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PUBLIC SCOPING MEETING
ON
TIOGA LATERAL PROJECT

TRANSCRIPT OF
PUBLIC MEETING

Taken At
Memorial Hall
5 Third Street Northeast
Kenmare, North Dakota
September 14, 2011

Hosted by the
Federal Energy Regulatory Commission

1 (The proceedings commenced at 6:36 p.m.)

2 MS. BAUM: All right. Well, I guess we're
3 going to go ahead and get started. I'd like to
4 apologize. We don't have microphones tonight, so
5 I'm going to try to talk as loud as I can and,
6 certainly, if you can't hear me, just, you know,
7 raise your hand or feel free to say something and
8 tell me to talk louder, so -- so --

9 All right. So on -- on behalf of the
10 Federal Energy Regulatory Commission, also known as
11 the FERC, I would like to welcome all of you here
12 tonight.

13 This is a scoping meeting for the Tioga
14 Lateral Project, which is proposed by the Alliance
15 Pipeline Company. And I'd like to let the record
16 show that the public meeting in Kenmare, North
17 Dakota, began at 6:30 p.m. on September 14, 2011.

18 The primary purpose of this meeting is to
19 provide you an opportunity to comment on the
20 project or on the scope of the environmental
21 analysis being prepared for the Tioga Lateral
22 Project.

23 My name is Elaine Baum, and I'm the
24 environmental project manager with the -- with --
25 I'm sorry, with the Commission's Office of Energy

1 Projects. With me at the table tonight is Doug
2 Sipe, also with the FERC. And working at the
3 sign-in table tonight is Tony Rana from the FERC as
4 well.

5 The FERC is an independent agency that
6 regulates the interstate transmission of
7 electricity, natural gas, and oil. FERC reviews
8 proposals and authorizes construction of interstate
9 natural gas pipelines, storage facilities, and
10 liquefied natural gas terminals, as well as the
11 licensing and inspection of hydroelectric projects.

12 As a federal licensing agency, the FERC
13 has the responsibility under the National
14 Environmental Policy Act to consider the potential
15 environmental impacts associated with the project
16 which is under its consideration.

17 With regard to Alliance's Tioga Lateral
18 Project, the FERC is the lead agency for the
19 National Environmental Policy Act review and the
20 preparation of the environmental assessment, or EA.

21 As I said earlier, the primary purpose of
22 this meeting tonight is to give you an opportunity
23 to comment on the project or on the environmental
24 issues you would like to see covered in the EA.

25 It will help us the most if your comments

1 are as specific as possible regarding the potential
2 environmental impacts and reasonable altern --
3 alternatives of the proposed Tioga Lateral Project.
4 These issues generally focus on the potential for
5 environmental effects, but may also address
6 construction issues, mitigation, and the
7 environmental review process.

8 In addition, this meeting is designed to
9 provide you with an opportunity to meet with
10 Alliance Pipeline Company representatives, to ask
11 them questions, and to get more detailed
12 information about their proposed facility locations
13 and construction plans.

14 So tonight's agenda is a simple one.
15 First, I'm going to describe the environmental
16 review process and the FERC's role in this project.
17 After that, we will take the time to answer any
18 questions you have about the process. Then we're
19 going to let the project sponsor, Alliance, give a
20 more complete description of the proposal.

21 Lastly, we will hear from those of you who
22 have signed up to speak. If you would like to
23 present comments tonight, please be sure to sign
24 the speakers' list, which is at the sign-in table
25 up front right where you walked in.

1 Now I'm going to briefly describe our
2 environmental review process for you. To
3 illustrate how this process works, we've prepared a
4 flowchart. This was appended to our Notice of
5 Intent, which you should have received a copy in
6 the mail, and there are also additional copies
7 available at the sign-in table.

8 Currently, we are near the beginning of
9 the environmental review process and are in the
10 public input opportunities part. Approximately
11 four weeks ago, Alliance held two open-house
12 meetings which gave Alliance a chance to explain
13 more about their proposed project, as well as
14 for FERC staff to introduce our agency and explain
15 our role in the process.

16 Alliance entered into the FERC prefiling
17 process on July 1, 2011, which began our review of
18 the facilities that we refer to as the Tioga
19 Lateral Project. The purpose of the prefiling
20 meeting is to encourage involvement by all
21 interested stakeholders in a manner that allows for
22 the early identification and resolution of
23 environmental issues.

24 As of today, no formal application has
25 been filed with the FERC; however, the FERC, along

1 with federal, state, and local agency staffs, have
2 begun review of the project.

3 On August 25, 2011, the FERC issued a
4 Notice of Intent to prepare -- to prepare an EA for
5 this project, which initiated a scoping period.
6 This scoping, or comment, period will end on
7 September 26, 2011.

8 During our review of the project, we will
9 assemble information from a variety of sources,
10 including Alliance; the public; other state, local,
11 and federal agencies; and our own independent
12 analysis and fieldwork. We will analyze this
13 information and prepare an EA that will be
14 distributed to the public for comment.

15 Once scoping is finished, our next step
16 will be to begin analyzing the company's proposals
17 and the issues that have been identified during the
18 scoping process. This will include an examination
19 of the proposed facility locations, as well as
20 alternative sites. We will assess the project's
21 efforts -- I'm sorry, effects on water bodies and
22 wetlands, vegetation and wildlife, endangered
23 species, cultural resources, soils, land use, air
24 quality, and safety.

25 When complete, our analysis of the

1 potential impacts will be published as an EA and
2 presented to the public for a 30-day comment
3 period. This EA will be mailed to all interested
4 parties.

5 Please note that because of the size of
6 the mailing list, the mailed version of the E -- of
7 the EA is often on a CD. So this means that unless
8 you tell us otherwise, the EA you will find in your
9 mailbox will be on a CD. If you prefer to have a
10 hard copy mailed to you, you can indicate that
11 choice on the return mail attached to the NOI, or
12 the -- the Notice of Intent. You can also indicate
13 on the attendance sheet tonight at the sign-in
14 table, and you can put your address on there just
15 to make sure that you would like a hard copy of
16 the EA.

17 As I mentioned earlier, our issuance of
18 the NOI opened a formal comment period that will
19 close on September 26, 2011. The NOI encourages
20 you to submit your comments as soon as possible in
21 order to give us time to analyze and research the
22 issues. If you received the NOI in the mail, you
23 are on our -- on our mailing list and will remain
24 on our mailing list to receive the EA and any other
25 supplemental notices we may issue about this

1 project unless you return the mailer attached to
2 the back of the NOI and indicate you wish to be
3 removed from the mailing list.

4 If you did not receive a copy of the NOI
5 and -- then I apologize, but, again, you can make
6 sure that your name is on the mailing list up
7 there, on the sign-in table.

8 I would like to add that the FERC
9 encourages electronic filing of all comments and
10 other documents.

11 There is a small brochure that explains
12 FERC's eFiling system at the sign-in table. And,
13 also, instructions for this are located on our web
14 site, www.ferc.gov, under the eFiling link.

