

2 MR. PECONOM: Good evening, everybody.

3 On behalf of the Federal Energy Regulatory
4 Commission I'd like to thank you all for coming here
5 tonight. My name is John Peconom and I'm an environmental
6 project manager on Staff with the Federal Energy Regulatory
7 Commission -- or the FERC for short. With me tonight are
8 Doug Mooneyham, Erik Dilts, and Zack Lifton in the back.

9 We invited all of you here tonight because we're
10 interested in hearing your comments on the proposed Carthage
11 to Perryville and East Texas Expansion Projects.
12 Specifically we're interested in hearing your comments about
13 environmental resources that may be affected by the proposed
14 projects.

15 As many of you know, the FERC is the responsible
16 government agency for routing and the construction of
17 interstate natural gas pipelines and associated facilities.

18 In March of this year the Commission received an
19 application from CenterPoint Energy Gas Transmission to
20 construct a natural gas pipeline commonly known as the
21 Carthage to Perryville Project. As part of our review
22 process we have prepared a Draft Environmental Impact
23 Statement that has identified and addressed potentially
24 affected environmental resources. This Draft Environmental
25 Impact Statement was issued at the end of May.

3

1 As required by the National Environmental Policy
2 Act, a 45-day comment period has been initiated to allow
3 for the public review of this document. We're here tonight
4 as part of that review process and to hear your comments on

5 the Draft Environmental Impact Statement.

6 We're also here tonight because FERC Staff have
7 initiated a pre-application environmental review of Gulf
8 South Pipeline Company's proposed East Texas Expansion
9 Project. As part of this review we are identifying issues
10 and collecting information that will be used to prepare an
11 environmental impact statement. We are here tonight to hear
12 comments on what environmental issues should be assessed in
13 this environmental impact statement.

14 Your comments on the Carthage to Perryville Draft
15 Environmental Impact Statement as well as the proposed East
16 Texas Expansion Project are important to us and will help us
17 prepare our recommendations to the Commission.

18 For those of you who are unfamiliar with these
19 projects, we have asked both CenterPoint and Gulf South to
20 make brief presentations on their respective proposals.
21 However, because this is a public comment meeting, we have
22 asked both companies not to take questions at this time.
23 However, they will be available following the meeting to
24 take any questions.

25 Before I ask CenterPoint and Gulf South to come

4

1 up and give their presentations I wanted to take a minute
2 and see if anybody had any questions regarding the FERC
3 process.

4 (No response.)

5 MR. PECONOM: Okay.

6 Mr. Pylant will you please come up and give us a
7 brief presentation on the Center Point proposal.

8 MR. PYLANT: I've got my PowerPoint presentation
9 here.

10 I'm Bud Pylant with CenterPoint Energy Gas
11 Transmission. Thanks, John, for inviting me down tonight.

12 I wanted to talk to you all a little bit tonight
13 about the need for a project such as this. As you all well
14 know, there's a lot of drilling activity in the United
15 States. There's been a lot of natural gas drilling activity
16 in east Texas and north Louisiana. The Bossier Sands in
17 east Texas and the Barnett Shales fields in east Texas, they
18 found a lot of gas and there's no way to get it out of
19 there. There's not enough pipeline structure in place to
20 get that gas to the markets. Those producers and those
21 landowners need for that gas to get to the market so that
22 the people in the United States can enjoy the benefits of
23 it.

24 We are proposing to build a 172 mile 42-inch
25 steel pipeline, welded steel pipeline from Carthage, Texas,

5

1 to Delhi. It will cross one county in Texas and seven
2 counties in Louisiana.

3 We're proposing to build two compressor stations,
4 one in Panola County, Texas and one in Jackson Parish,
5 Louisiana. The one in east Texas is the Panola Compressor
6 Station. It will ultimately have two turbine compressor
7 stations -- or two turbine engines there, 20,000 horsepower.
8 And so will the Vernon Compressor Station in Jackson Parish.

9 We're well on our way to getting this project
10 permitted as the FERC has issued the Draft Environmental

11 Impact Statement. We're continuing to consult with
12 agencies, as directed by the FERC to continue our permitting
13 process and finalize all the permits on the project. And we
14 have made great strides with that. We're continuing to
15 negotiate with landowners. We're purchasing right-of-way
16 and working with people to try to make this project a go.

17 We do have some minor re-routes and refinements
18 of the route that we've been looking at since inception of
19 the project. And some of those will be filed probably next
20 week with the FERC as a supplemental information request for
21 the FERC.

22 We plan on using FERC's planning procedures.
23 They mandate how we do things as far as restoration
24 practices and practices that we utilize in wetland
25 construction and upland construction. We'll also work with

6

1 the landowners and use the seed mixes that they request, and
2 in lieu of that we'll go with the NRCS seeding
3 recommendations.

4 We'll also mitigate for wetland impacts through
5 the Corps of Engineers. They're the permitting agency on
6 the wetlands.

7 So we're following everything that FERC requires
8 us to do. And we want to be a good steward of the land and
9 make sure that we restore the right-of-way like it should
10 be.

11 And we'll also construct this pipeline, as we've
12 indicated in all of our landowner letters, according to DOT
13 specifications.

