD in the mail. We're trying to cut down mailing costs at FERC, so we're sending out CDs now. This is for the TransWestern Pipeline Company's proposed Phoenix Expansion Project.

Let the record show the public comment meeting began at 7:10 p.m. on June 4, 2007. My name is Doug Sipe. I am the FERC project manager for this project. Mark Mackiewicz, sitting over here in the middle, is the Bureau of Land Management National Project Manager. Later on in the week we are going to have DOT with us also, but they couldn't make it tonight. That will be Ross Reineke. He is a regional community assistant and Technical Services CAT's manager with the Pipeline and Hazardous Material Safety Administration, PHMSA. If you guys have any questions for him, you can let me know and I can forward those on to him

1 and he can get back to you guys on that.

2 I'll describe the roles of the agencies in a
3 minute and a bit later Mark will expand on the role of his
4 respective agency. Bill Braun, on my left, and Amy Davis in
5 the rear, you met them -- you met Amy when you came in.
6 They are with NRG. They're a consulting firm. They're the
7 ones that helped us write that big document there that would
8 probably put most people to sleep, the draft Environmental
9 Impact Statement.

10 The FERC is an independent agency that regulates
11 the interstate transmission of electricity, natural gas and
12 oil. FERC reviews proposals and authorizes construction of
13 interstate natural gas pipelines, storage facilities and
14 liquified natural gas terminals as well as licensing and
15 inspecting of hydroelectric projects. The purpose of the
16 Commission is to protect the public and energy customers and
17 assuring that regulated energy companies are acting within
18 the law.

19 We are located in Washington, D.C. We're just
20 north of the United States Capitol, if anybody's familiar
21 with D.C., Union Station. We're right down the street from
22 those guys. FERC has up to five commissioners. Right now
23 we do have five commissioners in the house. Sometimes it's
24 a little bit less than that. Sometimes they're in and out.
25 We maybe have three. We usually always have three. I

1 haven't been there for anything less than three, but right
2 now we are fortunate to have five. They are appointed by
3 the President of the United States with advise and consent
4 of the Senate. Commissioners serve five-year terms and have
5 equal vote on regulatory matters. One member of the
6 Commission is designated by the President to serve as our
7 chair and FERC's administrative head.

8 FERC has approximately 1200 employees in D.C.
9 There are also regional offices, but they're for the
10 hydroelectric facilities only. Right now our chairman is
11 Joseph T. Kelliher. The FERC is the lead federal agency
12 responsible for the National Environmental Policy Act,
13 review of the Phoenix Expansion Project and the lead agency
14 for the preparation of the EIS.

15 NEPA requires FERC to analyze the environmental
16 impacts, consider alternatives and provide appropriate
17 mitigation measures on proposed projects. The BLM, the
18 Forest Service, the Pipeline and Hazardous Materials Safety
19 Administration. I can't get used to saying that. They are
20 formally OPS, Office of Pipeline Safety, but they've changed
21 their name and they want us to use the new name, but a lot
22 of people know them as the Office of Pipeline Safety. The
23 Bureau of Indian Affairs and the Navajo Nation are
24 participating as cooperating agencies in the preparation of
25 the EIS.

1 This meeting is a joint agency public comment
2 meeting. The purpose of tonight's meeting is to provide
3 each of you with the opportunity to give us your comments on
4 the draft EIS and any general comments you have about the
5 project. We are here tonight to learn from you. It will
6 help us the most if your comments are specific as possible
7 regarding the proposed project and the draft EIS. If you
8 have any specific questions, I am here to answer those. And
9 also I'll get into later, TransWestern is here also. They
10 can take a lot of your questions.

11 If you wish to speak tonight, please be sure to
12 sign the speaker's list that was in the back. This is
13 pretty informal since we don't have that many people here
14 tonight. If you want to speak, you can just raise your hand
15 and let me know but you have to do it with a microphone in
16 front of you so our friend, the court reporter, here doesn't
17 get mad at me.

