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UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

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TransCanada Pipeline USA, Ltd. Docket No. PF08-22

Bison Pipeline, LLC Docket No. PF08-23

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Pathfinder/Bison Pipeline Project

Sacred Heart Church

Parish Hall

204 Oak Avenue East

Glen Ullin, North Dakota 58621

Thursday, October 16, 2008

1 The public hearing, pursuant to notice, convened at 6
2 p.m. before a Staff Panel:

3 CHARLES BROWN, Deputy Environmental Project
4 Manager,

5 Federal Energy Regulatory Commission

6 HAROLD WINNIE, Office of Pipeline Safety, US DOT

7 KATIE GRANGE, Federal Energy Regulatory
8 Commission

9 JACKIE LAYTON, Federal Energy Regulatory
10 Commission

11 WAYNE KICKLIGHTER, Entrix

12 MARK YEOMANS, TransCanada Pipeline USA

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LIST OF PUBLIC SPEAKERS

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Tim Michael, landowner

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Chuck Norman, Morton County Highway Department

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Questions from the Audience

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P R O C E E D I N G S

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2 MR. BROWN: Good evening and thank you for coming
3 tonight. My name is Charles Brown, I'm the Deputy
4 Environmental Project Manager for the Federal Energy
5 Regulatory Commission or FERC. Our environmental
6 contractor, Entrix, is represented here tonight by Wayne
7 Kicklighter, seated to the right; Katie Grange and Jackie
8 Layton are assisting at the back table. Also with us
9 tonight is Harold Winnie, from the Department of
10 Transportation. He's going to give a brief presentation on
11 safety for the pipeline.

12 We're here tonight to provide some information on
13 our federal agency process as it relates to the proposed
14 Pathfinder and Bison Pipeline Projects, and we're here to
15 hear your comments and your concerns for the project.
16 Before I explain the federal process, I'll ask the
17 Applicant, TransCanada to provide a short presentation on
18 the proposed projects, and here representing TransCanada is
19 Beth Jensen. Beth?

20 MS. JENSEN: Thank you, Charles.

21 As Charles just indicated, my name is Beth
22 Jensen, I'm with TransCanada and I primarily do public
23 consultation on projects of this nature. And what I'd like
24 to do before we start to talk about the project specifically
25 is just to give you a very brief overview of TransCanada

1 Corporation, and this is very brief.

2 For over 50 years, TransCanada has been in the
3 business of conducting energy to markets. Currently,
4 TransCanada owns approximately 36,500 miles of pipeline in
5 whole, and another 4800 miles of pipeline in part; and
6 approximately 60 percent of those pipeline assets are
7 located in the United States.

8 Now I'd like to just take a minute to give you
9 the information about the specific projects. And I will
10 give you the docket numbers for both of these projects; and
11 if you do plan to correspond with FERC or any of the
12 agencies, it's important that you include the docket numbers
13 in your correspondence, so you may want to make a note of
14 those.

15 Pathfinder is PF, and the 'PF' stands for
16 prefiling, and that's the process that we're in right now.
17 It's PF-08-22. And Pathfinder is the larger of the two
18 projects; it's 673 miles of 36-inch natural gas transmission
19 line. That's four segments, four distinct segments.

20 The first one is called the Meeker Segment;
21 that's approximately 136 miles that runs from Meeker,
22 Colorado to Wamsutter, Wyoming.

23 Then we have Segment 1, which is 236 miles of 36-
24 inch pipe, and that runs from Wamsutter, Wyoming to Dead
25 Horse, Wyoming.

1 Then we have Segment 2, which is 297 miles of 36-
2 inch pipe, and that goes from Dead Horse, Wyoming to
3 Northern Border's Compressor Station 6, which is located
4 right down the road here. And the last segment is called
5 the Wamsutter Segment, and that's approximately 11 miles of
6 36-inch pipe, and that goes from a processing facility near
7 Echo Springs, Wyoming to Meeker, Colorado.

8 There are also eight compressor stations proposed
9 on this particular project. The maximum capacity of the
10 Pathfinder project is approximately 1.6 BCF a day, and it is
11 designed to bring supplies to the Upper Midwest, from the
12 Rockies basins, primarily Peonca, Unita, and Green River.

