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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

IN THE MATTER OF:
STAGECOACH PHASE II EXPANSION PROJECT
NEPA PUBLIC SCOPING MEETING
DOCKET NO. CP06-64-000

OWEGO TREADWAY MOTOR INN
OWEGO, NEW YORK

TUESDAY, APRIL 4, 2006

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

MODERATOR: RICH McGUIRE FERC

1 PROCEEDING

2 (7:05 a.m.)

3 MR. McGUIRE: If we can get everybody
4 to take a seat. Good evening and welcome
5 to the public commenting, scoping meeting
6 for the Stagecoach Storage Expansion
7 Project. My name is Rich McGuire. I'm an
8 environmental project manager with the
9 Federal Energy Regulatory Commission, or
10 FERC.

11 As it says in the public notice for
12 this meeting the Commission is preparing a
13 Environmental Assessment, or EA, for the
14 proposed Stagecoach Storage Expansion
15 Project. If you did not receive a Notice
16 of Intent in the mail, we have extra copies
17 with us at the sign in table.

18 The purpose of this meeting is to
19 give you the public an opportunity to
20 comment on the type of environmental issues
21 that you think that the FERC or the
22 Commission should address in the
23 Environmental Assessment.

24 Now I will quickly run through
25 tonight's program. In just a couple of

1 minutes I'll briefly explain the FERC's
2 application process and then
3 representatives from Central New York Oil
4 and Gas Company will present an overview of
5 the project. When they are finished there
6 will be time to ask them questions and
7 clarify the project description.

8 Following Central New York's
9 presentation, we will hear from those of
10 you who have signed up to speak and make
11 formal comments into the public record. If
12 you do not want to make formal comments
13 tonight, you can also send letters to the
14 Commission addressing your specific
15 concerns. The Notice of Intent explains
16 how you can mail in comments on page five.
17 We also have a form at the sign in table to
18 make filing comments as easy as possible.

19 This meeting is being recorded by a
20 court reporter so that we can have an
21 accurate record of tonight's comments. A
22 transcript of this meeting will be placed
23 in the public record so that everyone has
24 access to the information that is discussed

1 here today.

2 The Federal Energy Regulatory
3 Commission is an independent regulatory
4 agency. The Commission's mission is to
5 regulate and oversee energy industries in
6 the economic and environmental interests of
7 the American public. Among other
8 responsibilities the Commission regulates
9 the interstate transmission of natural gas.
10 The Commission is made up of five members
11 who are appointed by the president and
12 approved by congress. The Commission
13 staff, which includes myself, prepares
14 technical information to assist the
15 Commissioners in making their decision.

16 When a company wants to build
17 pipeline facilities to transport and sell
18 natural gas in interstate commerce, the
19 company files an application with the
20 Commission. Central New York Oil and Gas
21 filed their application with the Commission
22 on February 10, 2006. The proposed
23 Stagecoach Expansion Project consists of
24 developing four additional natural gas

1 storage reservoirs, drilling up to eight
2 injection/withdrawal wells, installing
3 additional compression at the existing
4 compressor station and about seven miles of
5 gathering pipeline. In addition, Central
6 New York proposes a 9.3 mile long 24 inch
7 pipeline to connect the storage field with
8 the proposed Millenium Pipeline just north
9 of Owego.

10 Under the National Environmental
11 Policy Act, or NEPA, the Commission is
12 required to perform an environmental
13 analysis of the project's potential effects
14 on the environment. In the case of the
15 Stagecoach Storage Expansion Project, we
16 are doing this analysis in an Environmental
17 Assessment.

18 And if you, you might have gotten a
19 handout today of the environmental process
20 and I'll briefly run through that. That
21 handout that you can refer to because you
22 might not be able to read it up here on the
23 screen. On the right hand column on this
24 figure it explains the Company's

1 application process, what steps they have
2 gone through up to this point. And on the
3 left-hand column of the figure explains
4 what the Commission's process, application
5 process is like.

6 The Company filed its application
7 February 10th of this year as I said and we
8 noticed that, we noticed the application I
9 believe the following week. And the Notice
10 of Intent which we mailed out to everyone
11 on our mailing list at that point which is
12 continuing to grow includes landowners,
13 includes environmental groups, state
14 legislators, all the elected officials in
15 the state locally here and state wide as
16 well as Federal. And we also sent that to
17 libraries, to the media and the state
18 agencies. That is what initiates what we
19 call scoping or our comment process and
20 it's basically soliciting to everyone on
21 our mailing list and getting an opportunity
22 for them to comment to us on the
23 environmental impacts or issues that they
24 feel that we need to address at the

1 Commission.

2 Our notice, that notice as I said was
3 issued on the 17th of February and the
4 comment period runs through April 17th.
5 That is the end of our comment period.
6 It's a 30 day comment period. And this
7 meeting tonight is within that comment
8 period time. We'll take the oral comments
9 that are presented here tonight as well as
10 the written comments that we receive and
11 that will take us into the next phase of
12 our public input and that will be, we'll
13 take those comments analyze that as well as
14 information that is on record at the
15 Commission and we'll use that information
16 to prepare an Environmental Assessment.
17 And that Environmental Assessment will be
18 sent out to the public again, everyone on
19 our mailing lists and for public comment.

20 Following that, the Environmental
21 Assessment is not a decision document, so
22 when you see the analysis in the
23 Environmental Assessment that won't be the
24 final decision. Rather that's the

1 information that we will provide to our
2 Commissioners to help inform them in making
3 their decision.

4 In addition to the environmental
5 information the Commissioners will get,
6 they will also get information on the non
7 environmental side on tariffs and rates and
8 on the economic aspects of the project and
9 that will be presented to the Commissioners
10 as well.

11 Any questions on the FERC's process,
12 application process? This is on the sign
13 in table. It's the process, it's a little
14 more clear on, if we have graphics in the
15 back and you can pick those up as you are
16 leaving. If you have additional questions
17 about FERC, I'd encourage you to visit the
18 Commission's home page on the internet.

19 At this point are there any questions
20 on the EA process, the Environmental
21 Assessment process?

22 (NO REPSONSE.)

23 MR. McGUIRE: Okay. Now I'd like to
24 introduce Bill Moler with Central New York

1 Oil and Gas. Bill will explain in more
2 detail a description of the project.

3 MR. MOLER: Good evening. My name is
4 Bill Moler and I'm the vice president of
5 midstream operations for Central New York
6 Oil and Gas Company LLC. Tonight I would
7 like to review for you the proposed
8 Stagecoach Expansion Project at our
9 Stagecoach gas storage facility located
10 approximately 12 miles south of Owego.

11 First, I appreciate your coming out
12 tonight and taking your time to learn more
13 about the project. I have with me tonight
14 several representatives of the company who
15 are disbursed amongst you. They are here
16 to help answer more specific questions that
17 you may have about the project. During the
18 Q and A session please feel free to
19 approach them or me with any questions that
20 you have. I'd also like to thank Rich and
21 his team from the Federal Energy Regulatory
22 Commission for sponsoring tonight's
23 discussion.

24 The agenda for tonight, and I hope to

1 be brief, no more than 10 minutes. My team
2 doesn't believe that I can do in ten
3 minutes, but I'll give it a shot.

4 The agenda for tonight is first to
5 cover what is Natural Gas Storage. Just a
6 brief overview of what natural gas storage
7 is, why it's necessary, the types of
8 natural gas storage and a few statistics
9 surrounding the gas storage business.
10 Secondly, I want to review for you the
11 existing Stagecoach facility, what we call
12 our Phase I facility, give you a brief
13 description of its operations and its
14 functionality. And lastly, the Stagecoach
15 Phase II expansion project, what is it that
16 we're planning to build in that expansion
17 project. It's timing, some typical
18 drawings, maps and photos of what to
19 expect, safety expectations, the right of
20 way and the construction process.

21 You see around the room some poster
22 boards that reflect the pipeline alignment,
23 the pipeline portion of the project and I
24 saw some of you looking at those earlier

1 and please feel free to visit with those
2 and look at those. If you have any
3 questions, please approach us.