15 If you want to submit written comments,
16 there are also directions in the NOI.

17 It is very important that any comments you
18 send, either electronically or just by traditional
19 mail, include our internal docket number for the
20 project. The docket number is on the cover of
21 the NOI, which is, again, also available at the
22 sign-in table. If you decide to send us a comment
23 letter, please put that number on it. That will
24 ensure that members of the staff evaluating the
25 project will get your comments as soon as possible.

1 And the docket number for this Tioga Lateral
2 Project is PF11-7-000.

3 Now I want to explain the roles of
4 the FERC Commission and of the FERC environmental
5 staff. The five-member Commission is responsible
6 for making a determination on whether to issue a
7 Certificate of Public Convenience and Necessity to
8 the applicant. In this case, that is Alliance.
9 The EA prepared by the FERC environmental staff,
10 which I'm a part of, describes the project
11 facilities and associated environmental impacts,
12 alternatives to the project, mitigation to avoid or
13 reduce impacts, and our conclusions and
14 recommendations. The EA is not a decision
15 document. It is being prepared to disclose to the
16 public, and to the Commission, the environmental
17 impact of constructing and operating the proposed
18 project.

19 When it is completed, the Commission will
20 consider the environmental information from the EA,
21 along with nonenvironmental issues, such as
22 engineering, markets, and rates, in making its
23 decision to approve or deny Alliance's request for
24 a certificate. There is no review of FERC
25 decisions by the President or Congress, maintaining

1 FERC's independence as a regulatory agency and
2 providing for fair and unbiased decisions.

3 So, at this time, are there any questions
4 about our agency's role or our process?

5 MS. MARIAN MORRIS: I didn't hear you.

6 MS. BAUM: Oh, I said is there any
7 questions about --

8 (The court reporter interrupted the
9 proceedings to request the name of the speaker.)

10 MS. BAUM: Oh. Can you -- can you say
11 your name, please, for the court reporter.

12 She just -- all she just asked was she
13 didn't hear the question, so --

14 We just asked if you have any questions
15 about FERC, then we'd be happy to answer any of
16 those questions at this time.

17 MS. MARIAN MORRIS: I still didn't hear.

18 MR. SIPE: It's okay. You can -- if you
19 have questions about FERC or our process, you'll
20 have plenty of time to do that. But do you have
21 any questions up to this point?

22 MS. MARIAN MORRIS: Is it possible that
23 you could e-mail your comments that you're giving
24 now?

25 MR. SIPE: The comments that -- that --

1 what she is saying tonight is going to be put in
2 the record at FERC, which the public can access
3 this transcript.

4 MS. MARIAN MORRIS: What is the address
5 that -- that it was given for that -- what
6 you're --

7 MR. SIPE: It's --

8 MS. MARIAN MORRIS: -- you're saying right
9 now?

10 MR. SIPE: The transcript from this --
11 everything that's happening tonight at this meeting
12 will be in a transcript. That's what the court
13 reporter is doing over there tonight. And you can
14 go in under FERC's web site, under www.ferc.gov.
15 It's all in the NOI and you can look at the public
16 record and everything that's in the public record
17 for this project, the transcripts will be part of
18 that. Okay. We'll -- I can -- I can --

19 MS. MARIAN MORRIS: What's that web site,
20 again?

21 MR. SIPE: I can explain it to you.

22 MS. MARIAN MORRIS: Okay.

23 MR. SIPE: I'll -- I'll show you exactly
24 how to do it. Okay?

25 MS. MARIAN MORRIS: I'm just trying to get

1 some notes as to what I can give my representative.

2 MR. SIPE: Okay. Okay. We will -- we
3 will get with you and I'll show you exactly what to
4 do. Okay?

5 MS. MARIAN MORRIS: Okay.

6 MS. BAUM: Are there any other questions?

7 (No audible response.)

8 MR. SIPE: There are none.

9 MS. BAUM: Okay. All right. So before we
10 actually start taking comments from you, I've asked
11 Alliance to provide a brief overview of their
12 proposed project. So Troy Meinke is going to be
13 giving us that information. So I'd like to turn it
14 over to him --

15 MR. MEINKE: Certainly.

16 MS. BAUM: -- right now.

17 MR. MEINKE: Thanks, Elaine. I'm Troy
18 Meinke. I'm the senior manager for health, safety,
19 and environment at Alliance. And I just wanted to
20 give you a brief overview of the project.

21 I recognize some of your faces from our
22 open houses, so you've probably seen some of the
23 project information already, but -- and I apologize
24 for the view we have here, but that's the darkest
25 spot I could find on the wall, so -- I just wanted

1 to walk through some of the specifics of the
2 project to give you some information about where
3 it's located, how it's going to be designed, and
4 some other information.

5 MR. SIPE: At that point, do you guys want
6 to move over so you can see?

7 MR. MEINKE: You're welcome to if you
8 want. Sit right here and I can give you a better
9 view of what we're going to talk about.

10 MR. SIPE: I wish we had curtains.

11 MR. MEINKE: Yeah, that would be great if
12 we had curtains.

13 MS. BAUM: It's a little bright.

14 MR. MEINKE: I promise I won't bite. You
15 can sit wherever you want right up in front. It
16 will be a little easier to describe what we're
17 talking about here.

18 Before I talk about specifically the
19 lateral itself, I want to give you a little
20 information about Alliance. Alliance is a
21 relatively new pipeline company. We built a
22 pipeline from the Western Sedimentary Basin in
23 Canada, which is northeastern British Columbia and
24 northwestern Alberta, all the way to Chicago
25 in 1999 and 2000. That's our existing pipeline

1 that exists, and we cross about 320 miles in North
2 Dakota with this existing pipeline.

3 We actually have three compressor stations
4 in North Dakota. Those are the stations that
5 actually compress and move the gas in our mainline.
6 In fact, we have a compressor station just south of
7 Towner, North Dakota, and we have three employees
8 that work there full-time and live in the Minot
9 area. So -- so we've been around the area for
10 about 12 years and we've been transporting natural
11 gas, essentially, uninterrupted for 12 years, and
12 we're very proud of the fact that we have a perfect
13 safety record and we intend to continue that
14 through the life cycle of our -- of our mainline.

15 The Tioga lateral will actually
16 interconnect with that mainline that I just showed
17 you, and there's really one main objective for this
18 lateral to our system and that is to move natural
19 gas from this Bakken development area to the
20 Chicago market area through our mainline pipeline.

21 And there's several advantages that that
22 provides to the producers in North Dakota. Natural
23 gas, as I'm sure many of you are aware, is actually
24 produced often in association with oil production.
25 So it's not really the main reason people are

1 developing the resources out here. They're
2 developing oil and along with oil comes natural
3 gas, and I'm sure a lot of you are aware that
4 there's a lot of flaring going on in North Dakota.
5 A lot of that natural gas is just being burned
6 right now because there's no market and there's no
7 infrastructure to take it away. And so, really,
8 that's one of the things we want to do is to
9 provide that infrastructure to allow that natural
10 gas to get to market and to provide some value for
11 the natural gas for the producer.

