

1 FLORIDA GAS TRANSMISSION COMPANY, LLC'S (FGT)

2 PROPOSED PHASE VIII EXPANSION PROJECT

3

4 PUBLIC SCOPING MEETING

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8 THURSDAY, JUNE 12, 2008

9 7:00 p.m.

10 LAKE PLACID MIDDLE SCHOOL AUDITORIUM

11 LAKE PLACID, FLORIDA 33852

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15 APPEARANCES: DANNY LAFFOON, FERC
16 Environmental Project Manager

17 STEPHEN T. VEATCH, FGT

18 MITCH SHIELDS, HDR

19 BARRY LINES, HDR

20 SHERRY SWANSON, HDR

21 STEPHANIE THORESEN, HDR

22 JOE KOLB, HDR

23

24 REPORTED BY PAMELA K. COLDING,

25 Court Reporter

1 MR. LAFFOON: All right. If I could get
2 everybody to take their seat.

3 I apologize ahead of time. I'm going to
4 have to read through this script or else I'll
5 forget something. So bear with me as I go
6 through this.

7 Good evening. My name is Danny Laffoon.
8 I am an Environmental Project Manager with the
9 Federal Energy Regulatory Commission, or FERC.

10 At the table with me tonight is Mitch
11 Shields with HDR. HDR is an environmental
12 contractor who has been contracted to help in
13 our preparation of the environmental impact
14 statement for Florida Gas Transmission's Phase
15 VIII Project.

16 Barry Lines, Sherry Swanson and Stephanie
17 Thoresen are at the sign up table in the back
18 of the room. They are also with HDR.

19 This meeting is being transcribed by a
20 court reporting service to accurately depict
21 this proceeding.

22 The FERC is the leading Federal agency
23 for the development of the environmental
24 impact statement. And I want to welcome each
25 of you here tonight.

1 Let the record show that the Lake Placid
2 Scoping Meeting began at 7:06 p.m. on June
3 12th.

4 The purpose of this meeting is to give
5 you the opportunity to provide environmental
6 concerns and comments regarding the pipeline
7 project proposed by FGT.

8 In a few minutes I will ask folks from
9 FGT to come up and give an overview of their
10 project.

11 Right now we're early in the process so
12 that the maps that you've seen so far are
13 general and could change based upon your
14 comments.

15 Currently, FGT plans to construct about
16 570 miles of pipeline in 14 segments across
17 Alabama and Florida. Additionally, FGT would
18 construct about 200,700 horsepower of
19 compression, including one new compressor
20 station.

21 After this meeting closes, FGT will
22 remain with their maps to answer additional
23 questions that you may have.

24 Now, I need to talk about the FERC's
25 scoping process. That's where we are right

1 now. We are in what we call the prefiling
2 process or PF process.

3 The docket number that has been assigned
4 for this project is PF08-14-000. That's
5 included in the notice that I sent to each of
6 you.

7 FGT has not filed a formal application
8 with the FERC at this time. They are using
9 this prefiling period to help develop the
10 route and listen to concerns and hopefully
11 minimized environmental impacts before they
12 file a formal application.

13 Once FGT files a formal application with
14 the FERC, we will assign a new docket number
15 for the project.

16 The National Environmental Policy Act
17 requires that the FERC evaluate the
18 environmental impacts associated with new
19 interstate natural gas facilities. The term
20 we use for this process is scoping. So that
21 is what I am doing at these meetings, I am
22 talking with the agencies, landowners,
23 politicians and non-governmental organizations
24 to get their environmental concerns.

25 The process started last month when I

1 issued the notice that most of you received in
2 the mail. That notice, or NOI, detailed the
3 steps that we're taking here tonight during
4 the environmental scoping and how we intend to
5 prepare an environmental impact statement, or
6 EIS, for this process.

7 There is an opportunity to mail in your
8 concerns or to use our website to deliver
9 them. Comments received through the mail or
10 use of our website are weighed equally to
11 those that are spoken here tonight. But I'm
12 here to listen to any environmental concerns
13 that you might have.

14 We sent an ending date... We set an
15 ending date of the scoping period to be June
16 20th. We, meaning the FERC's environmental
17 resource staff, HDR and any agencies
18 cooperating with us in the preparation of the
19 EIS, will take all of the comments that are
20 received into consideration while preparing
21 the environmental impact statement that will
22 be issued in draft form at some point after
23 FGT files their application... their formal
24 application, which they anticipate doing in
25 September or October of this year.