13 The second project, which is the smaller of the
14 two, is called Bison, and that docket number is PF08-23.
15 Bison is 297 miles of 24-inch pipeline, and it's exactly the
16 same route as the Segment 2 of the Pathfinder Project. It
17 will run from Dead Horse again to Northern Border's
18 Compressor Station 6 right down the road here. And there
19 is one compressor station proposed for that particular
20 project, and that is designed to bring in supply primarily
21 from the Powder River Basin, and both of the projects are
22 designed to end up with the supply in the Upper Midwest,
23 Chicago and Minneapolis area.

24 Construction on both of the projects or either of
25 the projects will begin, pending all approvals that we need,

1 sometime in mid-2010, and the proposed in-service date is
2 late 2010.

3 One last thing to mention to you is, in September
4 of this year, TransCanada announced that it was purchasing
5 the assets of the Bison Pipeline Project, and that includes
6 all of the work that's been done to date and the contracts.
7 And with that purchase, TransCanada as committed to build
8 one or the other; in other words, they would build either
9 the Pathfinder project or the Bison project, but not both.

10 And with that, I'll turn it back over to Charles.

11 MR. BROWN: Thank you, Beth.

12 Before I bring Harold up, I just want to make one
13 thing clear. The last couple nights there's been some
14 confusion; FERC is not building this project, we're
15 regulating it. We're proponents of the process for the
16 project, not the project itself. So all we're doing is
17 reviewing their application; we're not building it, they're
18 building it, and we're just doing the environmental
19 assessment for that project. I just want to make that
20 clear.

21 Harold is going to give a brief presentation.

22 Mr. WINNIE: Good evening. My name is Harold
23 Winnie. and I'm a Community Assistance and Technical
24 Services Project Manager with the Office of Pipeline Safety,
25 which is a branch of the U.S. Department of Transportation

1 Pipeline and Hazardous Materials Safety Administration,
2 known as PHMSA. I would like to thank FERC for
3 inviting OPS/PHMSA to this scoping session.

4 If Pathfinder or Bison receives permission from
5 FERC to construct the pipeline, the Office of Pipeline
6 Safety, in cooperation with state partners, will maintain
7 regulatory oversight over the safety of the pipeline. This
8 regulatory oversight would include inspections to ensure
9 that the pipeline is constructed of suitable materials, that
10 it is welded in accordance with industry standards, that the
11 welders themselves are qualified to join the pipeline, that
12 the pipeline is installed to the proper depth, that it is
13 protected from external corrosion, that the backfill is
14 suitable, and that it is properly pressure-tested upon
15 completion.

16 Beyond the construction, inspections will be
17 performed periodically covering all aspects regulated under
18 U.S. federal regulations 49 CFR Part 192, regarding the
19 operation and maintenance of the pipeline. The operator
20 must establish comprehensive written procedures describing
21 the types and frequencies of monitoring to ensure the
22 continued safe operation of the pipeline.

23 The monitoring that an operator must perform
24 includes:

25 the adequacy of external corrosion prevention

1 systems;

2 the operability of pipeline valves and pressure
3 control equipment;

4 patrols of the right-of-way; and

5 leak detection surveys.

6 Beyond the routine monitoring that had for decades been the
7 baseline for operations and maintenance, pipeline safety
8 regulations now require operators of transmission pipelines
9 to implement integrity management programs. Gas
10 transmission pipeline integrity management programs require
11 periodic assessments of transmission pipelines.

12 These assessments provide a comprehensive
13 understanding of the pipeline condition and associated
14 risks. In-line inspection tools, frequently referred to as
15 ILI or 'smart pig runs' provide detailed information about
16 pipe conditions.

17 During an ILI inspection, sensors and computers
18 are sent through the pipeline. These devices can indicate
19 pipe deformations and changes in wall thickness of the
20 pipeline. By analyzing the data collected during the in-
21 line inspections, operators can locate and repair areas of
22 pipeline that have been dented or damaged during or after
23 initial construction. Integrity Management programs require
24 operators to detect and correct damage to the pipelines in
25 highly populated areas -- in all areas -- before the damage

1 results in a leak.

2 In addition to the physical pipeline itself,
3 Congress has mandated that operator personnel who perform
4 operating, maintenance or emergency response activities be
5 qualified in the performance of those functions. The aim of
6 this initiative is to minimize operator error as the cause
7 of any pipeline failure. Operators must develop a written
8 plan to qualify individuals performing certain tasks that
9 could affect the safety of the pipeline. Operators have
10 developed training and testing programs for employees and
11 contractors who cover those tasks.