12 In addition to providing new markets for
13 that gas for producers, one thing I -- I should
14 have mentioned is our natural gas pipeline is a
15 little different than a typical pipeline in that it
16 moves a higher-energy natural gas. Most of the
17 natural gas you burn in your house is mostly
18 methane. We actually in our pipeline have a little
19 more propane and ethane in it, and that -- the
20 advantage there is we can actually move some of
21 those products to the market and it gets processed
22 in a facility near Chicago and they take those
23 products out of the line and then can also market
24 those as well.

25 And what that does for the producers in --

1 in North Dakota is it allows them to also get a
2 market for some of those products in the Chicago
3 area without having to build extraction facilities
4 in -- in North Dakota. So, again, it's a good
5 incentive for them to bring that market -- that
6 product to the market.

7 The project itself as proposed is
8 approximately 77 miles long. It's 12-inch-diameter
9 pipeline at this time. If we have -- we're -- we
10 will be in the middle of an open season soon and
11 that could produce enough interest to maybe make
12 the pipeline a little larger, but right now
13 it's 12 -- 12-inch-diameter pipeline as designed.
14 It crosses Williams, Mountrail, Burke, and Renville
15 Counties in North Dakota. I'll show you a map in a
16 minute. And it's designed to transport about 120
17 million cubic feet per day of natural gas. And
18 that's also obtained at a maximum pressure of 2,160
19 PSI, or pounds per square inch.

20 When we actually construct this line,
21 we'll -- it's a buried pipeline, so it's
22 underground, and we'll bury it a minimum of 40 --
23 of 32 -- 36 inches, sorry, from the surface of the
24 ground to the top of the pipeline. So it will be
25 a -- a minimum of three feet below the surface.

1 And in agricultural land we like to be a little
2 deeper to allow for normal tillage operations, so
3 we bury it about 42 inches below the surface of
4 the -- of the ground.

5 There is one compressor station that is
6 proposed for this project. If you look at the map,
7 this is -- at the lower left corner is Tioga, North
8 Dakota (indicating). That's where the pipeline
9 starts, and there's a compressor station located
10 there next to an -- an existing pipe -- gas
11 processing facility in Tioga.

12 And then on the other end, which is just
13 to the east of Sherwood and just south of the
14 Canadian border, is where it interconnects with our
15 existing pipeline, and there's a
16 pressure-regulating station there as well.

17 So those are two aboveground facilities.
18 Otherwise, the rest of the pipeline is buried, with
19 the exception of -- of block valves, which we have
20 at least every 20 miles, and that's to be able to
21 shut in the system if we need to, and those are all
22 remotely operated. Those are just small valve
23 sites. Sam could probably -- is it 50 by 50,
24 maybe?

25 MR. STEPHENSON: Twenty-three by 15 feet.

1 MR. MEINKE: Twenty-three by 15? So
2 23-by-15-feet-a-little-aboveground block valves at
3 every 20 miles as well approximately. We haven't
4 sited the specific locations of those areas yet,
5 so --

6 With respect to this project, in addition
7 to the FERC process that we're in the middle of
8 right now in the scoping process and the
9 environmental assessment, there's a lot of other
10 permits, approvals, and consultations that we need
11 to conduct to gain approval to build this project.
12 We're here with the FERC tonight. There's other
13 agen -- federal agencies we've been interacting
14 with includes the U.S. Fish and Wildlife Service.
15 Their interest is threatened and endangered
16 species. Obviously, the Des Lacs Refuge and Fish
17 and Wildlife Service easements that we might
18 propose to cross or be near along the route. We'll
19 have to get a permit from the U.S. Army Corps of
20 Engineers for regulated waters, such as wetlands
21 and streams, that we might cross. And then we
22 consult with other federal agencies, like the NRCS
23 and Farm Services Agency, for just issues such as
24 soil conservation, reclamation methods, proper
25 reseeding methodologies, and then also

1 understanding where Conservation Reserve Program
2 lands might be so that we know what reseeding
3 requirements there might be and other requirements
4 for crossing those types of lands. And at the
5 state level, there's other interested agencies,
6 including the State Department of Health.

7 Right now we're proposing a -- we'll back
8 up here. We're proposing a natural gas-driven
9 compressor at the beginning of the project and if
10 that's what we build -- we're also considering
11 potentially electric. But if we build a natural
12 gas-driven compressor, we'll be required to get an
13 air quality permit for that.

14 We'll also have to get a permit for -- a
15 stormwater construction permit to make sure that
16 we're containing erosion on the right-of-way during
17 construction and not allowing that to get off the
18 right-of-way, the construction right-of-way.

19 Other agencies include the State Game and
20 Fish Department for sensitive species and the State
21 Historical Society of North Dakota for cultural
22 resources and historic properties that might -- we
23 might find along the route. And then, finally, the
24 North Dakota Department of Transportation is
25 important because of road crossings along the

1 route; and specifically at the Des Lacs Refuge
2 we're looking at using a right-of-way for an
3 existing road crossing for a potential crossing as
4 well, so that will be important for us.

5 In order to really understand what
6 resources are along the route, we conduct a lot of
7 surveys for this project and we're doing that right
8 now. The first thing we do is conduct a civil
9 survey where we actually stake the centerline of
10 the proposed route and the proposed right-of-way
11 for the project. And then following that crew, our
12 biological and cultural resource survey crews that
13 look for things like wetlands and water bodies,
14 habitat for sensitive species, any noxious weeds
15 that might be out that we need to note for -- for
16 later consideration, and then land use along the
17 route as well. And the cultural resource survey
18 crews are looking for archaeological sites and
19 historic buildings or other historic properties
20 that we need to be aware of.

21 And then, finally, we'll do noise surveys
22 for the compressor site itself to make sure we're
23 not significantly increasing noise pollution around
24 that site, and then we've also proposed some
25 directional drilling of streams in areas such as

1 the Des Lacs area. And during those directional
2 drills, you're also required to do noise surveys
3 and make sure you're not creating nuisance noise to
4 nearby sensitive areas.

5 The schedule for this process, Elaine
6 referred to the prefiling process that we're in
7 right now. We initiated that on July 1 and started
8 conducting field surveys in August and that will
9 actually continue probably into October until the
10 weather turns and we can't conduct any more field
11 surveys yet this year.

12 We had two open houses. I know some of
13 you were there on August 16 and 17, one in Tioga
14 and one in -- here in Kenmare, and now we're in the
15 scoping period till September 26 of this month.

16 We intend to file our app -- our formal
17 application with the FERC in late January of next
18 year, and pending regulatory approvals, we would
19 anticipate starting construction in October of 2012
20 and finishing that construction in May of 2013.
21 Some of the spreads will be winter construction
22 spreads and as part of that, we're preparing the
23 winter construction plan as well for specific
24 method -- methodologies we would use to make sure
25 that that's successful as well.