18 If not, you can pick up one of the blue handouts
19 that provide instructions to make it easier for you to send
20 written comments into us. The speaker's list and the
21 handouts are both with Amy at the sign-in table, along with
22 a couple of other brochures in the back. I meant to bring a
23 couple of those up. The brochure will help you out with
24 what to do if there's a pipeline on your land. There's a
25 brochure back there for electronic information at FERC, how

1 to deal with that at FERC -- just some helpful brochures for
2 you.

3 During our review of the project we assembled
4 information from a variety of sources, including
5 TransWestern, you the public, other state, local and federal
6 agencies and our own independent analysis and field work.
7 We analyzed this information and prepared a draft EIS. It
8 was distributed to the public for comment. A notice of
9 availability of the draft EIS was issued for the project on
10 April 27, 2007. We try to set these meetings up, the
11 comment meetings on the draft, somewhat about a month after
12 the EIS goes out to give everyone a fair share at reading
13 that big, thick document.

14 We are in the midst of a 45-day comment period on
15 the draft EIS. The formal comment period will end on June
16 18, 2007. It is during this period that we receive comments
17 on the draft EIS. All written comments received during this
18 time period or verbally tonight will be addressed in the
19 final EIS. Now that is a NEPA timeframe, that 45 days. We
20 will accept comments up to -- we plan on probably putting
21 out the final around -- I think right now it's September.
22 We will accept comments up to a certain point where we can
23 still put them in the final and then there is a cut-off
24 point. But the 45-day comment period is a NEPA comment
25 period. We will continue to accept comments after that, but

1 there is a certain timeframe where we will have to cut them
2 off. That's why we ask you to provide comments as soon as
3 possible in order to give us time to analyze and research
4 the issues and provide adequate response.

5 I would like to add that the FERC strongly
6 encourages electronic filing of any comments. The
7 instructions for this can be located on our website,
8 www.FERC.gov under the e-Filing link. The blue handouts at
9 the sign-in table with Amy also tell you how to file
10 comments electronically. We also have a nifty system. It's
11 called e-Subscription. Go on to www.FERC.gov and e-
12 Subscription you can subscribe to that and that will keep
13 you up-to-date on what's being filed on the record with
14 FERC. It's pretty nifty. You just get an e-mail sent to
15 you and you can either open it or delete it.

16 If you received a copy of the draft EIS, paper or
17 CD, you will automatically receive a copy of the final EIS.
18 If you did not get a copy of the draft and would like to get
19 a copy of the final, please sign the attendance sheet in the
20 rear and provide us your name and address and we'll make
21 sure we get you a copy of the final EIS.

22 The EIS is not a decision document. It is being
23 prepared to advise the Commission and to disclose to the
24 public the environmental impact of constructing and
25 operating the proposed project. When it is completed, the

1 Commission will consider the environmental information from
2 the draft EIS, along with the non-environmental issues such
3 as engineering, markets and rates in making its decision to
4 approve or deny a certificate, which would be FERC's
5 authorization for this project.

6 There is no review of FERC's decision by the
7 President or Congress, maintaining FERC's independence as a
8 regulatory agency in providing for fair and unbiased
9 decisions. If the Commission votes to approve the project
10 and a certificate of public convenience and necessity is
11 issued, TransWestern will be required to meet certain
12 conditions as outlined in the certificate. Those conditions
13 are in the draft EIS right now. Everyone can see what we
14 have proposed so far. Take a look at them if you get a
15 chance.

16 FERC environmental staff will monitor the project
17 through construction and restoration, performing daily on-
18 site inspections to ensure environmental compliance with the
19 conditions of the FERC certificate. So if this project is
20 proposed -- right now we have what is called a third-party
21 monitoring program where we have FERC staff in the field
22 non-stop throughout the whole project. Assuming this
23 project will be done in four spreads, five spreads -- I
24 don't know -- but we will have a monitor on each one of
25 those spreads checking construction to make sure they're

1 complying with our conditions along with state conditions.

2 Our cooperating agencies will use the final EIS
3 in support of their permitting efforts. Mark Mackiewicz
4 with the BLM will now speak to you about his respective role
5 on the EIS process.