12 Another initiative relevant to this meeting is
13 pipeline operator public awareness programs. The goal of
14 these programs is to improve awareness of pipelines
15 throughout the nation. Operators must communicate pipeline
16 safety information to the public along the pipeline right-
17 of-way, emergency responders, local public officials, and
18 excavators. Public awareness programs emphasize the
19 importance of notifying One-Call systems prior to
20 excavating. These notifications allow all participating
21 utility owners, including pipeline operators, to mark the
22 location of their facilities and monitor the excavation to
23 help ensure their facilities are not damaged.

24 Another key message, these stakeholder audiences
25 includes how to recognize a pipeline emergency, how to

1 respond appropriately, and how to report the potential
2 emergency to aid in rapid response by both the pipeline
3 operator and community emergency responders.

4 The tests and programs described provide a brief
5 overview of the steps taken by OPS and our state partners to
6 ensure the safe transportation of natural gas. If
7 inspections determine that procedures are not adequate or
8 that an operator is not following the procedures, OPS is
9 authorized to seek punitive action in the form of remedial
10 action, civil penalties, and even criminal action. Congress
11 grants OPS this enforcement authority, and OPS is
12 responsible to Congress for the execution of its mandate.

13 Safety is the primary mission of OPS. We
14 understand how important this mission is to you, your
15 community, and the citizens across this nation.

16 Should you have questions that are not addressed
17 in this meeting, I will remain for a period of time after
18 the meeting to allow you an opportunity to address them.
19 Again, thank you for this opportunity to share a few aspects
20 of the Office of Pipeline Safety's responsibilities.

21 MR. BROWN: Thank you, Harold.

22 SPEAKER: A question. I know where you're -- but
23 if you are going to use acronyms, if you would tell us what
24 the acronyms mean, what they stand for?

25 MR. BROWN: Okay, fine. We can do that. Bear

1 with me.

2 Fundamentally, the purpose of tonight's meeting
3 is to provide each of you with an opportunity to give us
4 your comments and to tell us what environmental safety and
5 security issues you think we should address in our
6 respective analysis of the projects.

7 The FERC staff -- that's the Federal Energy
8 Regulatory Commission. Now when I say FERC, I always say
9 that's the Federal Energy Regulatory Commission -- it's a
10 little easier for me to say FERC. The FERC staff's
11 environmental analysis will result in the production of an
12 environmental impact statement or EIS. FERC is the lead
13 federal agency which is tasked with preparing the EIS. The
14 BLM is one of our cooperating agencies, helping us prepare
15 the draft.

16 In our Notice of Intent issued September 30th, we
17 requested comments and assigned a deadline of November
18 3rd. We will take comments throughout our review of the
19 project, but for us to adequately address your comments,
20 analyze them, research the issues, we ask that you try to
21 get those comments to us as soon as possible.

22 A speaker's list is located at the back table,
23 and we will use that list to identify individuals wishing to
24 provide verbal comments on the project. In addition to
25 verbal comments provided tonight, we will also accept your

1 written comments. If you have comments but don't wish to
2 speak tonight, you may provide written comments on the
3 comment forms at the back table. You can drop those off to
4 us or mail them in at a later date. Be sure to include the
5 two docket numbers, and I'll repeat these; It's PF08-22 and
6 PF08-23. That stands for prefiling.

7 The Pathfinder and Bison projects are currently
8 in our prefiling process; that is, an application has not
9 been filed with FERC. We consider the prefiling process to
10 be, amongst other things, an extension of our scoping
11 process.

12 The scoping process is a learning process; it is
13 where we educate ourselves about the project and the
14 potential impacts of the project. During the scoping
15 process, we're gathering information. We get our
16 information from four different areas. One is from the
17 application itself; we get information from federal, state
18 and local agencies, we do our own research and field
19 analysis; but most importantly, and I think this is the most
20 important thing, we get information from you. You live
21 here, you know the issues, we don't; we're in Washington.
22 So I need as much input from you tonight as possible. If
23 you don't feel like speaking tonight, you can talk to me
24 after the meeting; talk to Wayne, talk to any of the girls
25 back here. But we need your input. We've had a hard time

1 the last two meetings getting input from the local
2 residents. So I'd appreciate that, you're going to help us.