1 And then if everything does fall in line
2 according to our schedule, we would be in service
3 in June of 2013 is when we'd actually be moving gas
4 through the system.

5 The last thing I wanted to talk about was
6 safety. We take that extremely seriously at
7 Alliance. That's one of our top -- top priorities.
8 And as I mentioned, in our mainline, you know,
9 we've been safely operating for 12 years since we
10 built our system, and this line will be no
11 different in terms of our safe operation. And part
12 of that is the design and how you operate that
13 system. Just like our mainline, this system will
14 be built to meet or exceed Department of
15 Transportation design requirements, built with
16 high-strength steel and, I believe, fusion-bonded
17 epoxy coating on the outside of the pipe.

18 Before that pipe is placed into service,
19 we hydrostatically test the whole pipeline. What
20 that means is we physically put water in the
21 pipeline and we pressure that water up to exceed
22 the maximum allowable operating pressure of that
23 pipeline to make sure it can withstand the
24 pressures that we've designed it for and that it
25 has good integrity, just to make sure that

1 everything that we did was properly done. So
2 that's done before we put it into service.

3 During operation of the pipeline, we've
4 had cathodic protection on the pipeline, and what
5 that is is we actually induce a current on the
6 pipeline and we put in sacrificial anode beds next
7 to the pipe that actually corrode instead of the
8 pipeline. So it keeps the pipeline from corroding.
9 If you maintain that system well, it maintains the
10 integrity of your pipeline throughout its life
11 cycle.

12 I mentioned block valves earlier at
13 every 20 miles at a minimum -- or, I should say, at
14 a maximum of 20 miles. Those are all remotely
15 monitored, as well as the compressor station, and
16 the whole system is remotely monitored and operated
17 by our gas control center in Calgary, Alberta.
18 Twenty-four hours a day, 7 days a week we have
19 staff in that gas control center. They can shut
20 the compressor station down; they can turn it on;
21 they can shut the valves, open the valves, and
22 operate the entire system; and they monitor it at
23 all times for an added value -- or measure of
24 safety.

25 We also have, as I mentioned, local staff

1 stationed at various places along the system, at
2 our compressor stations and area offices. This
3 project would probably include up to two new people
4 in this area that would be designated specifically
5 for this new system as well.

6 In-line inspections is a good topic for
7 safety as well. We actually will physically put a
8 device in our pipeline after it's built, and we
9 call them pigs, and that's just because they used
10 to squeal when you put them in the pipeline. But
11 there's pigs that we put in the pipeline today and
12 they're actually smart devices that can tell you if
13 there's any dents in the pipeline, if there's any
14 corrosion, if there's any coating defects. It
15 basically tells you the condition of your pipeline
16 as it moves along with the gas stream in your
17 pipeline. So we are going -- committed to do that
18 after we build the line to make sure, again, that
19 we know the exact condition of this pipeline and
20 that it's built and operating as intended.

21 We also conduct regular aerial
22 inspections. Currently, we're doing monthly
23 inspections on our mainline--I would expect that
24 would also occur with this line--to look for
25 third-party encroachment, if somebody's digging

1 near our line without our knowledge, and if there's
2 any erosion or other issues that we need to deal
3 with along the pipeline.

4 And then we'll also conduct pedestrian
5 surveys at some frequencies to check the cathodic
6 protection systems, to look for downed markers,
7 just to make sure the system can be seen and that
8 people know that it's there and that, again, it's
9 operating safely. I already mentioned as well the
10 local staff and the fact that we do have people
11 that are here on the ground, in addition to our
12 remote operating staff, to make sure that this
13 pipeline is operating safely.

14 I think that's everything I had. We will
15 be here, after the scoping meeting is over, in the
16 back corner. If you have other specific questions
17 about the pipeline project, where it's located,
18 other specifics about it, please feel free to come
19 back and talk to us after the meeting.

20 Thank you very much.

21 MS. BAUM: All right. Thank you very
22 much, Troy, for that presentation.

23 As he said, Alliance staff will be
24 available after the meeting to answer any
25 questions, and they have some maps located on the

1 back table, as you can see, over there, so --

2 All right. So now we're going to begin
3 the important part of the meeting when we hear your
4 comments and, also, answer any questions you might
5 have. First we're going to take comments from
6 anyone who signed up on the speakers' list -- list,
7 which was on the table in the front. If you would
8 prefer, you may hand -- hand us written comments
9 tonight or also send them in to the Commission by
10 following the procedures outlined in the Notice of
11 Intent.

12 There's also a form on the sign-in table
13 in the front that you can use to write comments on
14 and give them to me tonight and the form also gives
15 instructions on how to mail them.

16 Whether you give us comments verbally or
17 mail them in, they will be considered by FERC
18 equally.

19 I'm sure that you've noted that this
20 meeting is being -- is being recorded by a
21 transcription service. This is being done so that
22 all of your comments and questions will be
23 transcribed and put into the public record. To
24 help the court reporter produce an accurate record
25 of the meeting, I will ask that when I call your

1 name, if you can please stand up, state your name,
2 and spell it for the record. Also, if you can
3 identify any agency or group you're representing
4 and define any acronyms that you might be using.

5 I would also ask that everybody in the
6 audience respect the speaker and refrain from any
7 audible show of agreement or disagreement.

8 So I guess -- I just have one person on
9 the speaker list, so, Justin, if you'd like to come
10 forward, if you don't mind, and the floor is yours.

11 MR. JUSTIN KRINGSTAD: Hi. My name is
12 Justin Kringstad. I'm the Director of the North
13 Dakota Pipeline Authority.

14 MS. BAUM: Can you spell your name for the
15 record?

16 MR. JUSTIN KRINGSTAD: J-u-s-t-i-n, middle
17 initial J., and last name Kringstad,
18 K-r-i-n-g-s-t-a-d.

19 The North Dakota Pipeline Authority, it is
20 a -- a nonregulatory agency for the State of North
21 Dakota. It is controlled by the Industrial
22 Commission, which is the governor, the attorney
23 general, and the agriculture commissioner. And so
24 I want to make my comments very clear initially
25 that the Industrial Commission has not taken a

1 stance on this particular pipeline as far as being
2 for or against the pipeline, but I wanted to
3 provide some comments for the FERC regarding the
4 activity in North Dakota, where we're at and where
5 we're going to be headed.

6 As Alliance alluded to, we're right now
7 currently sitting on the outskirts of the most
8 exciting oil play in the U.S. right now. Along
9 with our oil production, which gets all the
10 attention, we're producing a considerable amount of
11 natural gas, now approaching 400 to 500 million
12 cubic feet of gas per day.

