

BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket Number  
ROCKIES EXPRESS PIPELINE : CP07-208-000  
:  
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Pittsfield High School  
201 E Higbee Street  
Pittsfield, IL

Tuesday, January 8, 2008

The above-entitled matter came on for public comment meetings, pursuant to notice, at 7:05 p.m.

Moderator - Laura Turner - FERC

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1 P R O C E E D I N G S

2 (7:05 p.m.)

3 MS. TURNER: Good evening. My name is Laura  
4 Turner. I'm with the Federal Energy Regulatory Commission.  
5 I am the environmental project manager on the Rockies  
6 Express East Project. I am the one who is responsible for  
7 the draft Environmental Impact Statement that we're here  
8 tonight to get your comments and I'd like to thank you all  
9 for taking time out of your busy day and out of your free  
10 time to come to this meeting. With me tonight is Michelle  
11 Moser who is with ICF, who is a contractor who helps us  
12 write the document. In the back of the room are Melissa  
13 Pauley who is also with ICF and Ellen St. Onge, who is also  
14 with the Federal Energy Regulatory Commission or as we  
15 usually call ourselves, FERC. Also with me tonight is Karen  
16 Butler who is with the U.S. Department of Transportation.

17 The purpose of this meeting tonight is to gather  
18 your comments on the draft Environmental Impact Statement.  
19 We want to know what you think is wrong with the document,  
20 if there's anything with the document that you like, if  
21 there are things, issues you think need to be covered that  
22 weren't and if there are issues that you don't believe we  
23 went into great enough depth on. The information we gather  
24 at this meeting will help us to finalize the document.  
25 Approximately four months after the draft is issued we

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1 should, if everything goes normally, issue a final document.  
2 The amount of time it takes us to finalize it is going to  
3 depend on the kind of information we can gather. If we  
4 don't get very many comments, it won't take us long to  
5 finalize it. If we get a lot of detailed comments that have  
6 pointed out issues that we have missed and we need to do  
7 more research on, it could take us longer.

8           Just briefly, what is the Federal Energy  
9 Regulatory Commission? It's a small, independent regulatory  
10 agency that one of its main purposes is to review projects  
11 where natural gas pipeline companies want to build  
12 interstate pipelines. We're the agency that the Congress  
13 has given the authority to tell them where these pipelines  
14 can be built. We are also the lead federal agency for doing  
15 the environmental assessment of these projects as they come  
16 in.

17           Now, one of the things I do want to point out to  
18 you is many people believe that these EISs, these documents,  
19 are written to approve or deny a project. They are not.  
20 The purpose of these documents is to inform the public and  
21 the various federal agencies what the impacts would be, the  
22 environmental impacts, if the project is built. These  
23 documents also can set forth recommended mitigation measures  
24 to reduce the environmental impact. But they, by  
25 themselves, do not approve the project.

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1 I would also like to point out that there are  
2 various members of Rockies Express who were out in the outer  
3 lobby there who will be available to answer your questions  
4 after the meeting. I think at this point I'll turn it over  
5 to Karen Butler who will describe what she does.

6 MS. BUTLER: Good evening. I'm Karen Butler. I  
7 work for the Office of Pipeline Safety. You may not be  
8 familiar with the Office of Pipeline Safety. That is a  
9 branch of the United States Department of Transportation and  
10 we are under the agency called PHMSA and that is Pipeline  
11 and Hazardous Material Safety Administration. Beyond the  
12 inspection process, inspections will be performed  
13 periodically covering all aspects, regulating under 49 CFR,  
14 Part 192. That's regarding operation and maintenance of the  
15 pipeline.

16 The operators must have comprehensive written  
17 procedures describing the types and frequencies in  
18 monitoring activities to ensure the safe operation of the  
19 pipeline. Some examples of long-term activities are  
20 adequacy of external corrosion prevention systems,  
21 operability of pipeline valves and pressure control  
22 equipment, patrols of the right-of-way and leak detection  
23 surveys. I just want to point out we now have additional  
24 pipeline regulations called integrity management, and in the  
25 integrity management programs operators frequently will be

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1 using something called INT. It stands for an inline  
2 inspection tool. It's basically a device that uses computer  
3 sensors and runs internal in the pipeline that gives them  
4 very detailed information about wall thickness of the  
5 pipeline. By having that tool and analyzing that thickness,  
6 it allows them to proactively respond to situations on the  
7 pipeline.

