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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

- - - - -x
IN THE MATTER OF: : Docket Number
EAST TEXAS EXPANSION PROJECT : PF06-17-000
DRAFT EIS FOR THE PROPOSED : CP06-85-000
CARTHAGE TO PERRYVILLE PROJECT :
- - - - -x

Quitman High School Auditorium
181 Wolverine Drive
Quitman, Louisiana

Wednesday, June 21, 2006

The above-entitled matter came on for public
meeting, pursuant to notice at 7:10 p.m.

MODERATOR: JOHN PECONOM, FERC

1 P R O C E E D I N G S

2 MR. PECONOM: Good evening, everybody.

3 On behalf of the Federal Energy Regulatory
4 Commission -- Can everybody hear me all right? I don't know
5 if this microphone is picking me up so I'm trying to yell a
6 bit. But I see nobody -- it seems to be all right.

7 Can you hear me back there?

8 (No response.)

9 MR. PECONOM: This is pretty informal, as you can
10 tell.11 On behalf of the Federal Energy Regulatory
12 Commission I'd like to thank all of you for coming out
13 tonight. My name is John Peconom, and I'm an environmental
14 project manager with the Federal Energy Regulatory
15 Commission. With me tonight is Todd Ruhkamp, also with the
16 FERC. Alongside me is Doug Mooneyham, and in the back is
17 Erik Dilts and Zack Lifton of Entrix.18 Entrix is a private consulting firm that is
19 helping us with our work here tonight.20 We have invited you here tonight to -- because
21 we're interested in hearing your comments on the Draft
22 Environmental Impact Statement for the proposed Carthage to
23 Perryville Project sponsored by CenterPoint Gas -- excuse
24 me, CenterPoint Energy Gas Transmission. And we're also
25 interested in hearing your comments on the proposed East

1 Texas Expansion Project sponsored by Gulf South Pipeline
2 Company.

3 The FERC is responsible government agency with
4 responsibility for approving interstate natural gas
5 pipelines. FERC has received an application from
6 CenterPoint Gas Transmission to construct a natural gas
7 pipeline known commonly as the Carthage to Perryville
8 Project. As part of our review process we have prepared a
9 Draft Environmental Impact Statement to identify and address
10 potential environmental concerns.

11 As required by the National Environmental Policy
12 Act, we have initiated 45-day public review comment period.
13 This meeting tonight is to allow the public, you know, a
14 chance to review and comment on that DEIS or Draft
15 Environmental Impact Statement.

16 FERC Staff has also initiated a prefiling process
17 to review these proposed East Texas Expansion Project
18 sponsored by Gulf South Pipeline Company. Our prefiling
19 process also has a similar -- Actually, excuse me, our
20 prefiling review process will result in an environmental
21 impact statement similar to what we have prepared for the
22 CenterPoint project. We're here tonight to hear comments on
23 what we should be including in that environmental impact
24 statement.

25 Your comments on the Draft Environmental Impact

1 Statement prepared for the Carthage to Perryville Project,
2 as well as the comments for the environmental impact
3 statement to be prepared prior to the East Texas Expansion
4 Project are important to us. We want to know what you
5 think. We want to know what you think on the DEIS and the
6 EIS we're going to prepare for the Gulf South project.

7 Normally we would hold two separate meetings, one
8 for each project. But because these projects are similar in
9 scope and size and run parallel for quite some distance, we
10 decided to combine these meetings to make it easier for the
11 public.

12 I guess really quickly, before we go on, does
13 anybody have any questions on the FERC process? I touched
14 on it just briefly.

15 Essentially what we do is when we get an
16 application we review it, we prepare an environmental
17 analysis, and then we give that information to the full
18 Commission who uses that, along with other information, to
19 decide whether or not to approve the project. We have
20 prepared a Draft Environmental Impact Statement for the
21 CenterPoint Project and we will be preparing a Draft
22 Environmental Impact Statement for the Gulf South Project.

23 Anybody have any questions on the process?

24 (No response.)

25 MR. PECONOM: Okay. Well, if you do I'm

1 available afterwards to kind of answer how we review these
2 projects. I kind of, like I said, wanted to go quickly and
3 make sure that everybody understands.

