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

2 (7:00 p.m.)

3 MR. BROWN: Good evening. Thank you for coming
4 tonight on behalf of the Federal Energy Regulatory Committee.
5 I'm Charles Brown, I'm the Environmental Project Manager for the
6 Midcontinent Express Project. With me tonight, and here at the
7 front table, I have Erik Dilts. At the back table we have
8 Trevor Loveday. They work with the third party contractor,
9 Entrix, and they'll be helping us prepare the environmental
10 document.

11 The purpose of tonight's meeting is to provide
12 each of you with the opportunity to give your environmental
13 comments on the proposed Midcontinent Project and tell us what
14 environmental issues you'd like to think of that we can address
15 in our document. The format for tonight's meeting is as
16 follows: We will take all verbal comments first for the record.
17 We have a court recorder here who will transcribe your comments
18 to be placed in her record. I will officially close the meeting
19 for the record and open up the floor for questions of me, the
20 company and the -- our special guest, John Jacobi, from Office
21 of Pipeline Safety. Sorry, John, I didn't mean to not introduce
22 you. He is a special guest.

23 A copy of the transcript of tonight's meeting
24 will be available on our internet site in about ten days if
25 you'd like a copy of it. In our Notice of Intent issued on

1 April 27, we requested your comments be filed by the deadline
2 May 30th. That's not to say we won't take comments after that
3 date, we will, but I need your comments as soon as possible so
4 we can evaluate all the issues that you raise. The speakers'
5 list is located at the back table, and we'll use that list to
6 identify individuals wishing to provide verbal comments.

7 Now, if you don't want to provide verbal
8 comments, we have forms at the back desk. You can fill those
9 out, mail them in later, or you can give them to us tonight and
10 I'll make sure they get on the record. You can also mail in a
11 letter. But if you mail in a letter, make sure you got the
12 internal docket number, PF07-4 on any correspondence that comes
13 in the Commission. PF07-4. That's also the number we have on
14 the notice that was sent out. You can also file your comments
15 electronically. The instructions for that are in our notice
16 that we sent to you, also on our web site at www.ferc.gov. We
17 also have a pamphlet here that we're handing out tonight that
18 has the instructions on how to file electronically.

19 The Midcontinent Express Project is currently in
20 our pre-filing process. A formal application has not been filed
21 with FERC, however, the FERC staff began its environmental
22 review of the Project to allow early involvement by the public,
23 government entities and other interested parties. The purpose
24 of the pre-filing process is to encourage involvement by
25 interested stakeholders in a manner that allows for

1 identification and resolution of environmental issues.

2 Now, during this scope of this hearing we call
3 scoping, we try to get as much information on the Project as we
4 can. We get information when the application is filed. We get
5 input from local, state and federal agencies. And I'd like to
6 add that that process has already started. We had two
7 inter-agency meetings last week, one in -- in Pearl, Mississippi
8 and one in Baton Rouge. We had a lot of participation by
9 federal and state agencies, giving us input on issues that they
10 wanted to see us address in the draft of the Environmental
11 Impact Study. We also have a meeting tomorrow in Fort Worth,
12 and we'll have other agencies there for that one. Also, if you
13 want a copy of what was discussed at those meetings, it will be
14 available on the internet in about ten days. I'll place those
15 in a file once I get back to FERC. I've been on the road two
16 weeks, so it will be a while before I get back and get time off.
17 We also do our own research to address any issues and special
18 concerns. But the most important part of the pre-filing process
19 is we come here and we get information from you. It's very
20 important that you let us know. This is your home. This is
21 your backyard. You know the issues that we need to address.
22 And I need as much input from you as I possibly can get.

23 Now, once we gather all this information, we'll
24 be putting out a draft of the Environmental Impact Study for
25 comment. And that comment period lasts 45 days. During that

1 45-day period, I'll come back here again, hold another meeting
2 very similar to this one, and we'll get your comments again on
3 the draft. At the end of that 45 days we will start gathering
4 all the information we have to date, and we'll be preparing a
5 Final Environmental Impact Study. Now, the final -- the impact
6 study is not the decision making document. Also, if you want a
7 copy of the draft or the final, please mail back the information
8 on the notice we sent or you can get on our mailing list and
9 that way you'll be sure to get a copy.

10 Commissioners at FERC will consider the
11 environmental information in the EIS along with the
12 non-environmental issues such as engineering, markets and rates,
13 in making its decision to approve or deny the Project. If the
14 Commission does vote to approve the Project, FERC environmental
15 staff will monitor the Project through construction and
16 restoration, performing on-site inspections to ensure
17 environmental compliance and conditions of the FERC certificate.
18 We'll have a monitor on each of the construction spread. Our
19 monitors will work six days a week, ten hours a day, and they
20 will be providing reports back to me every day. So we'll have a
21 close, on-hands monitoring program during the construction
22 phase.