13 The challenge that we've been facing in
14 North Dakota is that we don't have the
15 infrastructure in place to capture all of that
16 natural gas and so a tremendous volume -- we're
17 looking at over a hundred million cubic feet of
18 natural gas per day is being flared right now in
19 western North Dakota. And so, again, while the
20 Commission has not taken an official stance on this
21 particular project, they have always been
22 encouraging timely and new development of
23 additional gas gathering and natural gas processing
24 in western North Dakota.

25 And so, again, trying to create, again,

1 that -- that sense of urgency for new projects,
2 pipeline processing here in western North Dakota.
3 And so, again, I'm not asking FERC to compromise
4 any of their environmental assessment in working
5 with the landowners in the process, but, again, the
6 more timely we're able to bring these projects
7 on-line for western North Dakota, the better.
8 Every day that we wait is millions of cubic feet of
9 gas, again, that are not getting put into American
10 homes and businesses.

11 So with that, I -- I'll be here as well if
12 anyone has questions for the Pipeline Authority or
13 for me afterwards as well, so --

14 Thank you.

15 MR. SIPE: Thanks, Justin. So we don't
16 have anybody signed up to speak, but you guys can
17 ask any questions you want also. Remember, it's
18 being -- there's a court reporter here. It's being
19 transcribed. So if you have questions, I will
20 answer any question you have. If I can't answer
21 it, maybe Alliance can answer a question you have.
22 But if you -- when you ask a question, just -- just
23 state your name for the record so we know that you
24 asked the question before it's in the -- so it's in
25 the record.

1 Do you guys have any questions?

2 MR. CARROLL ERICKSON: My name is Carroll
3 Erickson, C-a-r-r-o-l-l, Erickson, E-r-i-c-k-s-o-n,
4 from Minot, North Dakota, and, you know, it's
5 really interesting living in North Dakota today.
6 Twenty years ago, all our young people left because
7 there were no jobs.

8 MR. SIPE: Mm-hmm.

9 MR. CARROLL ERICKSON: Now they're coming
10 back, many of them because of the tremendous
11 increase in activity for jobs.

12 MR. SIPE: Right.

13 MR. CARROLL ERICKSON: It's very difficult
14 for us in Minot, North Dakota, to get used to the
15 traffic. A tremendous amount of traffic and people
16 coming from all over --

17 MR. SIPE: Mm-hmm.

18 MR. CARROLL ERICKSON: -- which is very,
19 very good. It's just an environmental situation
20 that we've got to learn to live with. But we do
21 welcome industry.

22 And the only question I have, how many
23 states are flaring their natural gas? Do all the
24 oil fields in the United States have some flares or
25 do they capture all the gas?

1 MR. SIPE: The states that have --

2 You've got the question?

3 (The court reporter nodded affirmatively.)

4 MR. SIPE: The states that have
5 infrastructure built so they can move the gas into
6 an interstate system or into a local distribution
7 company, they don't have to flare the gas.

8 In the situation that you're in -- and
9 what Alliance is trying to do is they're trying to
10 get infrastructure to the areas that they're
11 flaring and get that pipe to pipe the gas into an
12 interstate system.

13 MR. CARROLL ERICKSON: Most of us believe
14 it's a tremendous waste --

15 MR. SIPE: It is.

16 MR. CARROLL ERICKSON: -- of resources --

17 MR. SIPE: Mm-hmm.

18 MR. CARROLL ERICKSON: -- that, you know,
19 gas prices are high and fuel prices are high, and
20 so I think we welcome, you know, the industry into
21 North Dakota.

22 MR. SIPE: Yeah, I mean, I understand what
23 you're saying about the amount of people here in
24 this area because like, for example, tonight we
25 have to stay back in Bismarck because we couldn't

1 even get a hotel in the area. So, I mean, we
2 understand.

3 MR. CARROLL ERICKSON: That's the way it
4 is all the time.

5 MR. SIPE: Right.

6 MR. CARROLL ERICKSON: Right.

7 MR. SIPE: For sure.

8 MR. CARROLL ERICKSON: You've got to call
9 in -- about three months in advance if you want a
10 room.

11 MR. SIPE: Correct.

12 MR. CARROLL ERICKSON: Right.

13 MR. SIPE: But, I mean, there -- there are
14 other states that also flare gas for different
15 reasons, but the majority of any production
16 company -- which we don't regulate the producers or
17 the gathering lines of these facilities. We only
18 regulate the interstate pipeline companies. But if
19 they have an area or an avenue to -- to take that
20 gas, instead of flaring it, to another part of --
21 of a system, they'll do that. And that's what
22 Alliance is trying to do.

23 MR. CARROLL ERICKSON: One other question:
24 Why have we not built more refineries?

25 MR. SIPE: Why have we not built more

1 refineries?

2 MR. CARROLL ERICKSON: Yes.

3 MR. SIPE: That's out of FERC's realm. I
4 could give my own opinion of that, but it doesn't
5 matter.

6 MR. CARROLL ERICKSON: No. We all have an
7 opinion of that, but --

8 MR. SIPE: Right.

9 MR. CARROLL ERICKSON: -- we have to --
10 you know, you watch our trains, it's great
11 business.

12 MR. SIPE: Mm-hmm.

13 MR. CARROLL ERICKSON: But our trains now
14 are maybe a hundred cars and in some cases, 40
15 to 50 of those are oil or fuel or something being
16 shipped, and that's a danger, too, to the
17 community.

18 MR. SIPE: Mm-hmm.

19 MR. CARROLL ERICKSON: We've been through,
20 you know, a situation where a train wrecked here
21 about ten years ago, caused a tremendous problem
22 with natural gas and so forth. So pipelines appear
23 to be more safe than a railroad car --

24 MR. SIPE: Right.

25 MR. CARROLL ERICKSON: -- in my opinion.

1 MR. SIPE: Yeah, they have a -- pipelines,
2 in general, if you go back and look at the
3 Department of Transportation PHMSA, Pipeline -- I
4 could tell you what that acronym stands for,
5 Pipeline and Hazardous Materials Safety --

6 MR. MEINKE: Administration.

7 MR. SIPE: -- Administration. You can go
8 back and look at the records they have on pipelines
9 in general and it's -- it's the -- it's the safest
10 transportation for energy --

11 MR. CARROLL ERICKSON: One other --

12 MR. SIPE: -- because it's --

13 MR. CARROLL ERICKSON: -- question: If --

14 MR. SIPE: -- underground.

15 MR. CARROLL ERICKSON: -- a pipe breaks --

16 MR. SIPE: Right.

17 MR. CARROLL ERICKSON: -- how quick does
18 the industry have the equipment to recognize that
19 fuel -- or we've got a broken pipe?

20 MR. SIPE: The systems are all monitored
21 24 hours a day, 7 days a week. I personally have
22 been in multiple control rooms for companies and
23 seen the computer systems and everything that they
24 have in place to monitor these systems. It's
25 pretty specific and engineer -- there's a lot of

1 engineering that goes behind that. But they
2 immediately know when there's a rupture in a line
3 because they watch pressure drops and they have
4 many mechanisms in to figure out if that's just a
5 pressure drop because something is going on with
6 their system or there was a rupture in a line or,
7 you know, a line -- you could maybe talk a little
8 bit more about that on your system, but there's --
9 there's -- there's mechanisms in place to monitor
10 that continuously.

