

FEDERAL ENERGY REGULATORY COMMISSION

SCOPING MEETING

RUBY PIPELINE PROJECT

PF08-9-000

Kemmerer Senior Center

105 JC Penney Drive

Kemmerer, Wyoming

Wednesday, April 16, 2008

7:02 p.m.

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April 16, 2008

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

2 (7:02 p.m.)

3 MR. SWEARINGEN: All right. Good evening. My
4 name is Dave Swearingen and I'm an environmental project
5 manager with the Federal Energy Regulatory Commission or
6 FERC, and the gentleman to the far left of this table here
7 is Bill Regan and he's with Merjent who is--it's an
8 environmental consulting corporation. Merjent is going to
9 be assisting us in development of the Environmental Impact
10 Statement. Jeff MacKenthun, also with Merjent, is at the
11 sign-in table in the back by the door when you came in. To
12 my immediate left is Mark Mackiewicz with the U.S. Bureau of
13 Land Management, the BLM.

14 On behalf of the FERC and the BLM, I want to
15 welcome you all here tonight. Let the record show that the
16 Kemmerer scoping meeting began at 7:02 p.m., April 16, 2008.
17 The purpose of this meeting is to give you the opportunity
18 to provide environmental comments, specifically on Ruby's
19 proposed project. Ruby entered into what we call the FERC
20 pre-filing process on January 31 of this year to which we
21 are now beginning a review of the facilities that we refer
22 to as the Ruby Pipeline Project. The Ruby Pipeline Project
23 will be able to deliver gas from the Rocky Mountain Region
24 to the growing markets on the West Coast and the state of
25 Nevada.

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1 The main facilities that Ruby is considering for
2 the project are approximately 655 miles of 42-inch diameter
3 pipeline and two new compressor stations. The pipeline
4 would extend from the Opal Hub in Lincoln County to the
5 Malin Hub in Klamath County, Oregon. There are some other
6 associated facilities that Ruby is considering. In a little
7 bit I'll ask a representative from Ruby to take the floor to
8 present a little more of detailed project description. They
9 will be able to answer a few question from you if you have
10 questions specific about the project, and they'll be able to
11 hang out in the back of the room with the maps after the
12 public part of the meeting is closed and you can ask them
13 some more questions then.

14 Right now, I'm going to talk a little bit
15 about the scoping process and public involvement in FERC
16 projects in general. The main FERC docket number--that's
17 how we categorize these projects--the FERC docket number is
18 PF08-9. The "PF" means that we're in the pre-filing stage
19 of the process. Once Ruby files a formal application, a new
20 docket number will be assigned for the project.

21 The National Environmental Policy Act requires
22 that the FERC Commission take into consideration the
23 environmental impacts associated with new natural gas
24 facilities. Scoping is the general term that we use to
25 solicit comments and concerns from the public at meetings

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1 such as this. The idea is to get information from the
2 public as well as agencies and other interested groups so we
3 can incorporate these concerns into our environmental
4 review. Our scoping process for the Ruby Project started
5 last month when we issued our Notice of Pre-Filing
6 Environmental Review. In that notice we described the
7 environmental review process and the steps the FERC and
8 cooperating agencies will take to prepare an Environmental
9 Impact Statement, which we also call an EIS. We have extra
10 copies of the notice on the table where you signed in if you
11 need one and you can put your name on our mailing list if
12 you are not already on it.

13 We have set an ending date of April 30, 2008 for
14 this scoping period. However, the end of this scoping
15 period is not the end of public involvement for this
16 project. As mentioned in the notice that we issued, we are
17 very early in the process for this particular project. We
18 may decide to open another scoping period later this year as
19 more details of the project route and design become
20 available. So there will be additional points along the
21 process for public input after the formal application has
22 been filed, and this scoping period is just the first step.

23 Your comments and concerns, along with all the
24 other people and agencies who have been asked to participate
25 in this process will be used to focus our environmental

1 analysis. Your comments tonight, together with any written
2 comments you may want to file or may have already filed will
3 be added to the record as comments on the environmental
4 proceeding.

5 We take your comments and other information
6 and work on our independent analysis of the project
7 potential impacts. Now, the FERC is the lead agency for
8 conducting this environmental analysis and the publication
9 of the Environmental Impact Statement. The BLM is going to
10 be acting as a cooperating agency because the pipeline is
11 proposed across Forest Service land; the Forest Service is
12 also going to act as a cooperating agency. So together
13 these three agencies, along with possibly some other
14 agencies along the way as we get further into this process,
15 will work on development of the EIS.

16 Once the Draft EIS is published, there will
17 be another comment period allotted for public review and
18 comment of that document. We'll then continue our analysis
19 and incorporate those public comments into a final
20 Environmental Impact Statement, which will also be mailed to
21 all interested parties.