14 And basically, that's the synopsis of our
15 project.

16 MR. PECONOM: Thank you, sir.

17 Mr. Stephens.

18 MR. STEPHENS: I just wanted to quickly run
19 through a few issues, very similar to Bud's presentation.

20 Gulf South is a large interstate natural gas
21 pipeline company. We've been in business for about 75
22 years. We own about 7500 miles of pipe that extends from
23 Texas to Florida. And we're going to be building a
24 relatively large natural gas pipeline, about 150 miles or so
25 from Carthage, Texas to the Delhi area.

7

1 I just wanted to start with a few natural gas
2 facts.

3 Americans use 62 billion cubic feet of natural
4 gas every day. Texas and Louisiana combined produce about
5 56 percent of the natural gas produced in the country
6 onshore.

7 Just thinking about your average home, it will
8 use about 3-4,000 cubic feet of natural gas every year.

9 Natural gas is used to generate 23 percent of the
10 nation's electric power. And natural gas is one of our most
11 environmentally friendly fuels. Concerning greenhouse gases
12 specifically, it will utilize 30 percent less CO-2 than oil
13 and will give off 45 percent less CO-2 than coal.

14 Let's talk about this pipeline specifically.
15 Natural gas usage will increase about 22 percent in the
16 nation in the next 20 years. There's about three billion

17 cubic feet of natural gas in the Barnett Shales and Bossier
18 Sand, as Bud mentioned, that has no place to go. It's what
19 we call stranded. The infrastructure is full. New
20 infrastructure needs to be built.

21 On Gulf South specifically, we have local and
22 regional markets. There will be interconnects with this
23 pipeline with our existing facilities. Some of our regional
24 customers, Atmos and Entex from a local distribution
25 standpoint, and Southern and Entergy, from a local and

8

1 regional electric generator, they'll be able to take
2 advantage of this gas.

3 In addition there are several interstate markets
4 for the gas. Midwest, northeast and southeast will be
5 interconnecting with other, major interstate pipelines and
6 the producers who are taking the contracts for this will be
7 able to ship their gas to markets nationwide.

8 The scope of the project. We've got about 1.2
9 billion cubic feet of the 1.5 total under contract
10 currently. It's going to go from approximately Keatchie,
11 Louisiana to the Delhi area. 1.5 bcf of capability, 150
12 miles of 42-inch, and approximately 100,000 horsepower of
13 compression.

14 The construction will begin in the spring of '07.

15 Here's a map of what we're talking about. The
16 dark blue lines are Gulf South's existing facilities. The
17 two new compressor stations associated with this portion of
18 the project will be over at Carthage Junction -- the dark
19 blue square -- and over at Vixen, which is in southern

20 Ouachita Parish -- again the dark blue square.

21 Talking a little bit about safety and the
22 environment. This pipeline is state of the art. It's
23 designed, engineered and constructed using what we would
24 consider the best practices: welded steel pipe.

25 In addition, interstate pipelines are regulated

9

1 by the United States Department of Transportation. They
2 have extremely rigorous operating and safety procedures once
3 the pipeline is constructed.

4 Turning to environmental a little bit, the NEPA
5 process that we're going through, the generation of
6 environmental impact statements and the FERC's shepherding
7 of that process ensures environmental stewardship. We are
8 required to provide minimum disturbance to land-owners,
9 significant wetlands protections. And to the extent we
10 can't absolutely protect the wetland, we are required to
11 mitigate for that wetland loss.

12 In addition, the construction will be handled
13 using the FERC's plan of procedures. These are essentially
14 best management practices for the construction itself. It
15 protects sensitive areas and it will recontour and
16 revegetate the land in accordance with not only what was
17 there before, but local recommendations of local
18 authorities.

19 There's a couple ways to contact us if you have
20 more questions. If you need a general project question of
21 where we are, what's going on, et cetera, please feel free
22 to contact me at the 1-800 number. I'm Kyle Stephens again.

23 If you have a right-of-way issue, a surveying issue or a
24 concern about somebody who is on your property or has called
25 you about access to your property, please contact Russell

10

1 Verba. And his number is there as well.

2 I'll leave that up for a little bit if anybody
3 wants to write that down.

4 MR. PECONOM: Thank you, sir.

5 Well, as I said previously, the purpose of this
6 meeting is to allow for the public -- to allow an
7 opportunity for the public to give us comments, as well as
8 their representatives.

9 Before we open up the public commenting portion
10 of this meeting I'd like to point out that there's a court
11 reporter here tonight to accurately record your comments.
12 Comments provided by the public and/or their representatives
13 will be recorded by the court reporter and made available in
14 a transcript. We will use that transcript to make sure we
15 take everybody's comments into account.

16 So I guess at this time I'd like to ask if
17 anybody would like to comment on the project.

18 (No response.)

19 MR. PECONOM: Did anybody else have any general
20 questions about the FERC process?

21 (No response.)

22 MR. PECONOM: And I know both companies will be
23 available after the meeting to answer any questions you all
24 might have.

25 I'd like to thank you all for coming. And have a

1 good night. And we'll stick around in case anybody else
2 shows up in the next half-hour, hour or so.

3 (Recess.)

4 MR. PECONOM: Let the record show that we
5 concluded this meeting at eight o'clock. Thank you very
6 much.

7 (Whereupon, at 8:00 p.m., the meeting in the
8 above-entitled matter was adjourned.)

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25