3 Once we gather the information during the scoping
4 process, we will analyze it and we will prepare a draft
5 environmental impact statement that will be distributed for
6 comments. There are two general ways you can get a copy of
7 the Draft EIS. One, the Notice of Intent that we've sent
8 out -- did everybody get a Notice of Intent? If you didn't
9 get a Notice of Intent, then you need to get on our mailing
10 list. And we've got forms at the back table -- get your
11 name down there. If you don't send the form back that we
12 sent you or don't sign on the mailing list, you won't get a
13 copy of the Draft EIS. That's the only two ways you can get
14 it. And you won't get a copy of the Final EIS, either.

15 After the DEIS, the Draft Environmental Impact
16 Statement is issued, there's a 45-day period for comment.
17 During that period we normally will hold another public
18 meeting similar in format to this one. We'll probably come
19 back here, to the same facility if it's available, and ask
20 you to comment on the information provided in the Draft EIS.
21 At the end of the 45-day period, we will begin synthesizing
22 all the information gathered to date and prepare a Final
23 Environmental Impact Statement.

24 Once we issue the Final Environmental Impact
25 Statement, it will be forwarded to our commissioners at

1 FERC.

2 Now, FERC is an independent federal regulatory agency
3 comprised of five commissioners appointed by the president
4 of the United States. Our commissioners at the Federal
5 Energy Regulatory Commission will use that document as well
6 as other information to make a determination on whether to
7 grant the project or deny the project.

8 At this time we'll begin taking verbal comments.
9 As your name is read, I would like you to come to the
10 podium, state your name for the record. All your comments
11 will be transcribed and put into the public record for the
12 project. The public record is available on our web site,
13 which is www.FERC.gov. From that page, select the eLibrary
14 link, and put in your comments.

15 We have these forms here that tell you how to do
16 that, to access it. You can see, it tells you how to get on
17 eSubscription, and how to access any document that's filed
18 on this project.

19 At this time we'll take the first speaker.

20 Also, after all the speakers are finished, I'll
21 open up the floor to questions and answers of myself and the
22 company, and that also will be on the record; but I ask you
23 when you raise your hand, please state your name for the
24 record.

25 Tim Michael?

1 MR. MICHAEL: Tim Michael from Glen Ullin.

2 I've been through some of this stuff before; and
3 once we sign these easements, it is no longer our land
4 underneath our land; it's theirs. And we can't stop them
5 from doing anything, and we lose all entitlement to it.

6 On my particular property, I have 95 percent of
7 the mineral rights, and I have 80 feet of dirt and 60 feet
8 of coal. And north of me is Northern Border, that's going
9 to make a pile over by me. Me and anybody north of me, they
10 will never, ever mine coal, a thousand years from now.
11 Never going to happen. Unless they take these pipelines out,
12 because -- I worked at the coal mines; everybody knows I
13 worked at the coal mines for a long time up there. And when
14 they get to problems like that, they just turn around and go
15 the other way.

16 So this here project is going to -- in 20 feet of
17 coal, there's 30,000 ton of coal per acre on 20 feet. And
18 the old leases up in Beulah are 5 cents a ton, that's \$1500
19 an acre. And the new leases are 20 cents a ton, which is
20 \$6,000 an acre. So you can see how much we leave on the
21 table by having this pipeline come across property.

22 And they'll just -- guys that are farther away
23 and don't have to contend with Northern Border, they'll mine
24 maybe -- you know, depends how it works, but for like me and
25 north of me, the DuPons and stuff in here, forget it. Never

1 going to happen. But like Kether, Shonz (ph) and those
2 guys, they can work with that. So -- and I've read a lot of
3 research that in Iowa when they do stuff like this -- I
4 mean, they pay 50 percent of the value of the land. Now if
5 they pay 50 percent of the value of the stuff underneath, I
6 don't know. And 50 percent of the value of what, how far --
7 this side of it? I don't know. If it's for a whole 80, or
8 the 50 feet, I don't know. I haven't followed it through
9 enough. But as this thing progresses, I probably will. So
10 we get treated fairly. Thank you.

11 MR. BROWN: Just to follow up on your statement,
12 Tim. You've got a situation where, that's somewhat unique,
13 since you had minerals below the surface. These are things
14 that you need to bring in when you negotiate your lease.