22 Now, I need to differentiate between the
23 roles of the FERC Commission and that of FERC environmental
24 staff. The Commission is responsible for making a
25 determination of whether to issue a Certificate of Public

1 Convenience and Necessity to Ruby. That is, whether or not
2 to approve the project. The EIS that is prepared by FERC
3 environmental staff--that's what I do--that does not make
4 that decision of whether or not to approve the project. In
5 general, the EIS describes the project facilities and
6 associated environmental impact; alternatives to the
7 project; and mitigation to avoid or reduce impacts as well
8 as our conclusions and recommendations.

9 The EIS is used to advise the Commission and to
10 disclose to the public the environmental impacts of
11 constructing and operating the Ruby project. The Commission
12 will consider the environmental information from the EIS,
13 public comments as well as a host of non-environmental
14 issues such as engineering, markets, rates, finances,
15 tariffs, and design and cost of the project. They will
16 take all that information to make an informed decision on
17 whether or not to eventually approve the project.

18 Are there any questions regarding the scoping
19 process or the FERC role in this proceeding?

20 (No response.)

21 MR. SWEARINGEN: As I mentioned, the BLM is
22 acting as a cooperating agency. So I'm going to turn the
23 floor over to Mark Mackiewicz of the BLM so he can say a few
24 words.

25 MR. MACKIEWICZ: Good evening. My name is Mark

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1 Mackiewicz. I'm a national project manager with BLM's
2 Washington, D.C. office. The Bureau of Land Management is
3 the lead federal agency in charge of issuing right-of-way
4 across all federal lands involved with this project,
5 including lands managed by the U.S. Forest Service. We work
6 closely with our local BLM offices as well as our Forest
7 Service offices resource specialists to ensure that we have
8 identified resources and issues that the proposed project
9 may have on federal lands.

10 And as Dave mentioned, we are a cooperating
11 agency, along with the Forest Service in preparing the
12 Environmental Impact Statement that will analyze this
13 pipeline project. We utilize the Environmental Impact
14 Statement in determining whether we should issue right-of-
15 way across federal lands or not issue a right-of-way across
16 federal lands, authorizing the construction of the Ruby
17 Pipeline Project. And BLM is asking you today to help us to
18 identify issues, alternatives or possible mitigation
19 measures or measures to lessen the impact of this project on
20 federal lands or private lands or state lands that the
21 project may cross over.

22 MR. SWEARINGEN: Okay. Thanks Mark. Next, I'm
23 going to turn the floor over to Dan Gredvig with Ruby and
24 he's going to give a brief project description.

25 I'll just go ahead and explain now the meeting is

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1 being transcribed by the court reporter at the round table
2 over there behind all the electronic equipment. So all the
3 comments will be into the public record. The microphones
4 here are for the benefit of picking up the conversation for
5 the public record.

6 MR. GREDVIG: As Dave said, my name is Dan
7 Gredvig. I'm with Ruby Pipeline, and employee of El Paso
8 Corporation out of Colorado Springs, Colorado. The Ruby
9 Project, as you can see here, it's Ruby Pipeline Corporation
10 or LLC Ruby Pipeline Project is a joint effort from El Paso
11 Corporation and Pacific Gas and Electric and other possible
12 partners that may be joining up with us on this effort of
13 building a 680 mile, 42-inch natural gas pipeline from Opal
14 (phonetic), Wyoming to Maline, Oregon. Our headquarters is
15 in Colorado Springs, Colorado. That's where I live and
16 work. Along with me is John German from our project
17 engineering staff and Armetus (phonetic) Salis (phonetic)
18 from our Regulatory Affairs staff. We also have
19 environmental consultants that are working with us on this
20 project.

21 This project will be operated and owned by
22 Colorado Interstate Gas Company--or constructed by Colorado
23 Interstate Gas Company. We're an experienced operator--the
24 United States largest natural gas transporter of natural
25 gas. We've over 4400 miles of pipeline within our CI G

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1 system. Overall, El Paso Corporation has somewhere between
2 40 to 4300 miles of interstate natural gas pipelines across
3 the United States. We provide natural gas related products
4 in a safe and effective and dependable manner. That's
5 something that I want to emphasize is that is something
6 that's very important to El Paso and we pride ourselves on
7 that ability to operate a safe pipeline, environmentally
8 friendly and safe to the general public.

9 Project at a glance. As you can see, from Opal,
10 Wyoming going through northern Utah, northern Nevada and
11 coming into Maline, Oregon were there's an existing hub. So
12 we've got a compressor station that's here at Opal. It will
13 located in the Opal area probably south of the Muddy Creek
14 area and then we've got a compressor station that's just
15 north of Elko, Nevada; and then we'll have our interconnect
16 with the existing Maline hub that's in Oregon.