6 MR. MACKIEWICZ: Good evening. Again, my name is
7 Mark Mackiewicz. I'm with the Bureau of Land Management,
8 Washington, D.C. Office and we have 10,000 employees across
9 the western United States. The Bureau of Land Management is
10 the lead federal agency with the responsibility of issuing
11 rights-of-way across all federal lands and associated
12 permits. This includes lands managed by the Bureau of Land
13 Management, Bureau of Reclamation as well as the National
14 Forest System. We, at this point, will be issuing right-of-
15 way across the Prescott National Forest as well as the
16 Kaibab National Forest.

17 It crosses lands that are administered by our
18 Phoenix office and this includes the Lower Sonoran field
19 office as well as the highest Hassayampa field office. In
20 addition, we also have lands out of the Farmington field
21 office in New Mexico.

22 As Doug has mentioned, we are a cooperating
23 agency in the preparation of the draft Environmental Impact
24 Statement. We have independently evaluated the content of
25 the draft Environmental Impact Statement and will utilize

1 this document to support our decision to either approve or
2 disapprove the right-of-way grant. At this point, the
3 pipeline crosses approximately 90 miles of federal lands.
4 That includes again lands administered by the Forest
5 Service, Bureau of Reclamation as well as the Bureau of Land
6 Management.

7 Again, the purpose of this meeting is to
8 determine the adequacy of our document, whether we have
9 addressed the impacts to both the physical as well as the
10 human environment. And again, we're here to listen to you
11 and to help us determine the adequacy of this document.

12 MR. SIPE: Thank you, Mark.

13 I mentioned a little bit earlier I would like to
14 point out to the audience that there are TransWestern
15 representatives in the room. I saw you guys talking to them
16 in the back. They are going to be here throughout the
17 night. I'm going to be the one to answer most of the
18 questions. If I get stumped on any of them, if you have
19 any, then I may look to TransWestern to answer some
20 questions; but they have maps and they have the right people
21 here to answer your questions. So if you guys have any
22 questions for them or me, please let me know.

23 Before we start the formal portion of the meeting
24 or before the formal portion of the meeting concludes --
25 well, I have this set up for a lot of people because the

1 last time I was here there were a lot of people and now
2 there's not. We usually don't want a bunch of people in the
3 back room looking at maps while the formal portion of the
4 meeting is going on, so if you'd like to ask questions or
5 anything like that, you can. But after the formal portion,
6 you can look at maps in the back.

7 Right now, Steven Veatch, Senior Director of
8 Certificates and Tariffs, a representative of TransWestern
9 is now going to give you a brief overview in the status of
10 the Phoenix Expansion Project.

11 MR. VEATCH: Good evening. As Doug said, my name
12 is Steven Veatch. I'm Senior Director of Certificate and
13 Tariffs representing TransWestern Pipeline on the Phoenix
14 Expansion Project. Tonight I'd like to give you a brief
15 overview of the Phoenix Expansion Project and where we stand
16 at this time on the project itself. With me tonight are
17 individuals from Project Management, Engineering, Right-of-
18 Way, Construction, Operations and Environmental, who can
19 hopefully answer any questions you might have at the
20 conclusion of the meeting.

21 The overall Phoenix Expansion Project in Arizona
22 consist of the construction of approximately 95 miles of 42-
23 inch pipeline and 164 miles of 36-inch diameter natural gas
24 pipeline. TransWestern will also be constructing minor
25 lateral lines and meter stations in addition to various

1 taps, valves and other auxiliary facilities. The project is
2 designed to transport 500 million cubic feet of natural gas
3 per day to customers in the state. Customers having
4 executed binding, preceding agreements with TransWestern to
5 participate in this expansion are Arizona Public Service,
6 Salt River Project Agricultural Improvement and Power
7 District, Southwest Gas Corporation, Gila River Power LP and
8 Unisource Energy, Inc. Those customers, four of the five,
9 have executed 15-year agreements with Gila River executing a
10 four-year agreement for service.

11 TransWestern is looking to receive the FERC
12 certificate of public convenience and necessity in September
13 2007 and commence construction in October with initial in-
14 service scheduled for July 2008 with overall in-service in
15 October 2008. TransWestern has ordered the pipe for the
16 project and it is currently in production. Construction
17 contracts for the pipeline have been awarded to Gregory &
18 Cook Construction and Rockford Corporation. In addition,
19 the horizontal directional drilling will be performed by
20 Michael's Corporation.