4 Natural gas storage 101, no, we're
5 not going back to school, but natural gas
6 storage is what its name implies and that
7 is the storage of natural gas one day in a
8 manner that allows the gas to be withdrawn
9 upon demand at some future date. The way I
10 always explain it to people is it's similar
11 to a commercial warehouse where you may
12 store furniture or household goods. Our
13 customers utilize that warehousing effect
14 to store their gas when demand is low and
15 pull it out when demand is high or when
16 they need it.

17 There are two principle kinds of gas
18 storage facilities. There are salt caverns
19 that represent about three percent of all
20 storage capacity in the United States.
21 Salt caverns are created by leaching out
22 salt deposits which leaves a below ground
23 void or tank in which natural gas can be
24 stored.

1 The second and more prevalent type of
2 gas storage are depleted natural gas or oil
3 reservoirs and that in fact what the
4 Stagecoach development is about. This type
5 of facility represent 82 percent of all
6 natural gas storage capacity in the United
7 States. Once natural gas production fields
8 have reached their economic life and are
9 nearly depleted, some of these fields can
10 be converted to storage by reversing the
11 process by simply injecting the gas back
12 into the ground. The ability to access the
13 reservoir times requires the addition of
14 new wells and new infrastructure to enhance
15 the speed of that storage process.

16 Why is gas storage needed? Gas
17 storage serves as a substitute for pipeline
18 capacity during times of peak demand. Gas
19 production regions are often hundreds if
20 not thousands of miles away from the market
21 zone and the pipelines that bring that
22 production from the market or from the
23 production area to the market are often
24 limited in their capacity. Storage allows

1 those pipes to be efficiently utilized in
2 their transport of the production to the
3 market.

4 Secondly, gas storage is used to
5 balance the short-term swings of supply and
6 demand. The best example of that is this
7 morning we woke up and it was 30 degrees.
8 Later in the afternoon it was 50 degrees.
9 And large temperature swings that, tends to
10 affect heating load and the heating load is
11 what drives gas demand. Those short-term
12 swings are offset by the utilization of gas
13 storage.

14 Gas storage serves as a source of
15 supply during production interruptions.
16 Last fall hurricanes Katrina and Rita had
17 severe impacts in the gas production
18 infrastructure in the Gulf of Mexico.
19 During that time gas storage served the
20 void and it allows for favorable price
21 arbitrage opportunities by allowing
22 shippers to buy gas in the summer when
23 prices are low and take it out of storage
24 to use in the winter when prices tend to be

1 higher.

2 Coincidentally the history of natural
3 gas storage, the first storage field was
4 built in 1909 in Buffalo, New York just
5 north of us. Today there are over 400
6 natural gas storage facilities operating
7 throughout the United States with a total
8 capacity of 8.2 trillion cubic feet of
9 capacity. As a reference to that number
10 total gas consumed on an annual basis in
11 the US is approximately 23 trillion cubic
12 feet on an annual basis.

13 This next slide is indicative of a
14 typical gas storage zone. It reflects the
15 layers of sediments and organic materials
16 that were converted to oil and gas over
17 many, many years of the earth's development
18 until it was found by man. Once that gas
19 comes out of the gas storage zone in a
20 production environment, it can then be
21 converted to gas storage. We are simply
22 putting the gas back into that zone. These
23 depleted traps or reservoirs provide
24 natural containers for storing natural gas.

1 Now I want to go over the Stagecoach
2 Storage Facility, what we call the existing
3 facility or our Phase I facility.

4 Stagecoach began commercial operations in
5 April of 2002. It is known as a high
6 performance multi-cycle gas storage
7 facility. That's a long sentence which
8 effectively means that it can be cycled
9 more than one time in an annual period.
10 Many gas storage fields in the northeast
11 and elsewhere in the country operate on a
12 single cycle basis. They put the gas in
13 the summer and they pull the gas out in the
14 winter. In our situation and the
15 technology that drives our business allows
16 us to do that several times in a year. So
17 shippers who want to use that capacity can
18 offset peak load when it's present and
19 immediately inject gas back into the field
20 the next day if need be in order to help
21 balance their systems and balance the load.

22 We have withdraw capability of 500
23 million cubic feet per day. What is
24 withdraw capability? It simply is how fast

1 the gas can be extracted from the ground.
2 In comparisons residential users in New
3 York and Pennsylvania in the month of
4 January consumed approximately 3 bcf per
5 day and our withdrawal capability is 500
6 million cubic feet per day. Our injection
7 capability is 250 million cubic feet per
8 day and that is how fast the gas can be put
9 back in the ground.

10 We have a maximum inventory of 16 and
11 three quarter billion cubic feet in the
12 Phase I facility. That is comprised of two
13 reservoirs, the Barnhart-Owen reservoir and
14 the Widell reservoir. In those two pools
15 we drilled 10 injection and withdraw wells
16 that help us access that depleted
17 reservoir. We have a working gas capacity
18 of 13 and a quarter billion cubic feet.
19 That is the affected capacity that we have
20 in the field that is utilizable. And in
21 addition to the reservoirs, the 10 wells
22 and the gathering systems that brings that
23 gas into the facility we have a state of
24 the art 25,000 horse power compression

1 facility which is utilized to compress the
2 gas, raise its pressure so that we can push
3 it into the reservoir or conversely in the
4 winter we can pull on the reservoir and
5 bring it out of the field faster and more
6 efficiently.

7 The Phase I facility is currently
8 fully a subscribed. What does that mean?
9 It means we've sold out all the space in
10 the field. If I was a commercial
11 warehouse, I've got every inch taken.
12 Those customers are fully subscribed to the
13 facility and that is one of the main
14 reasons we are looking at our expansion
15 project.

16 The expansion project and the center
17 piece of that expansion project or Phase
18 II, you'll hear me say that several times,
19 is the connection of the four remaining
20 depleted reservoirs in the old Stagecoach
21 field developed by Quaker State in the
22 '80s. Those reservoirs are the Racht pool.
23 I think I'm tall enough to do this. The
24 Racht pool, the Brenchley-Cook pool,

1 Nichols-Mead pool and the Lidell pool in
2 Pennsylvania.

3 In connection and integration of
4 those additional reservoirs will
5 essentially double our working capacity.
6 Phase I is 13 and a quarter billion cubic
7 feet. With the addition of Phase II we
8 will have 26 billion cubic feet of work gas
9 capacity. We hope to have that capacity
10 able in late summer of 2007.

11 Rich highlighted several of the
12 facilities that we're installing. They
13 include the drilling of up to eight
14 additional storage wells. Recompletion and
15 converting of up to nine existing wells to
16 be used for pressure observation. Those
17 are the old Beldon and Blake producing
18 wells that will be converted so that we can
19 monitor pressures down in the reservoir.
20 The installation of approximately 5.9 miles
21 of 20 inch gathering line to bring the gas
22 from the wells into the facility then
23 withdraw from the facility to the wells for
24 injection. Installation of one mile of an

1 eight inch well connection pipeline.
2 That's the connection from each individual
3 well head to the 20 inch trunk. The
4 installation of an addition 12,000 horse
5 power of electric compression and the
6 installation of 9.3 miles of 24 inch
7 pipeline connecting the facility to the
8 proposed Millenium pipeline project north
9 of Owego.

10 This is an overview of the project.
11 And I'm sorry if you can't see the colors.
12 I'll try to point to it. The red pipeline
13 represents the Phase I facility. That's
14 the gathering pipeline that goes to each of
15 the individual ten injection withdrawal
16 wells in the Barnhart-Owen and Widell
17 pools. That pipeline brings the gas into
18 the existing CNYOG compression station and
19 then it's delivered through an
20 interconnecting pipeline with the Tennessee
21 pipeline that goes into Pennsylvania and
22 ties into TGPL's line 300 headed to market
23 in the northeast. That's the Phase I
24 facility.