23 At this time I'd like Kevin Dahncke to come up.
24 He's with Midcontinent Express and he'll give you a brief
25 overview of the Project.

1 MR. DAHNCKE: Welcome, I'm Kevin Dahncke, Vice
2 President and Director Midcontinent Express Pipeline Project.
3 I'd like to introduce the other members of the Project team that
4 are here with me tonight. If you would, please raise your
5 hands. This group right here. We will be available at the
6 conclusion of tonight's program to answer your questions and
7 address any issues or concerns.

8 I know that the idea of a natural gas pipeline
9 across your land is not something that is welcome by everybody.
10 I know that -- also know that the majority of the people here
11 have questions regarding how that pipeline, how the pipeline --
12 how the pipeline will effect them. I'd like to explain why the
13 Project is important and give a quick overview of the Project
14 and read from our commitment to work with each and every one of
15 you to make this as easy as possible. I know it's an
16 inconvenience.

17 Our nation needs this pipeline and others like
18 it. Use of natural gas, the cleanest burning fossil fuel, is
19 expected to be growing in this country by 20 percent by 2025.
20 Fortunately, the Central U.S. is home to the growing supply of
21 natural gas. But pipeline capacity is required to move these
22 supplies of natural gas from the production areas into the
23 markets across the United States. Historically, pipelines
24 moved -- pipelines moved about one-quarter of the nation's
25 freight and by far had the best safety record of any other form

1 of transportation. At Midcontinent Express we are committed to
2 building and to operating a safe pipeline.

3 To sum up, new pipeline projects like
4 Midcontinent Express help improve our nation's energy security
5 by better access to domestically produced fuel, lessening our
6 dependence on foreign energy sources. The pipeline will also
7 help keep energy prices affordable, protect against service
8 interruptions from hurricanes and other disruptions of offshore
9 supply.

10 Our Project will extend approximately 500 miles,
11 starting in Bennington, Oklahoma near the production areas,
12 across Northeast Texas, Northern Louisiana, Central Mississippi
13 and into Alabama. Along the way we'll interconnect with other
14 pipelines that will carry the gas to markets in the southeast
15 and the northeast and in the midwest. The Project also includes
16 compressor stations along the route that provide power and push
17 the gas along the system. Our goal is to have the pipeline in
18 service by March 1, 2009.

19 As an interstate pipeline system, Midcontinent
20 Express is regulated by the Federal Energy Regulatory
21 Commission, or FERC, which oversees involvement of several other
22 agencies. We are working with these agencies currently to
23 insure that the entire pipeline is safe and has minimal impact
24 to the environment. We also want to be sensitive to your
25 concerns and respectful of the neighbors whose pipelines that we

1 are proposing to cross. Midcontinent Express Pipeline is a
2 joint venture between Kinder Morgan, who will build and operate
3 the pipeline, and Energy Transfer Partners. Kinder Morgan, with
4 approximately 40,000 miles of pipeline, is one of the U.S.'s.
5 biggest pipeline companies with an equal commitment to safety
6 and environmental impact. We post our performance on the web
7 site and are proud of the fact that our performance is better
8 than the industry average in all categories as well as safety
9 and emissions.

10 We already have been talking with many of you
11 during the survey process as we fine tune our proposed pipeline
12 route. A number of factors come into play as we find the best
13 route for the pipeline. Our goal is to balance your concerns
14 and preferences with environmental issues, safety requirements,
15 and construction needs. In many cases we have been able to make
16 changes that address specific landowner concerns. We are eager
17 to continue working with you as the Project moves forward. In
18 many areas we have begun sitting down with landowners and
19 documenting your specific issues for construction such as
20 fencing, access, livestock and timber. Valuation experts
21 currently are developing market analysis, and we expect to begin
22 negotiating for right-of-way in the June time frame. While we
23 can't always accommodate all requests, our goal is to find a
24 mutually agreeable solution. In addition to jobs and economic
25 stimulants during the planning and construction stages, the

1 Project will pay the community thousands in tax dollars over its
2 lifetime to benefit most schools and counties. In many areas
3 we'll be among the county's largest taxpayers. We look forward
4 to continuing to work with you and being a good neighbor for
5 years to come. Thank you for this time and we appreciate the
6 opportunity to meet with you.

7 MR. BROWN: Thank you. Okay. We'll get to the
8 most important part of this meeting, is start taking verbal
9 comments. Our first speaker is R. L. Whaley. Please, when you
10 come to the speaker, please state your name and spell it for the
11 record, for the court recorder.