1 Then there will be another opportunity
2 for the public to comment on the draft
3 environmental statement. Those comments will
4 be taken into consideration. And the draft
5 will be revised and we will issue a final
6 environmental impact statement.

7 I must differentiate between what the
8 FERC Commissioners do and what I do as part of
9 the support staff. I with the environmental
10 staff, and as I have explained, I'm going to
11 be helping develop the environmental analysis
12 of this project. The FERC Commission will
13 look at that, but that's only part of what
14 they review.

15 The FERC Commissioners are tasked by
16 Congress to determine whether or not
17 interstate natural gas facilities are in the
18 public interest. They take into consideration
19 things of a regulatory nature such as markets,
20 tariffs, rates, design cost, public needs, and
21 they take into consideration the environmental
22 impacts.

23 After considering all these factors, the
24 Commissioners will decide whether or not to
25 issue a Certificate of Public Convenience and

1 Necessity for the project. That is, whether
2 or not to approve the project. Their decision
3 is not just regulatory or environmental, but
4 the whole picture before they decide whether
5 or not to approve any particular project.

6 Are there any questions about the FERC's
7 scoping process or anything that I have
8 explained so far?

9 Okay. With that, move on and ask Steve
10 Veatch, who is a representative from FGT, to
11 give an overview of the project.

12 It doesn't fit.

13 MR. VEATCH: It doesn't fit?

14 MR. LAFFOON: It doesn't fit.

15 MR. VEATCH: Well, I guess we'll do it by
16 hand then.

17 Good evening. As Danny said, my name is
18 Steven Veatch. I'm Senior Director of
19 Certificates and Tariffs for Florida Gas
20 Transmission Company.

21 Tonight I would like to give you an
22 overview of Florida Gas Transmission as well
23 as our Phase VIII Expansion Project, which is
24 the reason we're here tonight.

25 With me tonight are individuals from our

1 project management group, engineering, right-
2 of-way, construction and environmental, who
3 will answer any questions you may have after
4 the meeting or at the conclusion of my
5 presentation.

6 Florida Gas Transmission operates a 5,000
7 mile interstate natural gas pipeline that
8 extends from South Texas through Louisiana,
9 Mississippi, Alabama and the entire State of
10 Florida.

11 There are 282 delivery points on the
12 pipeline system, with 162 of those delivery
13 points for local distribution companies, 32
14 for industrial users, and 58 for electric
15 generation. FGT also has 50 interconnects
16 with other pipelines along the entire pipeline
17 system.

18 The current capacity on the pipeline
19 system is 1.95 billion cubic feet - that's BCF
20 - during the winter and 2.25 BCF during the
21 summer. FGT has experienced... has expanded
22 over the years to meet the increasing market
23 demand through a series of expansions, those
24 being our Phase I through Phase VII expansion.

25 The Florida gas market currently consumes

1 85 percent of the gas delivered to the state
2 for electric generation.

3 Within the last year approximately 4,000
4 megawatts of proposed coal power plant
5 projects have been canceled. Therefore,
6 natural gas has become the fuel of choice for
7 new power generation.

8 The incremental demand in the Florida
9 Peninsula is conservatively projected to grow
10 over one billion cubic feet per day by 2015.

11 Our Phase VIII expansion project, that's
12 the project we're here to talk about tonight,
13 it's a major scale pipeline expansion
14 extending from Alabama to Central and South
15 Florida. We have executed precedent
16 agreements for the project with Florida Power
17 and Light Company for 400,000 MCF per day for
18 25 years. Seminole Electric Cooperative for
19 60,000 MCF per day for 25 years. City of
20 Tallahassee for 6,000 MCF per day for 25
21 years. In addition, we have executed a
22 precedent agreement with Progress Energy.

23 We are continuing to negotiate with
24 additional Phase VIII potential shippers. And
25 the project would provide up to one million

1 MCF per day in incremental firm transportation
2 capacity into the State of Florida.

3 The proposed Phase VIII project
4 facilities, the project consists of 11 looping
5 segments on existing main line system. And
6 three Greenfield segments for a total of 568
7 miles.

8 The looping segments consistent of
9 approximately 439 miles of 24, 30, 36 and 42
10 inch diameter pipelines commencing at the
11 Mississippi/Alabama border with the final loop
12 segment terminating in Dade County, Florida.

13 The Greenfield segments, which are
14 approximately 129 miles in length for the
15 project, include the Suwannee Lateral, the
16 Manatee Lateral and the new mainline segment
17 from Arcadia, Florida and terminating at the
18 FP&L Martin Power Plant.