1 The Phase II facility is a
2 continuance of that gathering system
3 through the Nichols-Mead, the
4 Brenchley-Cook and Lidell pools in
5 Pennsylvania and then there is the Racht
6 pool which is just off our existing system
7 in New York.

8 The green line from the compressor
9 station headed north to the dashed red line
10 at the top of the proposed Millenium
11 pipeline, that is representative of what we
12 are calling the north lateral, that is the
13 connection of this facility to the proposed
14 Millenium Pipeline Project.

15 Right of way. This slide reflects
16 the right of way and easement acquisition
17 process and shows a typical pipeline
18 construction methodology on the left. To
19 facilitate the land and easement
20 acquisition process we've placed
21 experienced professionals at our compressor
22 station just south of town who follow the
23 process from start to finish. The first
24 thing we do is we seek survey permission on

1 impacted lands. Once we get that survey
2 permission, we then preliminarily route the
3 pipeline using trained survey crews who
4 considered issues such as constructability
5 of the pipe, avoidance of environmentally
6 sensitive areas and the length of the
7 pipeline. We then discussed this
8 preliminary routing with the impacted
9 landowners and listened to their concerns
10 and desires as it relates to the pipeline
11 on their lands. During this easement
12 negotiation process the issues specific to
13 that landowner are considered as well as
14 price and we attempt to arrive at an
15 agreement. When construction starts we
16 have trained construction and environmental
17 inspection personnel who monitor the
18 activities on a daily basis. And we have
19 our land agents who stay in constant
20 communication with the landowners during
21 the process. Post construction, we follow
22 up with the impacted landowners to assure
23 we have met their expectations.

24 As Rich mentioned tonight we have

1 brought with us representatives of our land
2 team that you will find scattered
3 throughout the group. Dan, raise your
4 hand. There's Dan. We also have the
5 alignment sheets which I mentioned to you
6 earlier that reflect the preliminary
7 routing of the pipeline facilities. Many
8 of you have already been personally
9 contacted by these land agents and
10 hopefully we have listened to your concerns
11 and we hope to continue this dialogue.
12 Please feel free to ask our agents or
13 myself any questions tonight or the next
14 time that you are contacted by them.

15 The next slide, safety. Very
16 important topic. There is a lot of
17 information on the slide and I will
18 highlight some of the important topics for
19 your consideration. First, safety is our
20 top priority. Therefore during
21 construction we will do a number of things.
22 We are governed by a number of agencies as
23 it relates to the construction of this
24 asset. The first of which is the

1 Department of Transportation's Office of
2 Pipeline Safety. It's in the code of
3 Federal regulations 49 part 192. We will
4 meet or exceed the design requirements of
5 the Department of Transportation as it
6 relates to the fabrication and installation
7 of these pipeline facilities.

8 Secondly, the wells we drill are
9 permitted by both the New York State DEC
10 and the Pennsylvania DEP and we will meet
11 or exceed the criteria for permitting and
12 drilling and installing those wells. How
13 will we do that? We will only use trained,
14 experienced personnel with established
15 safety protocol and track records of safety
16 excellence.

17 Once we are placed in operation, how
18 do we insure the safe operations continue?
19 First we coordinate our company emergency
20 response personnel with local emergency
21 responders. We provide training and public
22 education for those emergency responders
23 and coordinate our efforts with them
24 routinely. We regularly control the pine

1 line and storage field on the ground and
2 from the air to make sure that activities
3 around the pipeline and storage facilities
4 do not cause a disturbance. We participate
5 in the Dig Safely Program. That's a
6 program where anyone that is going to
7 excavate on land near our facilities are
8 required to call in, we receive
9 notification and send personnel out and
10 review where they are doing their
11 excavation, make sure that it doesn't
12 impact the facilities.

13 Lastly, we monitor the pressure of
14 the storage fields through observation
15 wells and control systems to insure
16 pressure stability in the field. And.

17 Lastly, we have a 24 hour, seven day
18 a week operation 365 days a year. We have
19 a live human being at the control system
20 every minute of every day. Those person's
21 provide us operation of the facility as
22 well as immediate response if there is any
23 issues.

24 Our Phase 2 expansion project and

1 development timeline, as Rich said, we
2 submitted our certificate application to
3 the Commission on February 10, 2006. We
4 expect to begin drilling test and storage
5 wells under our blanket certificate
6 authority in the summer of 2006. We hope
7 that we are able to get our FERC
8 certificate authorization by August 1st of
9 2006. By December 1st of 2006 we should
10 have completed drilling of most of the
11 storage wells and the installation of the
12 New York portion of the gathering system
13 and the by September 1st of 2007 we expect
14 construction to be completed and the
15 expanded Stagecoach facility operational in
16 time for the winter of 2007.

17 For those of you who haven't been to
18 the facility, the state of the art
19 compressor facility that is Phase I. Here
20 is a picture of the electric driven
21 compression just so you can see it. These
22 compressors are very small and footprint
23 very tiny and compact. They don't use lube
24 oil. They are a really clean burning,

1 clean compression package because no lube
2 oil and because they are electric driven.
3 And this is a typical storage well post
4 completion. You can see the well head in
5 the foreground and then the measurement and
6 pertinent facilities inside the building
7 in the background. And that wraps up my
8 presentation.

9 MR. MCGUIRE: Thank you, Mr. Moler.
10 Are there any questions before the Company
11 sits down? Are there any questions about
12 the project description that anyone would
13 like to ask? Can I ask you to just briefly
14 give us your name and ask your question?
15 I'll try to repeat it.

16 MR. SPENCER: Chuck Spencer.
17 Question, Bill, if you could, the storage
18 facilities that you are talking about
19 building, are they on the same site as this
20 storage facility or will they be located in
21 a different area?

22 MR. MOLER: The additional
23 compression will be at the --

24 MR. MCGUIRE: Bill, can I get you to

1 repeat the question? Would you mind
2 repeating just so we can get it into in the
3 public record so that everybody can hear
4 it.

5 MR. MOLER: I think the question was
6 the facilities we are looking at building
7 as part of our expansion project, are they
8 located in the same facility or are they
9 located elsewhere; is that accurate?

10 MR. SPENCER: That's correct.

11 MR. MOLER: And the answer to that is
12 that the compression that we are installing
13 as part of the Phase 2 expansion will be
14 installed right at the existing compressor
15 facilities. There is actually a slot
16 already in the building. It was designed
17 for this additional compression. We bring
18 it in. I'd like to say it's as easy as
19 plugging it in and turning it out. Barry
20 would argue with that, but that's
21 effectively how we're doing that. There's
22 an existing spot, we bring it in and put it
23 in.

24 The well and gathering system

1 associated with the expansion are in those
2 four completed reservoirs that we're
3 actually expanding out so those would be
4 new facilities that are not already
5 replaced.

6 MR. SPENCER: Are the wells drilling
7 into the salt deposits down in the ground?

8 MR. MCGUIRE: If you can again ask
9 the questions so everybody can hear them.

10 MR. MOLER: The question was are the
11 wells that we're drilling are they down
12 into the salt deposits and the answer is
13 that we are going down into what is known
14 as the Oriskany sandstone. The Oriskany
15 sandstone is a porous rock that's
16 approximately 5,000 feet below grade and
17 that porous rock is, from this porous rock
18 is what's the original Quaker State
19 Stagecoach production field to produce gas.
20 The gas comes out of this rock. We're
21 simply going back in with larger diameter
22 tubulars that penetration into the bore,
23 hitting that rock, turning horizontally and
24 laying horizontal pipes 5,000 feet beneath

1 the grade, running it horizontally within
2 this Oriskany sandstone to give us more
3 access to that rock which in turn gives us
4 higher deliverability and capability than
5 the original production wells.

6 I'll pass this around. It's kind of
7 heavy so please be careful with it. But
8 that is the Oriskany sandstone. There has
9 been some confusion about what is gas
10 storage. An aquifer is a tank. You are
11 depleting it and you've got the four sides
12 of the tank and it's just an open hole
13 beneath the earth. Depleted reservoirs is
14 actually penetrating the rock that is
15 beneath ground and then pushing it in the
16 little tiny holes that are inside that
17 porous medium and that's how we store gas
18 in it.