8 Another initiative is pipeline  
9 operator Public Awareness Programs. The goals of these  
10 programs are to improve awareness among specific  
11 stakeholders -- the public, emergency responders, local  
12 public officials and excavators. Public awareness programs  
13 are going to emphasize the importance of calling one-call  
14 system you dig. I hope that just by touching on a few of  
15 those items tonight that we've described an overview of what  
16 the Office of Pipeline Safety will be doing as part of  
17 protecting your safety, along with our state partners and if  
18 inspections and procedures produce items that are not being  
19 done according to code or according to their procedures then  
20 we do have the right to seek enforcement action. And with  
21 that, I thank you.

22 MS. TURNER: Thank you, Karen. Now, we'll  
23 going to get to the most important part of the meeting where  
24 you give us your comments and because we don't have very  
25 many speakers sign up tonight, what we're going to do first

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1 is go through the three speakers who signed up, then we'll  
2 ask if anybody else wants to speak. If nobody else wants to  
3 speak, we will have time to answer some questions from the  
4 public. Now, I'll caution you now, we may not be able to  
5 answer the question. If we can't answer it, we'll tell you  
6 we can't. But we will answer it in the final document if we  
7 can't answer it here.

8 What we need you to do, because we need to have  
9 this information all on the public record, so when we're  
10 going back working on the document we'll have something in  
11 writing that we can read and that's why we have a court  
12 reporter here. When your name is called, if you would come  
13 to the front podium, give your name and then give us your  
14 statement. And we'll do that to go through the three  
15 speakers and then anyone else. When we do the Questions &  
16 Answers, I would like you to raise your hand and we'll  
17 recognize somebody. And once again, we would like you to  
18 come up to the podium because if we don't get it on the  
19 public record it won't get responded to in our document. We  
20 have to have everything in the public record. So at this  
21 point I think we want to get started.

22 MS. MOSER: Our first speaker will be Russ  
23 Koeller.

24 MR. KOELLER: Russell Koeller, K-O-E-L-L-E-R,  
25 Koeller. I'm here tonight representing the Sny (phonetic)

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1 Graves District, along with another commissioner, Dan  
2 Lundberg (phonetic). But before I start, I want to say  
3 thank you for holding this meeting, this hearing and making  
4 it possible for us to speak. But we're especially fortunate  
5 to have representatives with so much authority here tonight  
6 and I hope that the other people in attendance realize that  
7 you're talking directly to the decision-makers tonight.

8 They aren't taking information and passing it on. These  
9 people in front have an extraordinary amount of authority.

10 Our Sny Graves District had some serious issues  
11 with REX Pipeline preliminary design for crossing our Sny  
12 Levee. So for the last -- nearly a year we've been in  
13 discussions, both with the -- well, the Federal Energy  
14 Regulatory Commission -- your office, Ms. Turner -- and the  
15 more recently with the Office of Pipeline Safety in Kansas  
16 City and we thank you both for your accessibility in the  
17 last year. The good news is we do have an agreement in  
18 principle, a signed agreement in principle concerning the  
19 design of the pipeline crossing our Sny District Levee and  
20 we have some details to be finished up and the permit to be  
21 signed, but we do have the signed letter stating that the  
22 design we're moving forward with now is acceptable to both  
23 parties. So the only thing I'd want to say it was a tough  
24 battle and others that may have issues that have not been  
25 addressed yet I would ask that they be given full

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1 consideration because this is a permanent installation and  
2 it's got to be done correctly for the most safety involved  
3 for everyone. But the Snyder District wants to say thank you  
4 very much for your assistance today. Thank you.

5 MS. MOSER: Thank you. The next speaker will be  
6 Bob Jenne.

7 MR. JENNE: Yes, my name is Bob Jenne. I am a  
8 city administrator -- J-E-N-N-E -- and I am the new city  
9 administrator for the city of Louisiana, Missouri. Our  
10 concern and our question that wasn't specifically answered  
11 within the confines of the report was our water intake  
12 supply is directly south of that location, and our concern  
13 is if that line is breached or impinged how quickly can that  
14 line be shut down to where it will not infiltrate our water  
15 supply with contaminants? And that is our biggest, primary  
16 concern.

17 MS. TURNER: Okay, that is a question I cannot  
18 answer at this time. Is your water intake on the  
19 Mississippi?

20 MR. JENNE: Yes, it is.

21 MS. TURNER: It's something we will definitely  
22 look into.

23 MR. JENNE: Yes, it's directly just south of the  
24 Salt River Basin.

25 MS. TURNER: Okay, Salt River Basin. Okay.

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1 MR. JENNE: Which will affect a community just  
2 under 4,000.