19 In addition, FGT will add compression at
20 eight existing compressor stations, and add
21 one new compressor station here in Highlands
22 County, Florida, for a total of 207,900
23 horsepower.

24 Estimated cost of the overall project is
25 two billion dollars. And construction of the

1 Phase VIII expansion will occur in 28
2 counties, with 25 of those counties being in
3 the State of Florida.

4 Basically, we are in the pre-filing phase,
5 as Danny said, with the FERC on the project.
6 And the specific route has not yet been
7 finalized. We have been contacting landowners
8 and asking for permission to survey prior to
9 making a final route determination.

10 To the extent physically possible, we
11 plan to locate the pipeline adjacent to or
12 within the rights-of-way of currently existing
13 utility, that being pipeline and power line,
14 and transportation corridors in order to
15 minimize impact to the land and to the
16 environment.

17 We are currently working with, and will
18 continue to work closely with, the appropriate
19 Federal, State and local permitting agencies
20 to further minimize any impact to the land and
21 to the environment.

22 A few of the agencies we're working with,
23 in addition to the Federal Energy Regulatory
24 Commission, on the project are the U.S. Forest
25 Service, the U.S. Army Corps of Engineers, the

1 U.S. Fish and Wildlife Service, the U.S.
2 Environmental Protection Agency. And here in
3 Florida we are working with the Florida
4 Division of Historical Resources, the Florida
5 Department of Environmental Protection, the
6 Florida Division of Forestry and the Florida
7 Fish and Wildlife Conservation Commission.

8 The map as shown here depicts our
9 existing facilities in blue and the proposed
10 Phase VIII expansion facilities in red.

11 As for our Phase VIII expansion timeline,
12 we held an open season to solicit interest for
13 the project. And that was completed in
14 February of this year.

15 A pre-filing request was filed with FERC
16 on March 6th, 2008 and approved on March 18th.
17 Thereby, FERC designated docket number PF08-
18 14-000 was assigned to the project.

19 Public scoping meetings were held June
20 3rd through 12th, this being the last of four
21 public scoping meetings.

22 We plan to file our certificate
23 application at FERC in the Fall of this year.
24 We hope to receive our FERC approval for the
25 project in the Fall of 2009. And our plans

1 are to commence construction in January of
2 2010, with a targeted in service date in the
3 Spring of 2011.

4 One way to get additional, or a couple of
5 ways to get additional information for the
6 project. We have established a right-of-way
7 office for the project in Tampa, Florida. We
8 also have established a toll free telephone
9 number. It's identified on the screen there.
10 We also have handouts at the side of the room
11 that you can take with you when you leave.
12 And we also have a website for the Phase VIII
13 project to obtain additional information.

14 Most of the information that we file with
15 the FERC is available on the website. We also
16 have a question and answering section on
17 there. If you submit a question, we will get
18 it to the appropriate area of expertise and
19 get a response back to you.

20 Thank you for your time.

21 MR. LAFFOON: Thank you, Mr. Veatch.

22 We're at the point in the meeting where I
23 will ask for each of your comments. Because
24 this is being transcribed, I would ask that
25 you speak one at a time and into the

1 microphone. You need to speak into it so that
2 all the information can be accurately depicted
3 on the record.

4 Please, state and spell your name for the
5 Court Reporter.

6 The more specific your comments, the
7 better we can address them in the draft
8 environmental impact statement.

9 It's my understanding that no one has
10 signed up to speak.

11 MS. THORESEN: We only had one written
12 comment, which I brought up to you. It was a
13 question.

14 MR. SHIELDS: Just one question someone
15 wrote down.

16 MR. LAFFOON: All right. I'll read it
17 out loud so maybe we can answer your question
18 here.

19 It says can the pipeline be built over?
20 I'm a little confused as to the question,
21 though. Is it what can the pipeline be built
22 over?

23 MR. KOLB: Probably what can be built
24 over the pipeline.

25 MR. LAFFOON: What can be built over the

1 pipeline.

2 Okay. Typically, according... DOT, the
3 U.S. Department of Transportation, kind of
4 mandates what can be built over the pipeline,
5 as does the company.

6 Typically, no permanent aboveground
7 facilities can be built over the pipeline.
8 And also, they'll regulate the planting of
9 trees and shrubs over the pipeline. No real
10 deep-rooted shrubs generally over the
11 pipeline.