15 MR. MICHAEL: Yes.

16 MR. BROWN: It's the same thing down south where
17 we have timber that's taken, and it's taken for the life of
18 that 50-foot wide strip; that's taken in account. So those
19 are things you need to bring up during your negotiations,
20 okay?

21 FERC doesn't get involved in negotiations for
22 that; that's something between you, the company and your
23 local real estate appraisers, and the judges, if the
24 combination should have to come forward.

25 Chuck Norman.

1 MR. NORMAN: My name is Chuck Norman. I
2 represent the Morton County Highway Department, and we are
3 of course concerned about the costs, you know, the roads.
4 We already met with Beth, we talked roughly about that, we
5 want to keep on top of that. And also, of course, the
6 hauling of material coming into it. We had some history
7 with Northern Border Pipeline in the past, that we had some
8 issues we need to get ahead of; we want to stay on top of
9 that as this comes in. We want to work very closely with
10 this one as it starts up, and be aware what's going on with
11 that. We really had some --

12 SPEAKER: Chuck? Would you speak into the mic?
13 These guys would like to hear you.

14 MR. NORMAN: We've had some calls from some pipe
15 suppliers or pipe haulers about what the road costs are
16 going to be, stuff like that. So we want to be kept on top
17 of this this time and not kind of get behind the eight ball,
18 like we had in the Northern Border Pipeline when they came
19 in and kind of rode roughshod over what was going to happen
20 at that point in time. So we definitely will be ahead of it
21 this time and have stuff in place when this does happen.

22 So the roads will be an issue, but we have one
23 major road you're going to cross which we will not allow to
24 be -- the crossing will have to be bored and that type of
25 stuff on there also, so we'll need to know all of it ahead

1 of time when we get into that. So that's where we're coming
2 from.

3 MR. BROWN: Thank you.

4 Again, FERC's not building this project; I just
5 want you to understand that. It's TransCanada. So those
6 kind of questions should be redirected. But that's an
7 excellent comment; that's the kind of comments we need.

8 Okay, at this time since we have no further
9 speakers on our list, I'll open it up for questions and
10 answers. If you ask a question, please state your name for
11 the record.

12 Do we have any questions?

13 MR. FIDDER: My name is Kerry Fidler. I have a
14 little land out here; don't own a lot of acreage, but the
15 acreages I have, I'm thinking about building a house on that
16 property out there.

17 How close can you build to this pipeline without
18 a major problem? That's one of my concerns.

19 MR. BROWN: I'm going to let TransCanada answer
20 that.

21 MR. YEOMANS: Sure.

22 MR. FIDDER: You know, they've had some problems
23 with pipeline explosions, and I did some research on that
24 and it's pretty bad how far it actually -- they had a
25 problem with one. I don't know if it was the same pipeline

1 type deal. That's what I'm concerned about.

2 MR. YEOMANS: Right. So with either of the
3 projects, whether it's Bison or Pathfinder, the permanent
4 easement is 50 feet; and that you can build right up to the
5 permanent easement itself. And so there's no restrictions
6 there. There is a restriction; we don't want any buildings
7 or permanent buildings or dwellings within 50 feet of the
8 right-of-way.

9 MR. FIDDER: So you're saying it's safe to build
10 close to these places?

11 MR. YEOMANS: It is. When you look at -- I know
12 we do have a map here, it's not up here right now -- with
13 the 40,000 miles of pipeline that we have in operation right
14 now, we go through some very populated areas; cities, towns.
15 But we're not dealing with that type of stuff with either of
16 these pipelines, but part of population and encroachment is
17 something that we have to deal with.

18 MR. FIDDER: One more question. How about the
19 foundation? Do the foundation and the soil get
20 contaminated, say if you have a leak? They come in and
21 replace all, take care of everything. Correct?

22 MR. YEOMANS: Well, in general with the pipelines
23 that we're talking about, the natural gas pipelines, natural
24 gas is actually fairly environmentally friendly. If there
25 is an event, let's say a leak, it actually goes upwards and

1 there's a little bit of damage to some local vegetation; but
2 it's not long term damage. So I think you're probably
3 talking more the case of liquids pipelines and crude oil
4 pipelines where the damage is really different.