19 MR. SPENCER: Do you essentially
20 drill out that area, bore out that area
21 within that rock?

22 MR. MOLER: You don't. That bore is
23 effectively, it may be a little bigger than
24 that, but the diameter of the pipe that we

1 are putting into the sandstone is
2 effectively that same diameter and we go
3 down into it and go for sometime as far as
4 2,500 feet subsurface, 5,000 feet below the
5 grade so 2,500 feet horizontally within
6 that sandstone which gives us the surface
7 area we need in order to store gas in the
8 reservoir.

9 MR. SPENCER: And the third part of
10 my question is this facility here, was it
11 primarily built or was it primarily to
12 store the gas coming into the Stagecoach
13 field or are you storing other gas for
14 different parts of the country in these
15 wells?

16 MR. MOLER: The gas that comes in --

17 MR. McGUIRE: I'm sorry. If you
18 could just clarify the question.

19 MR. MOLER: I'm sorry. I'll get the
20 hang of it. The question was is the
21 Stagecoach storage facility storing gas
22 that was produced in the Stagecoach field
23 or is that gas coming from other parts of
24 America and the answer to that is yes. We

1 don't really know where the gas comes from
2 specifically. We get our gas from
3 Tennessee Gas Pipeline. They get their gas
4 from a number of production regions
5 including those production regions in the
6 Appalachian basin in West Virginia,
7 Tennessee, the Gulf Coast from offshore
8 production from on shore production in
9 those regions. That gas is produced from
10 producing wells, goes into the Tennessee
11 Pipeline and it's transported, how far is
12 it from Houston to the Gulf Coast? 1,200
13 miles up to Owego. We put that gas in the
14 ground and wait for it to get cold and then
15 we pull it out to serve as heating oil.

16 MR. SPENCER: Thank you.

17 MR. BARLOW: My name is John Barlow
18 and I would like to know out of curiosity
19 what sort of storage pressures are you
20 using to get this back in and what will
21 bring it back out? I assume no leakage.
22 But more importantly what sort of
23 transmission pipeline pressures are you
24 planning?

1 MR. MOLER: The question was what
2 sort of storage pressures is the storage
3 field operating at and what are the
4 pipeline pressures and what are the
5 pipelines expected to operate in. And,
6 Barry, if I get any one of these wrong tell
7 me.

8 The storage pressure is at 3,250
9 pounds per square inch. That is the same
10 pressure as the existing Phase I facility
11 and the pressure at which our current
12 existing facility just south of town
13 operates. That's the storage side of the
14 equation. Withdraw, early in the season
15 the fields at 3,250 pounds. On withdrawal
16 we free flow, regulate at the well heads,
17 free flow into the pipeline and deliver
18 that gas at Tennessee's Pipeline pressures
19 which range from 750 pounds up to 1,100
20 pounds on Tennessee's pipelines, so that's
21 what we are doing today. The north lateral
22 and the connection of the north lateral to
23 the proposed Millenium Pipeline Project
24 will be designed for 1,440 pounds per

1 square inch, but likely it will operate at
2 a maximum pressure of around 1,200 pounds
3 per square inch.

4 MR. MILLAR: What is the expected
5 life span of the pipeline and what do you
6 plan to do after that life span is reached?

7 MR. MOLER: The question was what is
8 the expected life span of the pipeline and
9 what do we intend on doing once that life
10 span is reached. And the answer to that is
11 properly maintained the pipeline can last
12 certainly longer than I'll be around. The
13 pipeline goes into the ground with what is
14 known as fusion bond epoxy coating. It's a
15 thin film coating that keeps, that protects
16 it from corroding and protects it from
17 pits. It's completely coated and it's
18 cathodically protected. We put a small
19 charge on the pipeline, an electric charge,
20 that keeps the corrosion process from
21 occurring. So we maintain that cathodic
22 protection, we maintain the coating and we
23 do our areal and foot patrols to make sure
24 people aren't digging or excavating around

1 it. And properly maintain it it can last a
2 very, very long time.

3 If we do have issues of, we also run
4 what is known as pigs. Pigs are pieces of
5 equipment that you put into the pipeline
6 and run, it runs the entire length of the
7 pipeline. The gas actually pushes the pig
8 from one end to the other. With those pigs
9 we can determine the integrity of the
10 pipeline over time. If we find issues, we
11 will go in and repair that section of the
12 pipeline where we have issues. So there is
13 a completely thought out maintenance
14 program that goes along with maintaining
15 the pipeline for its longevity.

16 MR. McGUIRE: That is a good
17 question. I just want to add the Company
18 cannot walk away from the project. They
19 actually have to file with the Commission
20 to abandon the project and go through a
21 similar environmental process as we are
22 having here tonight. So there is a
23 application process for the company to
24 abandon the project if they ever get to

1 that point where the project needs to be
2 abandoned. Yes, sir.

3 MR. O'DONNELL: What do you do if
4 they go bankrupt on a pipeline that is
5 abandoned?

6 MR. MOLER: The question was what do
7 we do if we go bankrupt and the answer to
8 that is multifaceted. The best answer I
9 can give you is we certainly don't intend
10 on going bankrupt. For those of you who
11 don't know the company that owns Central
12 New York Oil and Gas Company LLC is a
13 company by the name of Energy LP. Energy
14 LP is a Kansas City based energy company
15 that primarily focuses in and on the
16 distribution of propane throughout the
17 country. They brought me in to bring in
18 these mid stream facilities and Stagecoach
19 is a premier asset and we're very lucky and
20 fortunate to have it. It is our intent not
21 to go bankrupt first and foremost. In the
22 event we did have financial problems, you
23 know it is energy infrastructure that's
24 governed by the FERC. We have rules and

1 regulations under the FERC that requires us
2 to keep that facility up and running.
3 There has been a number of companies in
4 recent times that did go bankrupt, recent
5 times being last four or five years, who
6 owned significant pipeline and storage
7 infrastructure that continues today to
8 operate. And we would expect us to
9 continue to operate regardless of financial
10 conditions because of its need of the
11 energy infrastructure.

12 MR. McGUIRE: I would add that while
13 tonight's meeting is part of the
14 environmental process, there is a separate
15 economic analysis that Commission staff is
16 conducting to address that very same
17 question. So there is both an
18 environmental review of the project as well
19 as an environmental or an economic review
20 of the project as far as whether there are
21 real customers out there that can support
22 this project. And I also point out that in
23 this case we have a project that the
24 storage field that is existing now has. We

1 will take a few more questions. Yes, sir.

2 MR. STRUPPLER: Chuck Struppler. How
3 far under the river in 17C and the railroad
4 and the sanctuary is it coming?

5 MR. MOLER: Thank you for the
6 question, Chuck. The question was how far
7 under the river, 17C and the sanctuary do
8 we intend on digging. The Susquehanna
9 River we are crossing with the north
10 lateral. You guys saw the map earlier.
11 That crossing is going to be completed
12 using what's known as horizontal drilling
13 technology. It is a well established
14 installation technique that is used when
15 dealing with sensitive areas such as the
16 Susquehanna River, such as old highway 17
17 and such as the sanctuary and all
18 properties in between all of those.

19 The horizontal drilling process is a
20 process where a hole is drilled under the
21 river approximately 70 feet beneath the
22 river and it arc, I don't have a white
23 board or I would draw it, in an arc that
24 goes from the starting of the drill to the

1 end of the drill and they will begin to
2 drill and come up at a specified point on
3 the other side. It is a pretty amazing
4 process. They can actually push a stake up
5 out of the ground on the other side of the
6 river. It's a well understood and well
7 utilized process. We will be approximately
8 60 to 70 feet, the pipeline itself will be
9 60 to 70 feet beneath the river, beneath
10 the sanctuary and beneath all properties.