17 We've got the opportunity, once this
18 infrastructure is in place. We're an open access carrier,
19 an open access transportation pipeline company and so if
20 there is an interest or the need for natural gas along the
21 pipeline route we have that opportunity to, with this
22 infrastructure in place, to provide that service--again, 680
23 miles. I know Dave mentioned earlier 654 miles. That's
24 pretty much on a straight map. We know that the topography
25 out here in the West is up and down, and back and forth, so

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1 we're going to land some place between that 650 to 680 miles
2 once we get done with our survey work that we've got out
3 there.

4 Our project timeline we've applied to the Bureau
5 of Land Management in November 2007. We started with the
6 pre-filing process, as Dave mentioned earlier, in January
7 2008. We have begun our civil survey on the ground and that
8 means that's where we're trying to perfect our route. The
9 initial route that you see is a line on a map and it's as
10 best that we could come up trying to get as much critical
11 information as we could to help sight that line, but it was
12 on a map. Now, we're going through the civil survey process
13 out in the field to try to perfect that route and try to
14 take information from all stakeholders and that they'll
15 share with us and we can use that vital information to help
16 site that pipeline through all these lands as you see.

17 We anticipate filing a full
18 application, going from the pre-filing process with the FERC
19 to the filing process with FERC January 2009. We're asking
20 Bureau of Land Management and the Federal Energy Regulatory
21 Commission to grant us a certificate and a record of
22 decision the first quarter of 2010 at which time we will get
23 a notice to proceed and then we'll start construction and
24 we'll have in service by the first quarter of 2011.

25 As I said earlier, safety is paramount for our

1 company. We want to be the good neighbor, the neighbor to
2 have and part of that is brought home with safety. Part of
3 our safety and design is that we do hydrostatic testing of
4 the pipeline. What that requires is that we fill the
5 pipeline with water. We pressure it up to about the 1440
6 psi that we've got on the pipeline that it's being designed
7 for. That will tell us if we have any failures when it
8 comes to welded seams, the integrity of the line. If we
9 have a leak, we can repair it at that time so that once we
10 put it into service, everything will be operating, again, in
11 a safe manner. We put pipeline markers out there. DOT
12 requires line of sight pipeline markers. They've got all of
13 our identification and contact numbers so that we can be
14 contacted if there's any question, third party going to be
15 crossing our line.

16 We do monitor our pipeline. We've got a gas
17 control. It is in our Colorado Springs office in Colorado
18 Springs, Colorado, but we're able to monitor this pipeline
19 every day of the week, 24 hours a day. We do routine
20 inspection, whether we do it as an over flight--we do fly
21 the pipeline looking for any encroachment, third party
22 encroachment, erosion, any problems that would be identified
23 from that over flight. We also do ground surveillance of
24 the pipeline and then we also have the opportunity to use
25 what's called an intelligent tool or a tool that we put

1 inside the pipe that can tell if there's any coating or pipe
2 loss or any anomalies that might be affecting the pipeline.
3 We do coordinate with local emergency response. We want to
4 make sure that they know who we are, how to contact us. We
5 know who they are and how to contact them. If there is an
6 incident involving our pipeline, we want to make sure that
7 we've got good coordination so that we can handle any
8 incident that might happen out there.

9 We also hold periodic public awareness. We
10 might meet with a rotary club. We might meet with the Lyons
11 Club. There are different ways that we share our message
12 with the public and we also do a door-to-door. And in
13 Wyoming it's a little tough to do door-to-door because
14 there's not many door-to-doors right next to the pipeline,
15 but wherever we know where a landowner is or how we can get
16 out information we try to keep them updated with how to
17 contact us if they have any situations.

18 If you have any follow-up questions or any
19 follow-up information that you need specific to our
20 pipeline, we do have right-of-way negotiators that are out
21 here in the field that are working clearing the pipeline for
22 survey. We'll also have those negotiators that will be
23 dealing when we come to negotiating for the easement. The
24 other way that you can reach us is at www.rubypipeline.com.
25 At that we've got the Frequently Asked Questions and we

1 answer those questions. We've got a lot of information and
2 we'll keep updating that. We've got the opportunity to send
3 us an e-mail, questionsatrubypipeline.com. There are about
4 three of us right now that are monitoring that on a daily
5 basis. So any questions that come in we either answer them
6 directly or forward them to the appropriate person so that
7 we can get you an answer to your question. We also have our
8 telephone numbers and I'll leave this up so if you want to
9 follow up and get telephone numbers or any of the contact
10 information, please do that. And then after the meeting,
11 I'll be around to answer any questions and so will the other
12 Ruby representatives.