11 MR. CARROLL ERICKSON: Well --

12 MR. SIPE: It's never stopped.

13 MR. CARROLL ERICKSON: -- yeah, in my
14 opinion and many other people, the flaring of the
15 resource is like darn near burning your home --

16 MR. SIPE: Right.

17 MR. CARROLL ERICKSON: -- you know,
18 because it's money going up in smoke and --

19 MR. SIPE: You would like to get a
20 pipeline from that flare to your house; right?

21 (Laughter.)

22 MR. CARROLL ERICKSON: No problem.

23 MR. SIPE: Right. Bring it on.

24 MR. CARROLL ERICKSON: Why can't that be
25 done, you know?

1 MR. SIPE: Well, talk to your local
2 distribution company. Maybe it can; right?

3 MR. CARROLL ERICKSON: We've got to send
4 it all the way out of state usually and then send
5 it back in.

6 MR. SIPE: Yeah, a lot of -- if you want
7 natural gas hookups at your house or whatever that
8 may be, or in your towns, a lot of that comes from
9 your local distribution company that's regulated by
10 your state or your county or whatever mechanism you
11 have, North Dakota has put in place. What we
12 regulate is the interstate transmission of natural
13 gas.

14 MR. CARROLL ERICKSON: Thank you.

15 MR. LEO CHRISTIANSEN: It raises the
16 question in my mind now --

17 (The court reporter interrupted to request
18 the name of the speaker.)

19 MR. SIPE: Yeah, could you say your name
20 and spell it?

21 MR. LEO CHRISTIANSEN: Leo Christiansen of
22 Bowbells. I've got lines coming right through
23 my -- near my house, in fact. But, anyway, what if
24 a line breaks? It's going to take a while to get
25 that shut off. In the meantime it's going to kill

1 a lot of crop and probably sterilize your ground.

2 MR. SIPE: What type of line?

3 MR. LEO CHRISTIANSEN: This gas line.

4 MR. SIPE: The natural gas line?

5 MR. LEO CHRISTIANSEN: Yeah.

6 MR. SIPE: Well, there's multiple
7 different -- this is natural gas flowing through
8 this line. Okay?

9 Are there liquid lines also in the area?

10 MR. MEINKE: No, it's pretty much
11 greenfield.

12 MR. SIPE: It's pretty much greenfield?

13 MR. MEINKE: Yeah.

14 MR. SIPE: This is natural gas. It
15 depends where the companies -- now, this goes
16 through -- the companies will space their automatic
17 shutoff valves in certain locations, right, so if
18 there is a rupture in a line, they're automatically
19 shut off. So the only thing that is getting burnt
20 is whatever is between those two valves. Okay?
21 But it's natural gas. Natural gas goes up in the
22 air or lays kind of low. If there's an ignition
23 source nearby --

24 MR. LEO CHRISTIANSEN: It wouldn't
25 sterilize the ground around it, then, huh?

1 MR. SIPE: No, because it's not -- it's --
2 it's --

3 MR. LEO CHRISTIANSEN: Because, you know,
4 something like that could happen during the night
5 and most of the time that's when it would happen.

6 MR. SIPE: But it's also being monitored
7 by them at night.

8 MR. LEO CHRISTIANSEN: Right.

9 MR. SIPE: So they're going to know that
10 and they'll kill -- and, you know, they'll remotely
11 shut their valves off in the areas and lock that
12 in. Okay?

13 But, no, this is natural gas. It's not in
14 liquid form.

15 MR. LEO CHRISTIANSEN: No.

16 MR. SIPE: Okay. Any other -- now, you
17 guys can ask any question you want. I may not know
18 all the answers, but --

19 MS. MARIAN MORRIS: Well, my name is
20 Marian Morris and I have my daughter as
21 understanding the legal --

22 MR. SIPE: Okay.

23 MS. MARIAN MORRIS: -- stuff that's
24 written in these contracts and stuff. And she was
25 wondering how -- if the pipeline is put through,

1 there's going to be a disturbance of -- of native
2 sod.

3 MR. SIPE: Mm-hmm.

4 MS. MARIAN MORRIS: How is that restored?

5 MR. SIPE: You got that?

6 (The court reporter nodded affirmatively.)

7 MR. SIPE: The company is required to
8 construct this pipeline under the FERC plan and
9 procedures, which sets construction plans and
10 procedures on how they construct through an area.
11 Okay? What the company usually does, though, is
12 they take our plan and procedures and make them
13 into their own.

14 So Alliance will have their own
15 construction plans and procedures which we have to
16 say -- we have to sign off on, how they construct
17 through whatever property it is. Okay? Then
18 during construction, we -- as a federal agency, we
19 work with the other federal agencies and state
20 agencies to make sure that that property is
21 restored to the way it was, you know, before they
22 came in there.

23 It's -- also, if you have specific sod or
24 crops or anything on your property, when the
25 company is negotiating an easement to use your land

1 for that pipeline, you want to negotiate whatever
2 it is on your property with the com -- with the
3 company on how you want it put back. Okay?

4 MS. MARIAN MORRIS: Well, now, there's
5 this clause in here that if you don't want to have
6 the pipeline go through --

7 MR. SIPE: Mm-hmm.

8 MS. MARIAN MORRIS: -- there's eminent
9 domain that takes --

10 MR. SIPE: Yep.

11 MS. MARIAN MORRIS: -- care of it.

12 MR. SIPE: But eminent domain --

13 MS. MARIAN MORRIS: Any --

14 MR. SIPE: Okay. Go ahead.

15 MS. MARIAN MORRIS: Any company can come
16 through and say, "Hey, we want to do this," and,
17 "We want to do that," and, "If you don't do it the
18 way we want to do it," well, you just lose out on
19 any -- any monetary value of what they're taking
20 and putting their line through.

21 MR. SIPE: That's a good question. If --
22 right now Alliance does not have eminent domain
23 authority for anything, until our agency
24 certifies the project. Okay?

25 So once FERC, Federal Energy Regulatory

1 Commission, certifies Alliance's proposal and
2 gives those guys authorization to construct, okay,
3 this pipeline, at that point, once they receive a
4 certificate, they do have the power of eminent
5 domain.

6 How this works, though, long before that,
7 the pipeline company is going to negotiate -- try
8 to negotiate an easement with everyone along the
9 route. Okay? If the pipeline company cannot
10 negotiate an easement with you in fair terms, okay,
11 and FERC looks at the proposal and we certificate
12 it, all right, then they do have the power of
13 eminent domain where if they have not successfully
14 negotiated an easement with you on how you would
15 want it and how they would want it, then they can
16 take you to either federal or state court to obtain
17 an easement to go across your property.