4 I think to help those of us who aren't familiar
5 with the projects we've asked both the pipeline companies
6 tonight to give a brief presentation on their projects.
7 Because this is a public comment meeting, we've asked the
8 companies not to take questions at this time; but they will
9 be available afterwards to answer questions that you might
10 have.

11 Let me, with that, go ahead and ask Bud Pylant of
12 CenterPoint to come up and give us a brief presentation on
13 their proposal. And then we'll have Gulf South folks, Kyle
14 Stephens, come up afterwards just to give a brief
15 presentation as well.

16 MR. PYLANT: Thank you, John.

17 My name is Bud Pylant. I'm with CenterPoint
18 Energy Gas Transmission at Shreveport. I'd like to talk
19 just a little bit tonight about the need for our project.

20 As you all are probably aware, this is pretty
21 exciting times in the oil and gas business. For those
22 operators that are drilling wells, there's a lot of drilling
23 activity going on, especially in North Louisiana, in the
24 Varton field over at Shreveport, the Elm Grove, Caspianna
25 Field. We have renewed interest in the Carthage field in

1 east Texas. Also the Bossier Sand and the Barnett Shales up
2 around Fort Worth, Texas, a lot of drilling activity over
3 there, a lot of gas being produced with no place to go.

4 That brings me to talk about the need for our
5 project here, or what our project actually is. It's going
6 to originate in Carthage, Texas, and run 172 miles through
7 North Louisiana to Delhow, Louisiana. It's a 42-inch steel
8 pipeline; runs through Panola County, Caddo Parish, Red
9 River Parish, Bienville Parish, Jackson Parish, Ouachita
10 Parish, and Richland Parish.

11 In association with the pipeline we are proposing
12 two compressor stations, one in east Texas called the Panola
13 Compressor Station, and one in Jackson Parish, just a little
14 bit down the road here, called the Vernon Compressor
15 Station. At each one of those two compressor stations we're
16 proposing to put a 10,000 horsepower turbine engine
17 initially, and then following that initial installation
18 we'll follow it with an additional 10,000 horsepower turbine
19 compressor, the first phase, or the first engine to be in
20 service along with the pipeline in February of 2007, the
21 second engine at each station to be available for service
22 mid-summer 2007.

23 We're still working with all of the permitting
24 agencies. FERC in their Draft Environmental Impact
25 Statement has suggested that we continue a consultation with

1 those agencies to further refine and review the project.
2 And we've been quite successful in doing so and have
3 mitigated -- or proposed mitigations for impacts associated
4 with the project. We're continuing to work with landowners
5 to define the route and make it more amenable to them. And
6 we're also negotiating -- in negotiation with landowners to
7 purchase the right-of-way.

8 Basically that's our project, John. It's pretty
9 benign so far.

10 MR. PECONOM: Thank you very much. Appreciate
11 it.

12 REPRESENTATIVE FANNIN: Wait. Wait. How many
13 employees at Vernon Station?

14 MR. PYLANT: There will be proposed five
15 additional jobs associated with the entire project,
16 permanent jobs. So that's probably two at each compressor
17 station.

18 REPRESENTATIVE FANNIN: You said that would be
19 ready by February '07?

20 MR. PYLANT: That's the in-service date for the
21 pipeline, February 2007. We're proposing five spreads
22 across there in construction.

23 REPRESENTATIVE FANNIN: You're going to be
24 pumping by then?

25 MR. PYLANT: That's the in-service date, the

1 target date.

2 REPRESENTATIVE FANNIN: Okay.

3 MR. PECONOM: We would also like to ask Kyle
4 Stephens of Gulf South to make a quick presentation.

5 MR. STEPHENS: I just quickly wanted to begin by
6 talking a little bit about some natural gas facts. I know
7 this may be a little hard to see. Feel free to move a
8 little closer.

9 Americans use 62 billion cubic feet of natural
10 gas every day. Texas and Louisiana produce about 56 percent
11 of the natural gas produced in this country every single
12 day. On an average year a home will use about 84,000 cubic
13 feet of natural gas.