3 MS. TURNER: Okay. So your concern is if the  
4 pipe is breached contaminates from the pipe affecting your  
5 water supply?

6 MR. JENNE: Yes, ma'am.

7 MS. TURNER: Okay. All right. And particularly,  
8 you want to know how quickly it can be shut down and we will  
9 find that out.

10 MR. JENNE: How quickly it can be shut down and I  
11 guess the amount that can be -- and that's difficult to  
12 predict due to not knowing the size of the break or the  
13 breach, but I guess our concern is how quickly it could be  
14 shut down.

15 MS. TURNER: And you're aware that it's gas  
16 that's in the pipeline?

17 MR. JENNE: Exactly.

18 MS. TURNER: Okay, just want to make that --

19 MR. JENNE: Right, natural gas. We're aware of  
20 that.

21 MS. TURNER: All right.

22 MR. JENNE: But we have other concerns, you know,  
23 if it's the source of ignition that's close by who knows  
24 what can happen based upon the content. So that is the  
25 primary question that we have.

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1 MS. TURNER: All right. Thank you.

2 MR. JENNE: Thank you.

3 MS. MOSER: The last speaker that signed up is  
4 Mr. Shepherd. Just a reminder, if you could provided the  
5 spelling of your first and last name before you start  
6 speaking.

7 MR. SHEPHERD: Again, I'd like to mirror the  
8 others to thank you for providing us an opportunity to speak  
9 this evening. I'm William Shepherd of Louisiana, Missouri.  
10 We have the Pipe Drain Company and we farm in the Lower Salt  
11 River Basin. Some of my comments kind of mirror the  
12 comments that the City of Louisiana has and my main concern  
13 is the crossing of the river. As I understand, your  
14 commission had requested REX to follow the existing pipeline  
15 routes that Panhandle Eastern is traveling through this  
16 area. When they reach our property, they start to proceed  
17 off in a 45-degree angle away from Panhandle's lines. My  
18 contention is that if they follow the existing pipeline it  
19 would solve quite a few problems and concerns I have.

20 One would be the drill site could be maintained  
21 on the Missouri side of the river out of the flood plain and  
22 out of any sensitive wetlands and wildlife areas. This  
23 would avoid a permanent conversion that is outlined in your  
24 ES-4 and additional dredging of a dock for the drill site.  
25 The drill site could be adjacent to Panhandle Eastern's

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1 Mississippi River crossing. It would eliminate the  
2 potential flooding of the drill site. The flooding risk and  
3 construction activities that REX has proposed Blackburn  
4 Island would risk the water quality -- Louisiana and  
5 Missouri's water intake for drinking water, et cetera. The  
6 water intake is approximately three-quarters of a mile  
7 downstream from where the crossing would be.

8 The Mississippi River is prone to flooding at  
9 unpredictable times. An example would be last night when we  
10 had anywhere from 3 to 6 inches of rain. That site could  
11 be contaminated with the hydrolytic fluid from drilling, the  
12 drill waste and all and then would be into the river. But  
13 if they did the site adjacent to Panhandle's lines, it's on  
14 a high bank that didn't even flood in '93 and it would be  
15 accessible.

16 I think the approximate drill length was about  
17 4,000 feet that they were going to drill from Blackburn  
18 Island back to the Missouri shore and then another 4,000  
19 feet across the main channel Mississippi, according to the  
20 aerial photos that was in your exhibit. This one bore it  
21 would be adjacent to Panhandle's would be about the same  
22 distance as half the existing bore is now.

23 The other question that I had that I have not  
24 seen and maybe it's buried somewhere in your -- in the draft  
25 proposal, but I think a fiduciary bond should be a

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1 requirement to be provided by REX for the duration of the  
2 use of the pipeline. This bond would provide a guarantee  
3 for any follow-up construction activities. It would satisfy  
4 any contract obligations for easements and construction  
5 activities. If there were any environmental disaster, it  
6 would cover those or any environmental damages to wildlife  
7 and sensitive lands. As I understand, this pipeline entity  
8 is set up on an LLC corporate structure. It protects and  
9 insulates the three principals of this venture without  
10 adequate fiduciary bonding requirements.