11 MR. MCGUIRE: That would be the bed
12 of the river, correct?

13 MR. MOLER: The bed of the river.

14 MR. FETTEROLF: I'd like to know how
15 restrictive the current connection is from
16 your storage facility to the Tennessee
17 line? Could you do the expansion without
18 creating the north lateral, just use your
19 south lateral?

20 MR. MOLER: Can you give your name?

21 MR. FETTEROLF: Barry Fetterolf.

22 MR. MOLER: The question was how
23 restrictive is the current connection and
24 could we do the project without connecting

1 the north lateral, did I get that accurate?

2 MR. FETTEROLF: Yes.

3 MR. MOLER: The answer to that
4 question is our shippers in the Phase II
5 project tell us where they would like the
6 gas to be delivered. And in this instance
7 in the Phase II project those shippers have
8 desired to take the gas that they intend on
9 storing in the facility both to the
10 Tennessee connection and to the Millenium
11 connection.

12 And to supplement Rich's discussion
13 earlier on the economic side, we have as of
14 5:30 this evening sold out the Phase II
15 expansion to expansion shippers. It is a
16 fully subscribed project and that will be
17 announced here tomorrow.

18 MR. ALBRECHT: Joe Albrecht. How
19 much, how large is stage one acreage wise,
20 stage two acreage wise and how much of that
21 storage capacity was acquired in the
22 original lease, in the original drilling
23 leases?

24 MR. MOLER: You know as much as I

1 would like to think that I know all of
2 that, if it's okay with you I would like to
3 point you towards Dan Waring in our land
4 group who can give you specific answers on
5 the acreage. We know. I just don't have
6 them handy with me.

7 MR. ALBRECHT: Thank you.

8 MR. MCGUIRE: We will take a few more
9 questions. One in the back.

10 MR. PETERSON: Larry Peterson. And I
11 was wondering in the near future do you
12 plan more expansions?

13 MR. MOLER: Larry Peterson, do we
14 plan more expansions in the future? Gas
15 storage in a depleted reservoir is limited
16 by the extent of that deleted reservoir.
17 We are accessing all of the reservoirs that
18 are associated with the Stagecoach field.
19 Any expansions or any further development
20 that we may do may be only to enhance
21 deliverability from that existing reservoir
22 and that can be accomplished through a
23 number of methods. To answer you today the
24 answer is we have no planned expansions

1 beyond this at this time. You know should
2 the shipper community come to us and say we
3 want to pull it out faster than what you
4 are pulling out today, we would look at it
5 from a technical standpoint and see if it's
6 possible. But there is nothing on the
7 drawing board at this time.

8 MR. McGUIRE: But there is no more
9 pools that could be developed beyond the
10 pools that you are drilling in, correct?

11 MR. MOLER: That is correct.

12 MR. LALANDO: Frank Lalando. Could
13 you tell us where and what it took to
14 repair the last pipeline that needed a
15 repair? You mentioned that you wouldn't be
16 around longer than the pipeline will need
17 repair, something like that and the
18 question was raised. So would you say that
19 you'll be around for another 50 years and
20 then the pipe will need repair, and if so
21 does that mean you'll have to go back on
22 each parcel of land and dig it up again, go
23 through the whole process a second or third
24 time?

1 MR. MOLER: The Department of
2 Transportation governs the inspection and
3 maintenance of these facilities. And in
4 those rules and regulations there are
5 requirements for inspection of the
6 pipeline, both externally and internally.
7 And in doing those internal and external
8 inspections we may at some point in the
9 future, maybe not 50 years, we may find
10 damage to the pipeline internally and
11 externally. That damage is often times
12 isolated to a section of that pipeline.
13 And we will go out on that particular point
14 of the pipeline and have to dig it up and
15 repair that section of the pipeline and
16 place it back in service, backfill the well
17 hole, the ditch and restore whatever
18 surface damage we do associated with that.
19 But that's the routine maintenance and
20 inspection we are required to do. And
21 repairs, you know, are sometimes required.

22 The life of the pipeline however in
23 its entirety, you know, can last for a
24 very, very long time if it's properly

1 maintained, properly inspected, properly
2 operated.

3 MR. LALANDO: So automatically you're
4 assuring us that you'll be back on our land
5 several times in the next five, ten, 15
6 years. You'll be back digging it up,
7 making your repairs and this will be
8 constantly happening year by year,
9 someone's land can be worked on, your
10 equipment is coming on it one more time,
11 heavy equipment again and again.

12 MR. MOLER: What I'm, what I hope I'm
13 assuring you is that we intend to properly
14 operate --

15 MR. LALANDO: That's what you mean.

16 MR. MOLER: And maintain and inspect
17 the pipeline and sometimes that may require
18 a repair of that pipeline and in that
19 instance we may have to do it.

20 MR. LALANDO: That's over and over
21 again.

22 MR. MOLER: I wouldn't necessarily
23 say it's going to be a repeatable process.
24 It's part of our overall inspection

1 program.

2 MR. LALANDO: That's what that means,
3 over and over again.

4 MR. MCGUIRE: Yeah. There is miles
5 of pipeline in the country. For the most
6 part, I mean, there's no guarantee. If
7 DOT, to meet DOT regs they need to get in
8 there to maintain the pipe, they need to
9 get in there to maintain their pipe. But
10 it's in most cases a right of way will go
11 well beyond 50 years before anybody goes
12 back in there and digs that pipe up. So
13 that, it would be unusual to go in and dig
14 up the pipe again, because of the
15 maintenance that they do on the right of
16 way and the maintenance they do to maintain
17 the pipe.

18 MR. LALANDO: But the maintenance
19 does force you to bring your equipment on
20 the land again and again; is that correct?
21 Did I not --

22 MR. MCGUIRE: It would be unusual for
23 that to happen within 50 years.

24 MR. LALANDO: And you must provide

1 for the unusual because this is a very
2 dangerous gas that is coming through. So
3 you have to be very careful and you have to
4 come on the land again and again.

5 MR. McGUIRE: Not me, but the Company
6 would, correct.

7 MR. LALANDO: Whoever it is. May not
8 be you, but may be this fellow here over
9 and over again.

10 MR. McGUIRE: Right. Okay. We will,
11 I would encourage you to, the Company will
12 be here after tonight's meeting. If you
13 have specific questions, they will be more
14 than happy to answer your questions about
15 the project itself. Again, thank you, Mr.
16 Moler for answering those questions.

17 MR. MOLER: Thank you, Rich.

18 MR. McGUIRE: I would like to before
19 you leave, Bill, has the drill boring been
20 passed around, is that still going around?
21 As you can see from that it doesn't look
22 very porous. I mean, the sandstone does
23 not look porous that the gas is being
24 stored in, but I would like, Bill, if you

1 could explain the cap rock that is above
2 this porous rock. Although this doesn't
3 look porous from my view, could you just
4 briefly explain the cap rock that is above
5 the storage pools?

6 MR. MOLER: I'll first explain that
7 I'm not a geologist, but our geologist is
8 here. Leonard, correct me where I'm not
9 completely technically accurate, the
10 Oriskany sandstone and the reservoir that
11 is created beneath the ground is bounded by
12 or contained by on the sides natural
13 fractures that have occurred over the
14 geologic life of the earth. Those
15 fractures are separation of the earth's
16 crust whereby the porous Oriskany sandstone
17 is butted up against and a not porous or
18 impermeable shale or limestone rock. So on
19 the sides it's bounded by those fracture
20 lines. On top there is a layer of both
21 limestone and shale cap rock that is also
22 impermeable and then you know that layer of
23 shale and limestone is what is totaling in
24 thickness.

1 MR. DIOWISIO: About 5,000 feet
2 actually.

3 MR. MOLER: From the top of the
4 Oriskany to the surface with the exception
5 of topsoil is shale and limestone and that
6 is an impermeable rock that the gas can't
7 come up.