12 MR. R. L. WHALEY: R. L. Whaley, W-H-A-L-E-Y.
13 Did you get that? W-H-A-L-E-Y. Actually, I have a question,
14 but I also had comments for my property. Kinder Morgan a couple
15 of years ago came out and represented, came out and he defined
16 where my house was as lying within the critical impact zone.
17 And it's a 30-inch pipeline. My understanding is 50 feet north
18 of that pipeline is where this Midcontinent's pipeline will run.
19 And I also understand that at later date there will be another
20 pipeline south of that 30-inch Kinder Morgan, which will be
21 another 42-inch pipeline. And my question here is, is this or
22 is this not going to detrimentally effect property values
23 because it almost has to when you take into consideration what
24 took place in Jasper a few years ago? Now, this may sound like
25 an alarmist attitude to you, but I live there, you understand.

1 And it's some day in the future I may want to sell that
2 property. When I get older I may want to move into town where
3 I'm near a health concern, and my property value plummets what
4 do I do? I'd like to -- I'd like somebody to respond to what I
5 have to say.

6 MR. BROWN: We can certainly respond to that
7 after we receive your comment. Like I said, at the end of the
8 meeting I'm going to get your verbal comments and we can address
9 that comment. Okay?

10 MR. WHALEY: All right. Thank you.

11 MR. BROWN: And, yeah, we'll also address it in
12 EIS, also.

13 MR. WHALEY: EIS?

14 MR. BROWN: Environmental Impact Study. We
15 don't have any other speakers signed up, so anyone else that
16 would like to come up and speak I certainly would appreciate it.

17 A SPECTATOR: (Raises hand.)

18 MR. BROWN: Okay.

19 MR. PATRICK WHITFILL: Yeah. My name is Patrick
20 Whitfill, W-H-I-T-F-I-L-L, and I'm speaking on behalf of my
21 mother, Barbara Whitfill. And we have -- we have a lot of
22 concerns similar to Mr. Whaley's concerns about the impending
23 property value plummet that we expect to happen as a result of
24 the pipeline. We also have some environmental concerns. The
25 property, our property, is mostly hardwood bottom lands and,

1 primarily, it's a wild area. It's been untouched for I don't
2 know how many hundreds of years. And our concern is that that
3 wilderness area is going to be -- is going to be ruined by this
4 pipeline. And that the value of that property over the years
5 has been -- has been in its -- it's a natural area, and it's --
6 our family has enjoyed for -- for a long time, since the early
7 '70s. And we don't want to see that -- we don't want to see
8 that changed. And, you know, it's interesting that if you look
9 around in the press today talking about other countries that are
10 destroying their -- their forest and you hear "save the forest"
11 everywhere you look. But here in our own country we don't hear
12 it. And it's fast disappearing as these -- these hardwood
13 forests, and I'd just like to go on record as saying that we
14 don't want to see that happen to our property.

15 MR. BROWN: Thank you. Anyone else.

16 MR. R. L. WHALEY: I'd like to make an
17 additional comment if it's all right. Not only does -- and I
18 use this phrase now because I haven't seen it in print anywhere.
19 But between our house and that pipeline we also have a church.
20 And, as I understand it, if it's put north of the existing
21 pipeline is where you'll lay it and then there will be a hundred
22 foot right-of-way and that's going to cut right into -- right
23 through the church property, that hundred foot right-of-way.
24 That also concerns me. So I'd like that addressed, also.

25 MR. BROWN: We will address that.

1 MR. R. L. WHALEY: All right.

2 MR. BROWN: That's something I need you to bring
3 to the attention of the company tonight so that you can get with
4 them.

5 MR. R. L. WHALEY: I haven't put a tape measure
6 on this, but it looks to me as if it would, you know.

7 MR. BROWN: Set up a meeting with the company
8 and go over your concerns out there. We'll also address it in
9 the draft. They'll have to respond back to me and we'll see
10 what we can do.

11 MR. R. L. WHALEY: All right.

12 MR. BROWN: Any other questions? Any other
13 speakers? Okay. If we don't have any other speakers, what I'm
14 going to have to do is close this for the verbal comments and
15 then we'll open it up to questions of myself. We have the
16 Department of Transportation, he came a long way, to answer any
17 questions on safety issues, and of the company. So I'm going to
18 close this meeting now. Let the record show it's closed. No
19 more speakers. Now, I'll open up the floor to questions and
20 answers.

21 (Proceedings concluded.)

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1 THE STATE OF TEXAS)

2 COUNTY OF PANOLA)

3 This is to certify that I, Karen A. Scott, a Certified
4 Shorthand Reporter and Notary Public in and for the State of
5 Texas, reported in shorthand the proceedings had at the time and
6 place set forth in the caption hereof, and that to the best of
7 my ability the above and foregoing contains a full, true and
8 correct transcript of the said proceedings.

9 Certified to on this _____ day of _____, 2007.

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