11 Those are main concerns and I would like to thank  
12 you for providing us the opportunity to speak.

13 MS. MOSER: Thank you for speaking. At this time  
14 everyone who signed up has spoken. So if anyone else would  
15 like to speak or has a question, please raise your hand  
16 we'll be happy to call on you. And just a reminder, once  
17 again, when you get up to the podium, to please state your  
18 name and spell it for us. Thank you.

19 MS. MAGUIRE: My name is Jane Maguire, M-A-G-U-I-  
20 R-E. I am the daughter of a landowner. She would like to  
21 have been here, but she doesn't walk around very well.  
22 She's 87-years old. My question basically is when I first  
23 learned of this pipeline that is destined to go across our  
24 property it was approximately -- it was a year or a year  
25 and a half ago and my mother became very ill at the time.

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1 We were unable to attend any meetings. We've received some  
2 paperwork through the mail and the CD that you have recently  
3 sent out to people. I had no way of getting information. I  
4 am taking care of her and we are isolated on a farm and I  
5 don't get around very much. But I just wondered there  
6 should be access for that information for the landowners and  
7 I wasn't able to get it and to be able to know what was in  
8 your proposal.

9 Our main issue is safety. The Panhandle Pipeline  
10 has been an entity for a long time. I was there when they  
11 put in one in 1956 I believe and I was 16-years old, and my  
12 grandfather was living on the farm at that time and he was  
13 afraid of it. But he voiced his opinions and he wasn't able  
14 to do anything to steer it around. He has since died and my  
15 mother is now 87 and she's living on the same farmstead that  
16 they've had since 1930. The house and land that she's  
17 living on was all done by grandfather with my grandmother.

18 The first time I got the proposal as to where the  
19 pipeline was going it was going directly through her  
20 backyard across a pond that my grandfather had dug with  
21 trees that were over 50-years old surrounding it. And the  
22 initial story was they were just going to go right straight  
23 through there. Well, of course, that upset all of us, my  
24 mother particularly and so I sent in a statement to FERC  
25 with my issues. I didn't hear anything. I didn't know if I

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1 was supposed to hear anything from FERC, but I didn't. And  
2 we're still now going through these same issues. We've  
3 talked some. I'm sorry. I'm pretty nervous. We've talked  
4 some about what could be done and I initially requested that  
5 was there not some way they could go around the farmhouse  
6 and the pond itself because it just seems like there should  
7 be. There's no, you know, mountains, no wetlands, no  
8 anything just very close to the house is another -- is just  
9 fields. They're not rocky. They're just fields. But I was  
10 told that because they have to follow the Panhandle line so  
11 closely that there was no way they could go around it.

12 And I've since had people from REX have come to  
13 the house in groups, major groups because I did make public  
14 our objection and so I received visits from four -- three  
15 and four people from REX at one time and they talked to us  
16 and said that they would move the line further south from  
17 the house so it wouldn't be 45-feet from our backdoor, which  
18 is what the initial one was. Well, it took time and then a  
19 representative came to talk to us and the map that he had  
20 did not show any change in the line. And when we discussed  
21 that he was unaware of any change given to us. And two of  
22 the people we spoke with, our family, were no longer working  
23 for REX and they were the ones that told us they would do  
24 such and so -- they would make the change.

25 So I'm just very concerned. Recently, there has

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1     been a survey done, again, last Friday, as a matter of fact,  
2     and post have been driven into the ground showing us exactly  
3     where they say they'll put the filter and how close it will  
4     be to our house, which is the most that we felt like we know  
5     now more about where it's going, but that still is not in  
6     writing. It's just posts in the ground. And I just want to  
7     say that it is a big difference between a 42-inch pipeline  
8     and the Panhandle Pipeline that was there, which I think was  
9     16 inches. And my mother is 86-year old and she's scared of  
10    it and especially with it being so close to the house. We  
11    heard of the explosions that have happened and we know that  
12    if anything did happen that we'd be gone if it happened in  
13    our vicinity. That is our feelings that we would be cooked  
14    and it's not a very fine feeling.

15           This house that she lives in, like I said, was  
16    built by my grandfather by his own hands. The wood that is  
17    in it is wood that it was taken from the farmland, cherry,  
18    and cedar. He built the pond and he put in the trees that  
19    were like 80-feet tall. The tree grows up and around the  
20    pond and we don't want to see any of it destroyed. And  
21    mostly, my concern is my mother and her medical condition  
22    and it's very upsetting for her to even think about this  
23    land being plowed up the way it's going to be. We know  
24    we're not going to stop the pipeline. We don't intend for  
25    that to be our issue. It just I want to try to make it as

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1 safe as possible for my mother and so that she doesn't have  
2 to spend her last years being very sad and I don't know how  
3 else to express it other than what I have done so far and  
4 that I still see no reason why the pipeline cannot go around  
5 the house.