8 MR. MCGUIRE: Can you just explain
9 that, you said, Leonard, that is 5,000 feet
10 of thick?

11 MR. DIOWISIO: Yes.

12 MR. MCGUIRE: Thanks again, Mr.
13 Moler.

14 MR. MOLER: You're welcome. Thank
15 you.

16 MR. MCGUIRE: If you are unsure if or
17 how the proposed project affects your
18 property, I encourage you to look at the
19 maps and the other material that the
20 Company has brought with them here tonight
21 after tonight's meeting.

22 Now we will begin to hear from those
23 of you who have signed up to present formal
24 comments. For the court reporter's benefit

1 please come up to the microphone at the
2 front here, introduce yourself and if
3 appropriate the agency or group that you're
4 representing. If you have concerns that
5 are specific to your property we encourage
6 you to either tell us about it in the
7 record tonight or to send in written
8 comments to the Commission. There are
9 forms as I had mentioned earlier at the
10 sign-in table to make filing written
11 comments easier. Also, if you have
12 specific concerns, please identify the
13 nearest mile post of the pipeline or the
14 project facility on your property when you
15 mail in comments.

16 (AUDIENCE MEMBER ASKED INAUDIBLE
17 QUESTION.)

18 MR. McGUIRE: I heard your question.
19 The maps, these are the alignment sheets of
20 the proposed pipeline route and these are
21 available, the Company has made them
22 available in the public library I believe
23 in the Town of Owego; is that correct? And
24 so they are available and they would also

1 be available at the Company's office.
2 These, there are also, they are filed with
3 the Commission and are available at the
4 Commission's public reference room and they
5 are, but if they are not, would be in our
6 internet site. Okay. The first speaker
7 tonight is G.C. Strauss I believe it's
8 pronunciation.

9 MR. STRAUSS: That is me and I'll
10 pass on my question. I will make a written
11 comment.

12 MR. MCGUIRE: Okay. Thank you, sir.
13 Again as we, as you present your formal
14 comments I would like you to come forward
15 and speak into the microphone for the court
16 reporter's benefit. The second speaker
17 signed up tonight is Barry Fetterolf.

18 MR. FETTEROLF: Thank you. I
19 appreciate the opportunity for the
20 comments. My name is Barry Fetterolf. I'm
21 a resident of the southside of Owego. My
22 land is not directly affected by the
23 pipeline nor the storage expansion, but
24 it's in close proximity to it and I have

1 concerns for common land and public land.

2 First I brought a copy of volume one
3 of the Final Environmental Impact Statement
4 from the Millenium Pipeline. I would have
5 brought volume 2, but it's about one and a
6 half times as thick as this and I thought
7 this was a big enough effect. In here it's
8 noted that there are almost 4,000
9 environmental comments made on the
10 Millenium Pipeline. Those range from
11 wildlife to vegetation to land erosion.

12 In the course of their evaluation
13 FERC chose to override or waive aside those
14 comments. They decided that the Millenium
15 Pipeline was a national significance to the
16 infrastructure of our country and therefore
17 those environmental considerations should
18 not apply or should not govern the building
19 of the Millenium Pipeline. And my comment
20 to you is that if you have that same view
21 of this expansion of the Stagecoach field,
22 we are all wasting our time here.

23 I would like to read a statement from
24 this regarding the Stagecoach Storage

1 Project and it comes out of the Millenium
2 Pipeline Environmental statement. I would
3 like to note ahead of time that eCORP was
4 the previous owner of Stagecoach and when
5 they are referred to here it was the
6 previous owner.

7 Millennium commented that eCORP's
8 planned Stagecoach Storage Project could
9 potentially benefit Millennium shippers in
10 terms of reliability of service, diversity
11 in supply and liquidity. Millennium could
12 similarly benefit eCORP and would provide
13 it with access to electric generation
14 plants and other markets. And while
15 Millennium states that it appreciates these
16 potential mutual benefits, the development
17 of the Stagecoach Storage Project would not
18 eliminate the need to construct
19 Millennium's facilities west of that field.

20 My point is that this is a business
21 expansion opportunity for the Stagecoach
22 fields. It's not in my mind essential to
23 the energy infrastructure of the country,
24 but it's a business expansion that's

1 critical to Central New York Oil and Gas
2 only.

3 (AUDIENCE APPLAUDS.)

4 MR. FETTEROLF: As such, I believe
5 the use of the eminent domain procedure is
6 misused. And I will assist anyone who
7 wants to fight that for this particular
8 reason. Thank you very much.

9 (AUDIENCE APPLAUDS.)

10 MR. McGUIRE: Thank you for your
11 comments. Our next commenter is Joe
12 Albrecht.

13 MR. ALBRECHT: Close enough.

14 MR. McGUIRE: I apologize in advance
15 if I mispronounce your name.

16 MR. ALBRECHT: Your opening statement
17 suggested that this forum is open for
18 economic and environmental issues. Is that
19 so because what my basic concern revolves
20 around economic factors. Are they on the
21 table?

22 MR. McGUIRE: This meeting is for the
23 environmental comments. We are soliciting
24 comments for the environmental process of

1 the Commission procedure.

2 MR. ALBRECHT: Strictly
3 environmental, not economic?

4 MR. McGUIRE: Yes, tonight, but you
5 can file comments with the Commission on
6 the economic factors of the project. Thank
7 you. Our next commenter I believe it's
8 Matthew Kuhlman, K-U-H-L-M-A-N.

9 MR. KUHLMAN: I'll pass. Some of my
10 questions are already answered.

11 MR. McGUIRE: Okay. Thank you, sir.
12 Our next commenter is Richard VanHall.

13 MR. VANHALL: I'm just representing
14 myself here. I live about approximately
15 half a mile from where it's going to cross
16 the Susquehanna. I have two main points
17 here. One is that I don't think that we've
18 had much local input onto the route of the
19 north extension and how it goes and where
20 it goes across the Susquehanna, where it
21 goes by properties and that sort of stuff
22 and that might have a significant impact.
23 About the only thing that pays taxes around
24 here is residential housing and some of

1 these areas are areas where people have
2 talked in the past there are some higher on
3 houses and I don't think there has been any
4 input on that, so I would like to see some
5 of our government like the Town of Owego
6 supervisors or some of our government
7 entities involved in looking at what that
8 routing means for how they are planning on
9 developing the county in the future.

10 And the reason for that is the risk,
11 which is the second thing I want to talk
12 about, I mean although it's a very low risk
13 of something happening, when something does
14 happen it's very, very serious. And there
15 is going to be some impacts from this on
16 property values. And from my own point of
17 view, I would not live within 500 feet of
18 something like this. I just would not do
19 it. Absolutely. I would be moving out.
20 And within 1,000 feet that is sort of
21 questionable. But to see what this means,
22 I don't know what people have looked at out
23 there, but I won't get into this in a lot
24 of detail, but go to the National

1 Transportation Safety Board website,
2 www.nts.gov and go to accidents, that's in
3 the upper right, and go to pipelines and
4 then go to Carlsbad, which is about the
5 fifth or sixth one down, and then you will
6 see that's about similar volume lower
7 pressure than this one, but a bigger
8 pipeline so it's a similar thing. Go there
9 and see what impact and accidents can
10 happen and then see what that means to the
11 desirability of the land around the route
12 of this, along the route of this.

13 (AUDIENCE APPLAUDS.)

14 MR. McGUIRE: Thank you, Mr. VanHall.
15 Our next commenter is Mr. Struppler.

16 MR. STRUPPLER: Hi. I'm located down
17 here on 17C between the highway and the
18 river. And I've heard three different
19 depths that that thing is coming across.
20 First I heard 200 feet, then I've heard 100
21 and then I heard 70 in the paper this
22 morning. On this piece of property I have
23 two wells, two septic tanks. And like this
24 other gentleman just said we're not sure

1 where it's coming across. But where they
2 have put a stake in when they surveyed it
3 was right behind one of my wells. So if
4 they move west they are going to be right
5 in between two of my wells and one septic
6 tank. And if they drill over into the
7 sanctuary, what is going to keep the water
8 from seeping back through and contaminating
9 the wells? Alls they have to do is go
10 about 5, 600 feet on the eastern end of my
11 property and they will be on a river bank
12 that has no available whatsoever
13 commercially. This is a commercial piece
14 of property I'm also talking about. And if
15 they go east there is a river bank there.
16 They have no, it has no commercial value,
17 no wells, nothing that they really could
18 disturb. I had a lot more to say, but as
19 long as it's environmental I guess that
20 just about does it for me.