21 As of this date, 41 percent of the private
22 easements needed for the project have been secured. This,
23 coupled with the right-of-way, TransWestern has requested
24 from the Bureau of Land Management, the Prescott and Kaibab
25 National Forest, Arizona State Lands and the Navajo Nation

1 represents over 171 miles or 60 percent of the overall
2 project.

3 And I might note, as a result of meetings we had
4 here sometime back and the public comments we received when
5 we were here in Prescott Valley and discussions with local
6 public officials, TransWestern made revisions to the route
7 in the Prescott Valley area to avoid residential areas. The
8 current proposed route is approximately one-half mile longer
9 than the original route.

10 Let me state again that there are representatives
11 from TransWestern on the project team here tonight that will
12 be available to answer questions you might have. Thank you
13 very much.

14 MR. SIPE: Thank you, Steve.

15 I'll elaborate a little bit on what Steven said
16 there. A lot of people's misperception of one of these
17 projects coming into your area -- a lot of them think it's a
18 done deal as soon as it gets here and you're going to hear
19 that they have acquired easements and they have issued
20 proposals out to construction companies and so much and so
21 forth. They have to do that. They have to act like they
22 are going to get a certificate from FERC. It is a company
23 risk that they do that and it's not always a done deal that
24 the Commission is going to vote to approve their project,
25 but a lot of people think that because of all those things

1 happening that's the perception that we usually get, but
2 that's not the case. They have to move forward and just
3 hope that they get a certificate to build.

4 We will now begin the important part of the
5 meeting with your comments. We have a speaker's list and
6 nobody's on it. But if you want to ask us any questions,
7 we'll bring a microphone around to you and that's what I'm
8 here for. I'm here until whenever to answer your questions
9 to help you guys out.

10 Let me explain a little bit about the difference
11 between -- we were here in March for the same type of
12 meeting. They were scoping meetings. That was really early
13 on in the project. That was when we'd come out. The
14 proposal was really new to us. It was new to you guys.
15 Since then a lot of work has been done on the project. The
16 project has been refined. Like Steve mentioned, there has
17 been a reroute in this area to avoid some things that had
18 some folks upset about. So those type of meetings is to
19 come out and get the information early on and hopefully we
20 can put the information in the document that you all read
21 and change some things to make everything go a little bit
22 more smoothly.

23 Now tonight's meeting is suppose to be for you
24 guys to make comments on our draft Environmental Impact
25 Statement -- tell us what we did wrong in it, tell us what

1 you liked about it. So it's a little bit different, but
2 again, it could be the same format as the scoping. If you
3 have any questions, please let me know.

4 A transcript of this meeting will be placed in
5 the public record at FERC so that everyone has access to the
6 information collected here tonight, but that won't be done
7 for a little while. It does not go into the public record
8 for a number of days. If you'd like to purchase a
9 transcript early on, you can talk to the court reporter and
10 he can give you that information on how to do that.

11 We don't have anybody on the speaker's list, but
12 if you guys want to ask me any questions, feel free, raise
13 your hand. But make sure that if you want to ask my any
14 questions, it has to be one at a time and you have to do it
15 through the mic so it does become part of the public record.

16 (Pause.)

17 MR. SIPE: When I shut down the formal portion of
18 the meeting, we're going to stick around. If you guys want
19 to ask us any anything off the record, that's fine.

20 Going once, going twice. That's the end of our
21 list, a short list. Without any more speakers, which would
22 be zero, the formal part of this meeting will conclude. On
23 behalf of the Federal Energy Regulatory Commission, the
24 Bureau of Land Management and the Forest Service, the
25 Pipeline and Hazardous Material Safety Administration, the

1 Bureau of Indian Affairs and the Navajo Nation, I'd like to
2 thank you all for coming tonight. Let the record reflect
3 that the TransWestern Phoenix Expansion Project public
4 comment meeting concluded at 7:28 p.m. Thank you.

5 (Whereupon, at 7:28 p.m., the above-entitled
6 matter was concluded.)

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25