14 In addition, natural gas is used to generate
15 about 23 percent of the nation's electric power and is one
16 of our cleanest major fuel sources. Concerning greenhouse
17 gases specifically, it produces about 30 percent less CO-2
18 than oil and about 45 percent less CO-2 than coal.

19 Let's talk about the need for the pipeline a
20 little bit. As Bud mentioned, there's a significant amount
21 of gas stranded that has no place to go. CenterPoint's
22 pipeline and our pipeline are going to be hauling that gas
23 to primary markets. Natural gas will increase in
24 utilization across the country by 22 percent in the next 20
25 years. Three billion cubic feet of natural gas is currently

1 stranded in the fields that Bud mentioned -- specifically
2 Barnett Shale and Bossier Sand. These are east Texas and
3 east Texas-Louisiana fields.

4 Well, where's the gas going to go? In a sense we
5 have got local distribution companies and regional electric
6 generators that are current customers of Gulf South that
7 will be buying this gas. It will also be shipped to
8 interstate markets in the Midwest, the northeast and the
9 southeast.

10 The scope of our particular project is to move
11 1.5 billion cubic feet from east Texas to the Perryville,
12 Louisiana area, specifically Delhi. It's going to provide -
13 - yeah, right now we've got 1.2 billion cubic feet under
14 contract of the 1.5 capability. 149 miles of 42-inch
15 pipeline and about 100,000 horsepower of compression.

16 Construction we're anticipating will begin in
17 spring of '07 with an in-service date of September 1, 2007.

18 This is a current map of the project. The dark
19 blue lines are Gulf South's existing assets. We'll be
20 paralleling our existing assets in Desoto and Red River
21 Parishes, splitting off in -- just north of our Haul Summit
22 Station there, heading across Bienville Parish, Jackson,
23 Ouachita and Richland, adding compression in Carthage,
24 Texas, Panola County -- Carthage Junction Station, Panola
25 County -- and adding a station in Vixen, southern Ouachita

1 County -- Parish.

2 Safety and environment. Interstate natural gas
3 pipelines are regulated by the Department of Transportation.
4 We are designing and we will engineer and construct this
5 pipeline using state of the art technology.

6 The NEPA process that the FERC is shepherding
7 ensures environmental stewardship. There are minimum
8 disturbances required. We're seriously protecting wetlands.
9 And wetlands that are going to be impacted, we'll be
10 mitigating for that wetland loss.

11 In addition, construction is conducted using the
12 FERC's plan of procedures. This is tantamount to a best
13 practices type of concept. We have extremely protective
14 methods for construction in sensitive areas and we'll be
15 recontouring the land as nearly as possible to the original
16 and using revegetation practices that are based on local
17 knowledge, local seed mixes, and recommendations from your
18 NRCS.

19 There's ways to contact Gulf South. If you have
20 a general project question you can contact me. There's a 1-
21 800 number that goes directly to my office. If you have an
22 issue concerning right-of-way, location of the pipeline on
23 your property, stakes on your property from surveys, please
24 contact Russell Verba. And he's in our Monroe office.

25 MR. PECONOM: Thank you, Kyle.

1 Before we move on to the public comment portion
2 of this meeting, I would point out that we have a court
3 reporter here tonight to help us accurately record your
4 comments. As I said before, your comments are important to
5 us. And we want to get them on the record. That way we can
6 use them later in our environmental analysis.

7 So with that, we can go ahead and open up the
8 meeting.

9 State Representative Banning would like to speak
10 tonight. And then after he's done --

11 REPRESENTATIVE FANNIN: Is there anyone else who
12 would like to speak?

13 MR. PECONOM: You're first.

14 REPRESENTATIVE FANNIN: First and last.

15 MR. PECONOM: Yes.

16 And we can open it up if anyone else is
17 interested in speaking about the project afterwards. And I
18 encourage people to do so, if you're interested.

19 REPRESENTATIVE FANNIN: It's good to be here. I
20 don't see a lot of faces that I would like to see. And
21 certainly I want to thank CenterPoint and Gulf South for
22 coming and being available to the public.

23 I had shared earlier --

24 MR. PECONOM: Could you say your name for the
25 record?

1 REPRESENTATIVE FANNIN: Okay. The record.
2 State Representative Jim Fannin. I serve
3 Bienville, Jackson and Ouachita Parishes.