21 MR. MCGUIRE: Thank you, Mr.
22 Struppler. We will be looking at the
23 proposed route tomorrow in the field and we
24 will be sure to go look at your property.

1 MR. STRUPPLER: Well, if you can let
2 me know before next week if you are going
3 to do something different I would
4 appreciate it because I am planning on
5 leaving town. If it's going to be a little
6 bit longer just let me know and I'll stick
7 around.

8 MR. McGUIRE: Thank you for your
9 comment. Our next commenter is, I believe
10 it's Kevin Millar.

11 MR. MILLAR: Yes, pretty close.

12 MR. McGUIRE: Can you spell your last
13 name?

14 MR. MILLAR: M-I-L-L-A-R, yes. I
15 just had a couple of questions about the
16 role of the US EPA or the New York State
17 Department of Environmental Conservation or
18 the US Arm Corps of Engineers in this
19 process and also what law determines the 13
20 day public input opportunity which strikes
21 me as pretty short for a project of this
22 magnitude?

23 MR. McGUIRE: The comment period is
24 governed by the NEPA process, the National

1 Environmental Policy Act Process. That's
2 part of our process. That we, that
3 comment, I mean, you can file comments at
4 any time. The EA will be sent out as I
5 said earlier to all, everyone on our
6 mailing list. There will be a comment
7 opportunity at that time as well for you to
8 file comments on that. That EA is not a
9 decision document. It's just an assessment
10 that we'll provide to your Commissioners to
11 assist in their decisions. But you'll have
12 an opportunity to comment on that as well.
13 So the comment period, while it closes on
14 the 17th so we can analyze those comments,
15 as part of the application there are still
16 opportunities to comment on the project.
17 The next part of your question can you
18 remind me?

19 MR. MILLAR: The role of the US EPA.

20 MR. McGUIRE: Yeah, the other
21 agencies, the EPA and the Corps, they are
22 all involved in the process, they are all
23 on the mailing list of the companies in
24 contact with the Corps. They need to get

1 permits from both state agencies and
2 Federal agencies which would include the
3 Corps of Engineers for any wetland
4 crossing. So they are on our mailing list.
5 They do provide comments as well as the
6 state agencies who are providing comments
7 and we have been in contact with both the
8 agencies, both state and Federal agencies.

9 MR. McGUIRE: If I can ask you, if
10 you don't mind, Mr. Struppler.

11 MR. STRUPPLER: One other thing, if
12 you do have any decision on this, I'd
13 appreciate it in writing, because we've
14 been told many stories on this line that's
15 going through.

16 MR. McGUIRE: Can I just get you to
17 clarify decision, you mean, the
18 Commissioner's decision or the Company?

19 MR. STRUPPLER: The Company.

20 MR. McGUIRE: Okay, well that would
21 be something you could address with the
22 Company themselves. That's a separate
23 process in the FERC's process. We are
24 reviewing what they have in application at

1 the Commission now. And we are analyzing
2 that, their proposed route. We are also
3 looking at alternative routes for their
4 pipeline.

5 MR. BARLOW: Are they not responsible
6 to you or your agency in some way?

7 MR. McGUIRE: Yes. I mean, the
8 ultimate decision of whether the approved
9 pipeline will be coming from the
10 Commission. I'm sorry. Your question?

11 MR. BARLOW: Will you hold your feet
12 to the fire if it's appropriate?

13 MR. McGUIRE: I think the question is
14 whether or not the Commission will require
15 the pipeline to be in a certain location.

16 MR. BARLOW: Require any sort of
17 conformance to reasonable standards. I'm
18 just saying are you advisory or do you have
19 authority?

20 MR. McGUIRE: No. We have the
21 authority, after our environmental
22 assessment process as I said we'll provide
23 our information that we, that, the
24 recommendations and our analysis to the

1 Commissioners in the form of an
2 Environmental Assessment. That's provided
3 to our Commissioners. If the Commission
4 does end up approving this project, then
5 the Commission will oversee both
6 construction. Prior to construction we'll
7 review their implementation plan of how
8 they will build the pipeline in compliance
9 with any conditions from the state and
10 Federal agencies. We will follow their
11 project as we did in the original project.
12 We will follow the project throughout
13 construction and during restoration to
14 insure that they build it as they proposed
15 and as they were approved. I'm sorry.

16 Your name, sir?

17 MR. BARLOW: John Barlow.

18 MR. McGUIRE: John Barlow, thank you
19 sir. Our next commenter is Mary Green.
20 Miss Green.

21 MS. GREEN: I'm concerned about the
22 safety issue of this pipeline coming
23 through. If something did go wrong, what
24 would your response be to the people who

1 live in the area? Would you contact us
2 immediately? How do you handle that, if
3 there is a disaster, how do you handle
4 that?

5 MR. MCGUIRE: Can I get, Mr. Moler,
6 can you respond to that?

7 MR. MOLER: In the event of an
8 emergency we've got emergency response
9 plans to include communicating with the
10 local emergency personnel, the fire and
11 police. And then we have our own emergency
12 response teams that would go out on site.
13 There are protections of valves that shut
14 close if there is an incident. In terms of
15 contacting landowners, we obviously need to
16 get into that property to deal with
17 whatever the incident that is going on and
18 you would be contacted.

19 MR. GREEN: How quickly would you
20 come?

21 MR. MOLER: Instantaneously. We are
22 monitored 24 hours a day, seven days a
23 week. We are watching pressures on the
24 pipeline and in the field all the time.

1 And the response team would be virtually
2 instantaneous. We would know there is an
3 incident occurring.

4 MS. GREEN: What would I notice if
5 something was wrong, would I smell an odor
6 in the air?

7 MR. MOLER: You would not. We are
8 part of the interstate transportation grid
9 and interstate pipelines do not odorize
10 their gas. The gas gets odorized at local
11 distribution companies like NYSEG or CONED.
12 They put the odor into the gas. You might
13 see if there were an incident, leak or
14 something like that, you might hear a noise
15 coming from a valve or you might see dust
16 blowing up in the air above a pipeline,
17 that would be indicative of a potential
18 leak, but pretty rare occurrence.

19 MS. GREEN: Before the other pipeline
20 that was owned, I can't think of the name
21 right now, I'm a little nervous, but I
22 heard a loud roaring noise. At first I
23 thought it was a jet plane, but then it
24 just kept going on and on and on. Can you

1 tell me what that was that I was listening
2 to?

3 MR. MOLER: Not having been there, I
4 would hate to speculate.

5 MS. GREEN: Okay. If I refused to
6 sign a contract with you and I don't want
7 to take any money from you, what happens
8 now?

9 MR. MOLER: Assuming that we are
10 granted the certificate of public
11 convenience and necessity from FERC, we
12 would have the right of eminent domain
13 which means we could condemn to get the
14 property. That is not our motto. We are
15 not here to condemn property. We intend on
16 being here for a very, very long time as
17 neighbors of yours and good community
18 people. I will say that the Phase I
19 process there were approximately 300
20 landowners that were impacted. Of those
21 300 there were only two that went through
22 the condemnation process. We want to
23 listen to your concerns and work with you
24 on where you would like the pipeline. We

1 take into account the constructability of
2 the pipeline, the avoidance of
3 environmentally sensitive areas. We take
4 into account your concerns, but is there
5 going to be a landowner on this project
6 that doesn't want it, we may have to pursue
7 that process. We hope not. We hope we can
8 reach a reasonable agreement and a
9 settlement but it may occur.