5 MR. BROWN: One thing I want to add here to your
6 question is, if you have a concern with where you're going
7 to build a house, let's say in the future, you can work with
8 the land agent, let them know that, and the pipeline can be
9 moved a little further away to accommodate your future
10 plans. We do that all the time, and I think TransCanada
11 would be more than happy to accommodate this request.

12 Any other questions?

13 Come on, folks. I came a long way. I had to
14 really beg last night to get comments. You guys are here,
15 you know the issues, I don't, and I'm here to help you. I
16 know you don't think the government's here to help you, but
17 I really am.

18 Yes, ma'am.

19 MS. MYER: I'm State Representative Shirley Myer,
20 I represent the Glen Ullin area here. And the questions
21 that have been directed to me are concerning eminent domain.
22 And you're talking about negotiating a lease. If every one
23 of these landowners are negotiating a lease, so you get one
24 in the segment in the middle, that is eminent domain used to
25 go across our property; and then how is the value of that

1 segment determined?

2 MR. BROWN: It's determined -- I don't know what
3 the state laws here are, but some states allow condemnation
4 before they even get a FERC certificate, and there's nothing
5 the federal government can do about that. But states where
6 it's not, they can't do any condemning until they have a
7 certificate from us. So you need to work with the company
8 as best you can, and you may not come to an agreement; and
9 then it would go to a local judge, who would make the
10 decision on what the compensation is.

11 Most of the time that doesn't happen. Most of
12 the time the company and the landowners get together and
13 they come to an agreement. Sometimes they don't and it has
14 to go to court and the local judge decides it.

15 MS. MYER: And then it's decided then. Is it
16 based not only then on what the adjoining landowners would
17 be given, or?

18 MR. BROWN: No, it will be based on the real
19 estate appraisal.

20 Do you want to address that, how the compensation
21 rate works that you guys -- because you do it. I'll let
22 Beth talk about that.

23 FERC doesn't get involved in that; the federal
24 government doesn't, and we try and stay out of it as much as
25 possible. But sometimes we try to help out a little bit, if

1 we can.

2 MS. JENSEN: I think there's two things that we
3 need to talk about here. First of all, as Charles said,
4 primarily for an interstate natural gas pipeline, the
5 Natural Gas Act gives interstate natural gas pipelines the
6 right of federal eminent domain, which we don't get or
7 accept until after we have a certificate to construct the
8 project. That's first.

9 Secondly, right now the company is still
10 formulating its plans and proposals for its compensation
11 package for purchasing the easements, so we don't have
12 anything that we can really talk about concretely at this
13 point in time.

14 But I think the one thing that's very important
15 for property owners to understand with regard to eminent
16 domain is, it is only about compensation; it is not about
17 where the pipeline will be located on your property. So
18 when you start your discussions with your land agent with
19 regard to your easement and where the pipeline is to be
20 located on the property, that's when you need to do that
21 sort of thing. Because if there is a condemnation action
22 brought, it's only going to be about compensation; it's not
23 going to be about where the pipeline is located on your
24 property.

25 But again, the company has not even started to

1 formulate its compensation programs; that probably won't
2 happen until sometime later this year or early next year.

3 I don't know, Mark, is there anything else you
4 want to say with regard to that?

5 MR. YEOMANS: The only thing I would say is, the
6 compensation program in general is based on fair market
7 appraisals, and we do that for the entire length of the
8 pipeline route. And the other thing, too, is TransCanada's
9 core business is pipelines. So part of that fair market
10 approach is, we have to be fair to all the landowners along
11 the entire pipeline route. So we don't strike special deals
12 with landowners.

13 MR. BROWN: One thing I want to add to that also
14 is, when the project does get a certificate, the certificate
15 of right-of-way is what's in -- they can't go off the
16 pipeline. Once we determine a pipeline route, that's it.

17 So it's very important that you try to negotiate
18 as much as possible up front. If you can't, then they're
19 going to condemn it. We can still, after the certificate is
20 issued, grant a variance and move that pipe a little bit.
21 If it's too close to your house, barn, water, whatever.

22 So once the certificate is issued, that doesn't
23 necessarily mean the pipeline is not going to move; it can
24 move. And it happens a lot. So we can grant variances.