12 Does that answer the question
13 accurately? Hopefully.

14 Okay. Does anyone else wish to speak?

15 MR. EISENHART: Or questions.

16 MR. LAFFOON: Yeah. Can I --

17 MR. EISENHART: How deep is the pipeline?

18 MR. LAFFOON: Did you get that?

19 THE COURT REPORTER: I got his question.
20 I didn't get his name.

21 MR. LAFFOON: Can I get your name?

22 MR. EISENHART: Yeah. Mike Eisenhart.

23 MR. LAFFOON: Can you spell your name.

24 MR. EISENHART: E-I-S-E-N-H-A-R T.

25 M-I-K-E.

1 MR. LAFFOON: Thank you.

2 The pipeline depth will vary. Typically,
3 it's three feet under the ground surface. But
4 in some areas it can be shallower if it's
5 going through bedrock. Or it can be deeper in
6 certain locations, such as at road crossings
7 and water body crossings.

8 Yes, sir.

9 MR. FORD: Yes. My name is Clell,
10 C-L-E-L-L, Ford. My question is related
11 somewhat to Mike's question. We're somewhat
12 concerned about ground water, shallow ground
13 water transmission in the vicinity of the
14 pipeline, and the interruption of that. Is
15 that a possibility with the way the pipeline
16 is installed? Or is that something that we
17 should not be concerned about?

18 MR. LAFFOON: It's something that we will
19 address in our environmental impact
20 statements. Typically, pipelines can be
21 conduits for ground water movement. But we
22 require them to install trench breakers every
23 so often to help minimize the migration of
24 ground water across the trench.

25 MR. FORD: Follow-up, if I may. What

1 about laterally, is there a problem with it
2 actually stopping the flow of ground water in
3 a shallow system perpendicular to the pipe?

4 MR. LAFFOON: That can be a problem.
5 Especially associated with compaction over the
6 pipeline. But we would require the company to
7 decompact, if that is a problem. And they're
8 not going to want water ponding on their
9 right-of-way as well. So there would be
10 mitigation to that.

11 Any further questions? Anyone? Go
12 ahead.

13 MR. FORD: I'll ask one. When it comes
14 to crossing wetlands and rivers and streams,
15 what's the general practice as far as jack and
16 bore? I know you've got to cross the
17 Kissimmee, how are you going to do that, for
18 example?

19 MR. LAFFOON: I'll let someone from FGT
20 answer that question as to how they are going
21 to construct.

22 MR. PARHAM: We're proposing to cross the
23 Kissimmee River via horizontal directional
24 configuration.

25 MR. LAFFOON: His name is David Parham.

1 MR. FORD: Smaller wetlands they will simply
2 dig through?

3 MR. LAFFOON: Yes. We have a set of
4 guidelines that we're going to require them to
5 follow. If they don't follow our guidelines or
6 best management practices for crossing wetland,
7 a particular wetland, then we'll ask why and
8 have them tell us how their method equally or
9 greater... of greater environmental protection
10 than our method would be.

11 Anyone else?

12 Okay. I guess with that then I'll close the
13 public part of this proceeding. The folks from
14 FGT will stay, if you want to ask them more
15 project specific questions or look at some maps.

16 As I said, this is on the public record.
17 There is going to be a transcription that's
18 going to be published in a few weeks. If you
19 would like to purchase an advanced copy of the
20 transcripts within the next ten days, please,
21 talk with the Court Reporter who's making the
22 transcript.

23 The FERC website can be used to access
24 information about this project at WWW dot FERC
25 dot GOV. At this website you can click on the

1 E-library link and then type in the docket
2 number, PF80-14 and download all of the
3 information that is on the public record for
4 this project. That means anything that FGT has
5 filed with the FERC or anything that the FERC
6 has issued with regard to this project that's on
7 the public record.

8 There's also a helpful tool from the FERC
9 website that is called E-subscription. If you
10 are entering... if you enter your E-mail
11 address, any time something is filed or issued,
12 you will receive an automatically generated
13 E-mail that will link you to that filing.

14 On behalf of the Federal Energy Regulatory
15 Commission, I want to thank each of you for
16 coming out tonight.

17 Let the record show that the Lake Placid
18 Scoping Meeting concluded at 7:24 p.m.

19 Thank you very much.

20 (Proceedings were concluded 7:24 p.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA

COUNTY OF HIGHLANDS

I, PAMELA K. COLDING, Court Reporter, hereby
certify that I was authorized to and did report the
foregoing proceedings, and that the above and foregoing
pages represent a true and correct transcription of my
stenographic notes taken at that time.

DATED at Sebring, Highlands County, Florida this
17th day of June, 2008.

PAMELA K. COLDING,
Court Reporter