18 But, still, even if they take -- even if
19 they have to use that method, which historically
20 the industry is -- you know, we always come back
21 and ask them at the end of projects, "How many
22 tracts of land did you have to take and use eminent
23 domain to acquire," it's historically pretty low.
24 So they're going to try multiple times to negotiate
25 with all the easement owners on how they would want

1 that pipeline to go across there.

2 MS. MARIAN MORRIS: And then there's --

3 MR. SIPE: If you have a large tract of
4 land, you -- they may propose to go across it on
5 the east side, but you, as a landowner, say, "You
6 know what? I plan to put crops here, build a barn
7 or a shed," or whatever you plan to do on that
8 side. "Could you just move it over to this side?"
9 So you can change --

10 MS. MARIAN MORRIS: Well --

11 MR. SIPE: -- the route on your property
12 too.

13 MS. MARIAN MORRIS: -- their route is
14 intending on going kitty-corner. Why can't they go
15 straight and then -- and then another straight line
16 instead of kitty-corner? If there's an oil well
17 that might be drilled on property Alliance has
18 already got their pipeline through --

19 MR. SIPE: Mm-hmm.

20 MS. MARIAN MORRIS: -- who -- who says
21 where that oil well can be drilled?

22 MR. SIPE: Well, one, you can try to
23 negotiate with the company and you can also send us
24 comments on where you would want that line on your
25 property if it needs to be on your property. One,

1 you try to negotiate that out with Alliance; two,
2 you need to send the comments to us because we'll
3 also look at the alignment that they have proposed
4 on your property, take what you say, and say,
5 "Hey"--and we'll try to work it out with the
6 pipeline company--"how can you work this out with
7 this landowner?" Okay?

8 Now, once an easement is on your property,
9 depending how it's negotiated between you and the
10 company, the company has the right to say what
11 happens in that easement. Okay? They're not going
12 to allow an oil well to be drilled right next to
13 their pipeline. They'll have to -- that will have
14 to be moved elsewhere.

15 MS. MARIAN MORRIS: Well, then, they --
16 they definitely wouldn't be going kitty-corner --

17 MR. SIPE: Okay.

18 MS. MARIAN MORRIS: -- because it would
19 interfere with a possible chance that there will be
20 an oil well --

21 MR. SIPE: Right.

22 MS. MARIAN MORRIS: -- being drilled or do
23 they say, "Hey, eminent domain kick" -- "kicks in
24 here. We're still going to put it kitty-corner"?

25 MR. SIPE: You have to remember, if the

1 pipeline company can't negotiate an easement with
2 you, okay, but -- but we have your comments and we
3 know what you want and how you want that alignment
4 on your property, if the company still wants to go
5 one way, we can change the way that they want to go
6 across your property.

7 MS. MARIAN MORRIS: You have that power?

8 MR. SIPE: Yeah. We have the final say on
9 where the routing is -- is final.

10 MS. MARIAN MORRIS: Well, this project
11 hasn't been okayed yet?

12 MR. SIPE: No. They plan to file formal
13 application in -- sometime at the end of January,
14 and at that point we'll issue an EA, an
15 environmental assessment. Then you'll see what
16 we're kind of thinking about routing, any issues
17 that have come up so far, and then you still have a
18 lot of time. So you have a lot of time between now
19 and when and if the Commission certifies this
20 project, okay, to comment.

21 MS. MARIAN MORRIS: Now, on future times,
22 if these pipelines should corrode and the dirt
23 falls in and you leave a -- a big gully wherever
24 the pipeline has been, to fill in that 12-inch --
25 is that 12-inch pipe that they're intending on

1 putting in?

2 (Mr. Sipe nodded affirmatively.)

3 MS. MARIAN MORRIS: If there's a gully
4 that -- that comes up, who is responsible for
5 filling in that gully that that corroded pipe has
6 created?

7 MR. SIPE: One, under -- they're going to
8 cathodically protect that pipeline so it doesn't
9 corrode. In other words, that's a -- that's a
10 Department of Transportation PHMSA requirement that
11 they cathodically protect. What they do is they
12 run an anode bed, right, perpendicular -- I guess
13 it would be perpendicular to the line, right,
14 that's perpendicular, and they'll -- and they'll
15 protect that pipeline from corrosion because they
16 don't want their pipeline to corrode.

17 Troy mentioned earlier about all the smart
18 pigs and everything that they'll run through their
19 lines. Those smart pigs that run through those
20 lines are constantly checking for dents, corrosion,
21 and problems with that pipeline. Okay?

22 Once and if this pipeline company -- say
23 they have built a pipeline, it's in service. They
24 can't just abandon the pipeline without coming back
25 to us and asking if it's okay. So, in other words,

1 when they go to abandon the pipeline, they also
2 have to get our authority. Okay?

3 So the corrosion -- all pipeline companies
4 don't want corrosion on their lines. They want
5 corrosion-free pipelines. Corrosion causes
6 problems.

7 MR. MEINKE: She was asking about erosion
8 too.

9 MS. MARIAN MORRIS: And according to
10 the -- the map, the pipeline will come in from the
11 west and go east and then kitty-corner across the
12 quarter and it's within a fourth of a mile of my
13 house. Should there be an explosion, my house
14 would probably end up in -- in just pieces of wood.
15 Isn't there a limit as to where this pipeline can
16 come to a -- an established house?

17 MR. SIPE: DOT regulations do not limit
18 how close -- there's actually a foot criteria.
19 These pipelines can come a foot within a building
20 because you have to remember these pipelines need
21 to go into demand centers, not here in North
22 Dakota, but sometimes they need to go into
23 congested areas. But there's different classes of
24 pipe when they go in those areas. The -- the pipe
25 is built -- like there's four classes of pipe, one,

1 two, three, and four, four being the strongest
2 yield of pipe. Okay?

3 When these pipelines need to go into
4 certain areas, they need to come really close to
5 commercial or residential areas. Local
6 distribution lines that are the same size or
7 bigger, they're all throughout the cities. You
8 know, they're right up next to buildings. This
9 pipeline being -- you say it's a quarter mile from
10 your house?

11 MS. MARIAN MORRIS: At least.

12 MR. SIPE: At least a quarter mile?

13 MS. MARIAN MORRIS: It's -- well, maybe it
14 isn't even a quarter of a mile.

15 MR. SIPE: There's not a requirement,
16 besides that foot criteria, of how close they can
17 come to your house.

18 They're -- they're engineered -- these
19 pipelines are engineered for safety reasons to come
20 close to residences.

21 MS. MARIAN MORRIS: Well, I guess that's
22 about --

23 MR. SIPE: And you were worried about,
24 also, the erosion and the gullies and such? The
25 pipeline company will constantly maintain their

1 right-of-way. So if there's any -- once the
2 pipeline is built, if there's any erosion or
3 there's any gullies as they're washed out, their
4 maintenance program behind that will constantly
5 monitor that pipeline to make sure that doesn't
6 happen. So if you have the pipeline on your
7 property and there's some sort of erosion or some
8 sort of a problem going on, the -- the pipeline
9 company will take care of that.