10 MS. GREEN: Do you intend in the
11 future to put up power plants?

12 MR. MOLER: We are not in the power
13 plant business.

14 MS. GREEN: You're not?

15 MR. MOLER: We're not.

16 MS. GREEN: Thank you.

17 MR. McGUIRE: Thank you, Miss Green,
18 for your comments. Our next commenter is
19 Mark Lyons.

20 MR. LYONS: Hi. I moved up here
21 about 15 years ago to get away from this
22 kind of stuff. I got about 10 acres of
23 woods that I use for hunting and they plan
24 on putting the pipeline route right through

1 the property which would affect me. I mean
2 that's why I moved up here really. I was
3 just wondering if Mr. Moler, is that his
4 name?

5 MR. McGUIRE: Mr. Moler.

6 MR. LYONS: Moler, if he would be
7 happy with somebody coming through his few
8 acres that he owns for a lousy \$3.00 a
9 foot? That's my question.

10 MR. McGUIRE: That's really not a
11 question that we're going to address here
12 tonight. Thank you for your question, sir.
13 Can you give me an idea, Mr. Lyons, where
14 your property is located?

15 MR. LYONS: Right next to where the
16 original well is right now. Pennsylvania
17 Lidell field.

18 MR. McGUIRE: In the Lidell field?

19 MR. LYONS: Yeah.

20 MR. McGUIRE: Thank you. That's all
21 the, everyone who signed up to speak,
22 that's our list. Is there anyone who has
23 not had an opportunity to sign up to make
24 formal comments into the public record

1 tonight that would like to make comments?

2 Yes, sir. If you can come forward and give
3 your name one more time please.

4 MR. FETTEROLF: Sure. My name is
5 Barry Fetterolf. I'm really responding to
6 one of the comments that was recently made
7 regarding public safety. In early 2002,
8 approximately February, there was an
9 explosion at the well on Myerman Road where
10 it blew the roof and the doors off the
11 building. It was not announced to the fire
12 department. They didn't know about it
13 until two days later until one of the
14 residents informed them. And nothing was
15 done. It was obviously not a concern of
16 yours, but it was a big concern of the
17 people that lived in the area. So
18 something did happen and procedures weren't
19 followed and the public was in jeopardy.
20 Thank you.

21 MR. McGUIRE: Thank you for your
22 comments. We'll take a few more comments.
23 If you would, I'd ask you to come forward
24 to speak into the mic.

1 MR. STRUPPLER: Chuck Struppler. I
2 have a question for Bill. How come some of
3 them are getting \$2.00 a linear foot and
4 others are getting 3?

5 MR. MCGUIRE: We're not going to
6 address that comment right now, Mr. Moler.
7 After the, as I said earlier if you have
8 questions, specific questions for the
9 Company, I've asked them to come here
10 tonight and they did come here tonight and
11 they will respond to your comments after
12 the meeting tonight. Thank you. Yes,
13 ma'am. If you can give your name and if
14 you wouldn't mind spelling it sign we
15 didn't get it in the sign in.

16 MS. COOKE: My name is Anne Cooke,
17 A-N-N-E, C-O-O-K-E. And we own about 100
18 acres of agricultural land on Carmichael
19 Road in Owego.

20 MR. MCGUIRE: I think you filed a
21 comment with us and we have that.

22 MS. COOKE: That's correct. And one
23 thing I just am anxious about, as I'm sure
24 that many of the other farmers and

1 agricultural people sitting in a room and
2 also involved with the project, is the
3 preservation of the topsoil on our fields
4 so that we can continue to do agriculture
5 or preserve it for future agricultural
6 purposes. The soil in the subsoil here is,
7 the topsoil is very thin, the subsoil is
8 very hard and compacted clay. And I
9 understand that the best way to preserve
10 the topsoil for future agricultural uses is
11 to carefully scrape that off and stockpile
12 that and then on the hard clay like subsoil
13 the pipeline people can put their heavy
14 equipment and things back and forth, do the
15 digging and then after it's all covered up,
16 then they can carefully bring the topsoil
17 back and after that is all done then that
18 soil can be used again for agricultural
19 purposes for growing hay or corn or
20 whatever the crop is. But without that
21 careful stockpiling of the topsoil, I think
22 that is going to be a really big problem
23 for many of the farmers in this area and
24 this is basically a farm area and the

1 pipeline is going through a lot of
2 agricultural fields and I just hope that
3 FERC takes that into consideration when
4 they do their assessment. Thank you.

5 MR. McGUIRE: Thank you, Mrs. Cooke.
6 Was there anyone else that wanted to make
7 comments into the record?

8 MR. KUHLMAN: Yeah, I guess I'll.

9 MR. McGUIRE: If you could give us
10 your name and spell it if you wouldn't
11 mind.

12 MR. KUHLMAN: Matt Kuhlman and I did
13 sign up. Last name is K-U-H-L-M-A-N. I've
14 been, I've also had the Tennessee Pipeline
15 go through a section of my farm. The job
16 that they did in my opinion because I feel
17 that working with soil and water and Ag and
18 Markets that the restoration job that they
19 did I was impressed with. I do have some
20 concerns about where they would like to go
21 with the pipeline, because the majority,
22 I'm a dairy and the majority of my crop
23 land that they are going to go through I
24 have some high concerns of where they would

1 like to put it and where I would like to
2 see it go. Salt and water and also Ag and
3 Markets have been working with me on that.
4 And yes, I'm going to say that they've
5 worked with us as well and they've
6 understood. And I feel that we can work
7 together even better. My biggest concern
8 that I have also would be my crop loss.
9 That is something that a farmer's worst
10 nightmare is when it comes to March whether
11 he has enough forage. I mean I hope he's
12 got his ducks in the row when it comes
13 prior to fall. But there is some concerns
14 because I'm limited to what I have. I am
15 going to see some damages done on that. I
16 know that their restorations that they do
17 is good compared to what I've seen done
18 already, but I would like them to work with
19 me on these issues, you know. Again they
20 have worked, I've been speaking with Dan
21 and they have been, you know, very
22 considerate about that, but there are still
23 some concerns that I do have on the
24 direction of where it's going.

1 MR. MCGUIRE: Thank you, Mr. Kuhlman.
2 We are meeting with the Ag and Markets
3 people in the field tomorrow as well on
4 that. This is the last opportunity if you
5 want to make formal comments. Gentleman in
6 the back. I'd ask you to state your name
7 and spell it if you would.

8 MR. REEVES: My name is Ray Reeves,
9 R-E-E-V-E-S. I just want to say that I have
10 a couple hundred acres where the north
11 lateral is going to be connecting to the
12 Millennium Pipeline and I have to say that
13 I have the utmost respect for CNYOG. They
14 have contacted me each and every time
15 before they have come to my place.
16 Everything they have told me so far has
17 been true. I have talked with, their
18 landmen have been great. The questions
19 that I have asked them, they have been
20 straightforward whether I liked it or not.
21 I just, I wanted to make sure that they got
22 the recognition on that.

23 (AUDIENCE APPLAUDS).

24 MR. MCGUIRE: Thank you, Mr. Reeves.

1 Again there will be an opportunity after
2 this meeting to ask the company specific
3 questions. Anyone who would like to
4 purchase copies of the transcripts of
5 tonight's meeting can make those
6 arrangements with the court reporter. They
7 will also be available from the
8 Commission's public record after 10 days.
9 The information for accessing the
10 Commission's public records is in the
11 Notice of Intent on page seven. The formal
12 part of this meeting will conclude. I
13 would encourage you to stay and look
14 closely at the maps and the other
15 information that Central New York has
16 brought with them tonight. Their
17 representatives will be available to assist
18 you with these maps and answer any specific
19 questions you have about your land. On
20 behalf of the Federal Energy Regulatory
21 Commission, I want to thank you for coming
22 here tonight and expressing your concerns.
23 With that let the record show that this
24 public meeting ended at 8:31. Thank you.

25 (WHEREUPON, THE MEETING ADJOURNED AT

1 8:31 PM)

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C E R T I F I C A T I O N

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me on the above cause and that this is a correct transcript of the same to the best of my ability.

DELORES HAUBER, Shorthand Reporter