25 Yes, sir.

1 MR. MICHAEL: Tim Michael again.

2 Like Kerry Fidder had asked here, they're going
3 to go by my place about 250 feet from my house. Is there
4 any way I can make them get 500 or 1000 feet away? Because
5 you see these pictures on TV in the desert where the natural
6 gas pipeline blew up and it's a big fire, and -- I mean, he
7 hasn't built the house, but I already have a house there.
8 And it's another half a mile down the other end.

9 MR. BROWN: My recommendation to you is this:
10 Start working with the land agent, try to work the company
11 as best you can. If you can't get it resolved, then you
12 need to contact me or Jim Martin. I've got a handout sheet
13 back there with my phone number on it, and Jim's number, and
14 we'll try to help you out. Can't promise you anything, but
15 we'll try to help you out.

16 MR. FIDDER: Kerry Fidder. Really, I've heard
17 of, when people run a pipeline they go with the heavier pipe
18 in certain areas. Am I right on that?

19 MR. BROWN: I'm going to let DOT answer that,
20 because he's got an answer for that.

21 MR. FIDDER: They have a thicker pipe for
22 residential areas, and stuff like that. Is that correct?

23 MR. WINNIE: The Federal Code requires a
24 different percent of SMYS as far as pressure. SMYS is the
25 Specified Minimum Yield Strength of the material. And

1 that's determined with how strong the steel is. And they
2 use different strengths of steel.

3 So you could use a stronger, higher stress steel
4 and have thinner wall pipe and still have the same safety
5 rating in an area. So in our federal code we do have, as we
6 get into high consequence areas and into populated areas,
7 there are requirements to operate at a lower percent of
8 SMYS. So either they have to go to thicker pipe or they go
9 to the stronger, the higher strength pipe in in order to do
10 that.

11 MR. FIDDER: In waterways, correct?

12 MR. WINNIE: Than what?

13 MR. FIDDER: Waterways. Waterways require
14 heavier pipe? Or not.

15 MR. WINNIE: There are I believe certain road
16 crossings and things that require it, but I'm not sure -- a
17 lot of companies use for river crossings and navigable
18 waterways, they use a higher strength pipe or a thicker wall
19 pipe to ensure that they don't have problems in those
20 crossings, yes.

21 MR. BROWN: Yes, it's usually a thicker pipe when
22 they do HDDs. Hydraulic Directional Drills.

23 MR. WINNIE: Horizontal directional drills.

24 MR. BROWN: Go under waterways, the pipe has to
25 be a little thicker. Then it's preventative, because they

1 don't want any problems with that pipe underneath the river.

2 Any other questions?

3 Yes, sir. Please state your name.

4 MR. LISLEY: My name is Leonard Lisley (ph) and
5 I'm here representing four or five different parties that
6 have land along this pipeline. And when the initial guy
7 that came out said that we were going to be contacted by the
8 survey crew, when they go to our house to let us know when
9 they're there, we were never contacted by them.

10 The last week of August was very dry, there was
11 High Sierra heat, the guys surveying were walking in there
12 with cigarettes, which could have been a major hazard; and
13 also during the construction phase, going across pasture
14 land. If the well is say in one corner of the parcel and
15 the majority of grazing is the other corner, and the
16 pipeline goes through the middle, what are we going to do
17 with livestock as far as watering and grazing during the
18 construction phase of the pipeline?

19 MR. BROWN: That's something that you're going to
20 need to negotiate with the land agent, bring that to their
21 attention, and the company will accommodate you; whether
22 they've got to bring in water or what they will accommodate
23 you.

24 MR. LISLEY: Thank you.

25 MR. BROWN: Anything else?

1 One thing, you folks have brought up things about
2 route changes. I'd like you to see Katie before you leave
3 tonight so we can get an exact location of where you're
4 talking about. We'll look at it, we'll do an analysis.
5 You've got to let us know where you want it to go. We'll
6 look at it, if we support you then we'll make the company do
7 it, period. But you've got to let us know.

8 I'm not saying all the time we will do that, but
9 we will look at it, we'll conduct an analysis, we'll come
10 out with a decision. So if you folks have some concerns
11 about alternatives, please see her tonight, let her know
12 exactly where they are so we can get working on that now.
13 We'll be around for 30 minutes, maybe an hour after the
14 meeting if you want to come up and talk to me, Wayne,
15 Department of Transportation. Katie is in the back, you can
16 talk to her; she's our alternatives person who does all the
17 analysis on alternatives.