10 MS. MARIAN MORRIS: Is there any possible
11 way that they -- the plant there at Tioga could
12 supply the needs of all these new houses and other
13 stuff that's being built within the -- the new oil
14 fields?

15 MR. SIPE: That would be a local concern
16 where if there's a local distribution company in
17 the area, they possibly could tie into that gas
18 also. But this proposal is to feed interstate
19 transmission. So if -- if you -- if you want to --
20 you know, and maybe a local distribution company
21 could tie into this lateral of Alliance's, okay,
22 but that's a commercial --

23 MS. MARIAN MORRIS: Well, rather than --

24 MR. SIPE: -- agreement.

25 MS. MARIAN MORRIS: -- send it out of

1 state, couldn't we use it within this state?

2 MR. SIPE: That's up to local -- local
3 ordinances. What we take care of is the interstate
4 system.

5 MS. MARIAN MORRIS: Okay.

6 MR. SIPE: You have to remember, FERC
7 looks at the interstate grid, so there's all kinds
8 of people plugging into interstate pipelines to
9 ship gas all over the country. Okay. This is an
10 interstate project.

11 MS. MARIAN MORRIS: Well, I guess I've
12 asked all the dumb questions I have.

13 MR. SIPE: There was -- there's not a dumb
14 question there.

15 MS. SHARON ANDERSON: Okay. My name is
16 Sharon Anderson. I'm a landowner and I'm also a
17 member of the Lostwood Nature and Birding
18 Association and a member of the Northwest
19 Landowners Association and we see the importance of
20 a pipeline, especially to get the truck traffic
21 off --

22 MR. SIPE: Mm-hmm.

23 MS. SHARON ANDERSON: -- the roads. And
24 we also know that the majority of the land you're
25 going through is agricultural, so we do have --

1 want to voice a consideration to those considering
2 an easement. Just want you to make sure that you
3 know what your insurance coverage is on your land
4 if you're involved with agricultural equipment in
5 these pipeline areas. There has been this summer
6 some pipeline tren -- trenches that have collapsed
7 when they were being crossed and there's been major
8 damage to, particularly, high-wheeled sprayers. If
9 your insurance does not have a special purpose
10 clause on it, you're probably not covered for that
11 loss.

12 So we just want to encourage you to check
13 with your insurance agent on your coverage and,
14 also, if you're in negotiations for a pipeline
15 easement, to insist on a clause that makes the
16 pipeline company liable for all consequential
17 damages to you or your property for the
18 operations -- for their operations on your
19 property.

20 So that's just a consideration I wanted to
21 give to you. So that's all.

22 MR. SIPE: Thank you.

23 Yeah, when you guys are negotiating
24 easements, it's -- it's -- we at FERC don't get
25 involved in actual easement negotiation between a

1 property owner and a pipeline company, but what we
2 can do is we can give advice, and it's -- it's
3 somewhat difficult for the average landowner to
4 negotiate an easement with a pipeline company,
5 okay, so just make sure you think about what
6 they're doing, make sure they show you exactly how
7 that pipeline's going to cross your property, make
8 sure you know how deep it's going to be, especially
9 if you have agricultural land. You may want to
10 have it buried deeper than the three foot of cover
11 that's minimum from DOT. You want to think about
12 those -- those things when you're negotiating an
13 easement. Okay?

14 MR. LEO CHRISTIANSEN: One more
15 question -- one more question: How close -- how
16 often do they have a shutoff valve in case of
17 failure of the line?

18 MR. SIPE: That's -- it's -- it's off a
19 system design. Some have valves closer together,
20 depending on what they're near. So if they're near
21 towns or residences or a lot of people, the valves
22 will be closer. If they're out in the middle of
23 nowhere, going where there's no residences or
24 nothing close-by, the valves will become further
25 apart. Okay? That's a good question. I mean

1 it's -- that's -- that's a good question.

2 MR. LEO CHRISTIANSEN: Of course, in our
3 country there, you have to drive miles to get to
4 the neighbor's yet.

5 MR. SIPE: Right.

6 MR. LEO CHRISTIANSEN: So it would still
7 be a long ways for --

8 MR. SIPE: Right.

9 MR. LEO CHRISTIANSEN: -- gas to come.

10 MR. SIPE: Mm-hmm. But that's a question
11 you want to ask if -- you know, if an easement is
12 being negotiated on your property, where's the
13 closest mainline valve and what's the separation of
14 the valves.

15 MR. LEO CHRISTIANSEN: Will there be
16 somebody on duty night and day that a guy could
17 call --

18 MR. SIPE: You have a --

19 MR. LEO CHRISTIANSEN: -- in case of
20 emergency?

21 MR. SIPE: Yes. Mm-hmm. Yep. The -- the
22 pipeline company will have all that -- all those
23 phone numbers set up, so you guys, if there's an
24 emergency, you can call a number and it would
25 probably go directly to --

1 MR. MEINKE: Call center --

2 MR. SIPE: -- the call centers, which --

3 MR. MEINKE: -- which goes to gas control.

4 MR. SIPE: -- which goes to gas control
5 centers.

6 MR. LEO CHRISTIANSEN: If you ever had
7 trouble, it would be at night, no doubt.

8 MR. SIPE: Well, it's not always during
9 the night.

10 MR. LEO CHRISTIANSEN: Unless it ain't
11 like a farmer. They always have trouble at night
12 and the daytime is good.

13 MR. SIPE: Right. A lot of troubles that
14 come from pipeline and a lot of accidents usually
15 comes from third-party dig-in's where people don't
16 know that the pipelines are there and they dig into
17 them. So it's important when you have a pipeline
18 in your area to use the call centers before you
19 dig. That's what those systems are put in place
20 for. Okay?

21 I think the records show now from PHMSA
22 that it used to -- the leading cause for pipeline
23 failures used to come from third-party dig-in. Now
24 it's about half and half between corrosion and
25 third-party dig-in.

1 MR. LEO CHRISTIANSEN: Mm-hmm.

2 MR. SIPE: Okay? Any other questions?

3 Like I -- the -- the pipeline company will
4 be here. We'll be here. If you guys want to ask
5 questions off the record, that's fine with us too.
6 We're -- or if you want it in the record--and we
7 still need to show you how you can access that
8 information we just talked about tonight--speak up.

9 You can close it and then we can just
10 leave.

11 (There was a discussion off the record
12 between Ms. Baum and the court reporter.)

13 MS. BAUM: Okay. All right. All right.
14 So I guess there's no more speakers, so we will
15 conclude the formal part of this meeting. And on
16 behalf of the Federal Energy Regulatory Commission,
17 I'd like to thank all of you for coming tonight.

18 And I'd like to let the record show that
19 the Tioga Lateral Project scoping meeting in
20 Kenmare, North Dakota, concluded at 7:30 p.m.

21 (The proceedings concluded at 7:34 p.m.)

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