4 MR. PECONOM: Thank you.

5 REPRESENTATIVE FANNIN: I had shared earlier that
6 maybe we should choose a night other than Wednesday night in
7 order to get the number of public comments that I think is
8 important. When you ask for public comments then, you know,
9 we need to make every effort to be here at a time that the
10 public can be available to come. So I would -- I had asked
11 to make this statement on the record so that it will get
12 back, and had some assurance from the folks here that they
13 will make every effort to try to do better next time.

14 But you know, this is the area that the -- the
15 meeting that should have people from Bienville Parish and
16 Jackson Parish and Ouachita Parish. I know we have a
17 meeting in Delhi that -- but, you know, we're closer here.
18 And we have more folks from Gulf South and from CenterPoint
19 than we do the public.

20 So I guess I'm a little discouraged that we've
21 handled it this way. But I want to say to CenterPoint and
22 Gulf South that I do sit on the Transportation Committee in
23 Baton Rouge and we get to see many of the issues that come
24 by. I work -- You all have a lobbyist there, Malcolm Hook
25 and Associates with CenterPoint, I think, and maybe Jim

1 Harrison Associates with Gulf South, that we work closely
2 with. When constituents have -- and I appreciate you
3 putting that up on the board -- but there again more of them
4 many times come to our office simply because they're not
5 here, didn't know about the opportunity. So we probably get
6 more questions at our office on these issues than what
7 you'll get here tonight.

8 But, you know, I would encourage you, as the
9 government end of this thing, and from the corporate end of
10 it, to make sure that you make every effort to work with
11 property owners. I mean it's -- I think you have a history
12 of doing that. And I certainly hope that this is no
13 different in this case.

14 When you leave here, you know, it's -- the law
15 that we work under allows you to do this, and basically if
16 you can't satisfy landowners then you have eminent domain
17 that you fall back on to use on pipelines. And, you know,
18 that's been a hot issue nationally lately. And we've just
19 recently made some strong changes in Baton Rouge, but it
20 will not affect you. You know, it affects for economic
21 development but not public issues. So you in no way are
22 affected by the legislation that we just passed.

23 But there again, as many pipelines and as much
24 activity as we have here, it is important that you work with
25 my constituents and the public here to make sure that

1 they're dealt with and their issues and concerns are handled
2 as quickly as possible.

3 And certainly one other comment, and I'll be
4 dealing with I guess folks maybe a little further up the
5 chain. When you get into the contractor that does the
6 pipeline, that it's important that you encourage them to do
7 as much business with our rural local folks as possible
8 because it means a lot for our school system and for our
9 roads. And heavy equipment does a lot of damage to our
10 roads. And we struggle with trying to keep our local rural
11 roads up, and then certainly the state rural roads.

12 And so, you know, just to say to you that we want
13 to work with you from this area. We appreciate any new jobs
14 that you can bring and economic development to the area.
15 But it's important that we all work together to make it be
16 as smooth as possible.

17 Thank you so much.

18 MR. PECONOM: Thank you, sir.

19 REPRESENTATIVE FANNIN: And I guess I'll answer
20 questions if anyone would have one for me.

21 (No response.)

22 REPRESENTATIVE FANNIN: That's good.

23 (Laughter.)

24 MR. PECONOM: Thank you.

25 Would anybody else from the general public like

1 to make a comment on either project?

2 (No response.)

3 MR. PECONOM: Okay.

4 Seeing that there are no other comments out
5 there, what I'm going to do is go ahead and recess this
6 meeting for some time and we'll stay for another -- at least
7 until eight o'clock, maybe a little longer, and see if
8 anybody else comes. And at that point, if people come,
9 we'll open back up the meeting and if not we'll go ahead and
10 conclude it then.

11 So we'll go ahead and recess for now and
12 reconvene if necessary.

13 So again, thank you all for coming. And both the
14 companies and myself and the Representative will be in the
15 back to answer any questions you might have.

16 Thanks again. Drive safely.

17 (Recess.)

18 MR. PECONOM: Seeing that it's eight o'clock now
19 we'll go ahead and conclude this public meeting tonight.

20 Thank you very much.

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

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25