18 Any more questions? Anybody have anything to
19 say?

20 One more. State your name, please.

21 MR. SCUNCH: Dennis Scunch. The question I have
22 is how will you handle the Harp River down there? Is that
23 going to get bored, or how are they going to handle that.

24 MR. YEOMANS: I don't think I heard all of the
25 question.

1 MR. SCUNCH: Okay, the Harp River. It's right
2 next to my property where they're going to be crossing the
3 river. How are they going to be handling that? Is that all
4 going to be bored, because they're going up a substantial
5 cliff on the north side. Is that going to be bored, or how
6 are they going to do it?

7 MR. KICKLIGHTER: I can't speak for the company,
8 but I asked your exact question of them when we did the
9 overflight, and I was told that that crossing would be a
10 horizontal directional drill. And as Charlie referred to a
11 horizontal directional drill, what that does is it's offset
12 from -- by maybe 100 feet, maybe, 100 yards of it --
13 completely avoids the riparian area, completely avoids the
14 stream banks, completely avoids the bottom of the stream
15 back. And with the Harp River, I would expect, based on the
16 annuals we did, would probably be about 40 or more feet
17 below the stream bottom to avoid impacts to that waterway.

18 But with that in the 673 mile overflight, that
19 Harp River crossing was very high on the list of things that
20 needed to be avoided, because that was a unique area with
21 that steep cliff, especially on the one side of it.

22 MR. BROWN: Any other questions?

23 Yes, sir, please state your name.

24 MR. FRIESHAFKA: Mark Freshafka. (ph)

25 Got a couple of procedural questions. Once you

1 conduct your scoping here, you're going to come out with the
2 Draft EIS. Do you have a target date for that?

3 MR. BROWN: As of right now, it will depend on
4 when they file their application; they haven't filed the
5 application yet. We're still in the prefiling process. I'm
6 not sure when you're going to file an application; but
7 generally once they file the application, they usually come
8 out with a draft about four months later. And like I said
9 earlier, that will be issued for a 45-day period for
10 comment; we'll come back here and get your comments on it,
11 on the draft. If there's something in the draft you don't
12 think we analyzed adequately or if we need to go back and
13 look it, then we're going to do that, that's why we come
14 back here and get your input.

15 MR. FRIESHAFKA: Do you have -- does the company
16 have an idea when it will file the application?

17 MR. YEOMANS: Yes, our target for filing is the
18 end of first quarter next year. So I think based on the
19 timing that Charlie has, put it into summer, fall next year.

20 MR. FRIESHAFKA: Okay.

21 MR. BROWN: So that would probably put the draft
22 sometime -- this time next year, probably.

23 Pretty close to this time next year, we'll be
24 back.

25 MR. FRIESHAFKA: Next fall, probably. Okay.

1 In terms of state regulation, do you also have to
2 file an application through the Public Service Commission,
3 or not?

4 MR. YEOMANS: No, it's a federal --

5 MR. FRIESHAFKA: It's totally federal?

6 MR. YEOMANS: Yes.

7 MR. FRIESHAFKA: So the PSC won't have any
8 jurisdiction over this, is that right?

9 MR. YEOMANS: That's right.

10 MR. BROWN: If permits are required from a local
11 entity, they have to get all permits.

12 MR. FRIESHAFKA: Right, but in this case it's
13 not.

14 MR. YEOMANS: Well, we do have to get local,
15 state -- we have to work with the state agencies as far as
16 permits. Whether it's Fish & Wildlife --

17 MR. BROWN: BLM, Corps.

18 MR. YEOMANS: State historic preservation office,
19 things like that. But on the federal side, it's the Federal
20 Energy Regulatory resources Commission that does the
21 approval process for the project.

22 MR. BROWN: FERC is the lead federal agency.

23 MR. FRIESHAFKA: So that's different from oil
24 pipelines, then?

25 MR. YEOMANS: That's right.

1 MR. BROWN: No, FERC doesn't have jurisdiction
2 over oil. They have their own separate process.

3 MR. FRIESHAFKA: Okay, just wanted to --.

4 MR. BROWN: Any more questions?

5 Okay, I'll close the meeting. We'll be here.
6 Please come up and ask me any questions you have. For you
7 folks that have alternatives, please see Katie and Wayne,
8 and you can see me.

9 I want to thank you for coming.

10 (Whereupon, at 6:43 p.m., the meeting concluded.)

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