6 One of the people from REX said that they saw  
7 that as an idea that could be considered. Didn't know why  
8 not and it would be proposed, but I hear nothing about any  
9 proposal to go around. Our neighbors have voiced the  
10 opinion that if they did go around it's their fields and  
11 they don't care. It's fine with them if they move it. But  
12 I don't have anything else to add except that if it's  
13 possible to move that pipeline away from the house that  
14 would be wonderful. If it's not, as long as we know exactly  
15 where it's going to go through so we can determine if we can  
16 live there with -- that way. That's fine. But we haven't  
17 anything definite yet. I just wanted to -- I appreciate  
18 your time.

19 MS. TURNER: Thank you very much. Could I ask  
20 would you have time after we finish the formal part of the  
21 meeting that we could talk about this and you could show me  
22 where the property is on the map?

23 MS. MAGUIRE: Sure.

24 MS. TURNER: And we will make sure when the final  
25 comes out that you get a paper copy and not a CD. Thank you

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1 very much.

2 MS. MAGUIRE: Thank you.

3 MS. TURNER: Does anyone else have any questions,  
4 comments? Okay, could you come up to the front?

5 MR. GORES: Hi, my name is Rich Gores. My mother  
6 owns some property in Pike County, Missouri and the pipeline  
7 is going through it and basically, I had a question on when  
8 it becomes -- in the years to come when that pipeline is  
9 obsolete and the easement is turned back, is it normal that  
10 the pipeline would be left there or should the company come  
11 back and remove that and put the ground back to where it  
12 was? Basically, I was kind of wondering what the standard  
13 procedures on that are?

14 MS. TURNER: I don't know if there is a real  
15 standard procedure on it. Okay, she can speak to it.

16 MR. GORES: Okay, good.

17 MS. BUTLER: There's very little requirement as  
18 to how the pipeline has to be abandoned except for in  
19 certain circumstances like river crossings. There is also  
20 usually a procedure within the operator's manual itself, the  
21 OM Manual, that will address abandonment and they are  
22 obligated to abide by their own procedures. And you'll  
23 notice that I said "usually," not always. The majority of  
24 natural gas pipelines that I have been aware of or exposed  
25 to are usually abandoned with water or some type of element

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1 internal to it and left in place.

2 Now, when I say that, there have been pipelines  
3 used to move fiber optic cable and that's been inserted in  
4 that. So there have been times when other uses have been  
5 made for that pipeline. Seldom have I known, and I'm  
6 speaking from experience and limited experience, that the  
7 pipeline is actually pulled up out of the ground.

8 MR. GORES: Suppose you were wanting to build on  
9 that -- once they abandoned the pipeline and you wanted to  
10 build on there, would it be up to the landowner to tear up  
11 that pipeline or can you do that? What's involved in  
12 something like that?

13 MS. TURNER: Well, first of all, if REX were to  
14 abandoned the pipeline, unless the rules change in 50 years  
15 or whenever, they have to come back to the Commission to get  
16 permission to abandoned it. We would do an assessment of  
17 the abandonment of it. There have been instances where we  
18 have told the company to remove the pipeline. It tends to  
19 be in residential areas and sometimes -- there have been  
20 times that we've had discussions with the landowners.  
21 Sometimes the landowners would prefer it to be gone. Other  
22 times it's my land is landscaped. I don't want you mucking  
23 around and ripping it up. So it's something that at this  
24 point, except as Karen said in certain circumstances, there  
25 are rule about how you do it.

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Normally, we see when a company comes in to abandon, we ask them how are you abandoning it? And at that time we'll analyze and see if there's a need to require them to take it out and certainly at that time if there's landowner request to take it out, we'll certainly look at that. But at this point in time, we can't tell you whether it would or not.

MS. BUTLER: I should have said that they are required to abandon it in a safe manner. That's typically why they fill it with water because there's usually a residue left internal to the pipe. And I would encourage you, if you have the specifics about how it needs to be abandoned for your particular property use, that you discussed that with your right-of-way agent.

MR. GORES: Okay. Thank you very much.

MS. TURNER: Does anybody else have a question or comment? No? Well, then I would thank you all for coming tonight and I think this will close the formal portion of the meeting. Thank you.

(Whereupon, at 7:45 p.m., the above-entitled matter was concluded.)