13 So if there are any questions I can answer that
14 are directly related to my presentation, I'd be more than
15 happy to.

16 VOICE: What's the estimate?

17 MR. GREDVIG: 1.2 billion cubic feet a day is the
18 design right now that we're looking at. It's expandable up
19 to 2 billion cubic feet a day with compression.

20 VOICE: I assume most of the gas is coming
21 out of --

22 MR. GREDVIG: It's coming out of the Rocky
23 Mountains, whether it's Colorado, Utah, Wyoming, but it's
24 Rockies gas that we--what we are is a transportation
25 company. So we're providing a service to shippers and

1 producers and then we're also customers on the other end.
2 We just marry those two up together.

3 VOICE: The customers, have they given you any
4 impact (Inaudible) as to what the duration of their
5 realizations at the Opal pricing hub relative to the Henry
6 Hub.

7 MR. SWEARINGEN: Dan, go ahead and restate that
8 questions because it's probably not picked up on the record.

9 MR. GREDVIG: Okay. You were wondering about the
10 pricing differences between the Opal Hub--

11 VOICE: More than what we've seen with the
12 pipeline (Inaudible).

13 MR. GREDVIG: We should. Now, we are--again, all
14 we are is a natural gas transporter and we do not own the
15 gas. So we're just giving an opportunity to take that
16 constraint that natural gas that is in the Rockies and give
17 it an avenue and a way to transport that gas out of the
18 Rockies where it has been constrained. We anticipate that
19 it will help those price points here in Wyoming.

20 VOICE: Those constraints being primarily at the
21 Jonah (Inaudible).

22 MR. GREDVIG: Yes. You were wondering if the
23 constraints are from the Jonah and Opal versus the Peoughts
24 (phonetic). Yes, again, the gas that we're going to be
25 transporting is through an open season process that we're

1 going through right now and those shippers can come from
2 anywhere. And so to say that they're coming from any one
3 specific location we don't know where that gas is coming
4 from. We're just providing the avenue for them to ship that
5 gas.

6 MR. SWEARINGEN: In order to keep us on track,
7 what I'm going to do--like Dan said, he and the Ruby folks
8 are going to hang around after the public part of the
9 meeting. They'll be over by the maps. Specific questions
10 as to the design of the project will be answered at that
11 time. I don't mind if you have a question, you can direct
12 it to me and then I can pass it on to Dan. It's just that
13 we need to pick it up on the microphone so that it gets into
14 the record. I'll hang around the back of the room after the
15 meeting is over for a little while if you have any questions
16 of me and the FERC process that maybe you forget to ask now
17 you can ask me after the meeting is over.

18 What I'm going to do now is we have one person
19 who has signed up to speak to give comments, and I'm going
20 to call him up so he can present his comments and then I'll
21 open the floor to anybody else who might want to come up and
22 give a comment. Now, you can present comments here tonight.
23 You can send them in via the mail or through the electronic
24 filing system. It makes no difference to me. Your comment
25 is your comment and however I get it is fine. So it will be

1 a part of the public record either way and I will
2 incorporate that into the information that we use in order
3 to do our environmental analysis.

4 So the first person that is signed up is Bill
5 Robinson. I would ask that when you come up and you speak
6 into the microphone there for the record that you would
7 speak clearly--your name is pretty easy, but if you come up
8 and you've got a name that's going to be kind of tough to
9 spell, if you could spell it for the record that would be
10 great.

11 MR. ROBINSON: I don't need to. I don't think
12 you need to spell my name.

13 MR. SWEARINGEN: That's right. Bill Robinson I
14 think we got that one.

15 MR. ROBINSON: Okay. I'm here to represent
16 Oregon/California Trail Association and we have looked this
17 situation over, looked the maps over and we feel to protect
18 the trails and the historical things in the State of Wyoming
19 that this route would be the best route to go and that's
20 what we would go. We would like a little more information
21 and a closer view of the area that they're going to go in.
22 But that's what I'm here for tonight is to represent the
23 Oregon/California Trail Association and say that we are in
24 favor of this south route and that would protect more of the
25 trails and the historical parks in Wyoming. Thank you.

1 MR. SWEARINGEN: Thank you for your comment, Mr.
2 Robinson. He brings up a good point that we are very early
3 in the process and as this project is developed further
4 along and the Ruby folks get their civil surveys and
5 environmental surveys there will be much more detailed
6 information on the record about exact locations of where the
7 pipeline is and where it will be crossing certain areas. So
8 as the project goes along, you'll get that more detailed
9 information that you're looking for.

10 Is there anybody else who would like to come up
11 and offer comments on this project?

12 (No response.)

13 MR. SWEARINGEN: Okay. Then what I'll do is I'm
14 going to close the formal part of the meeting and anybody
15 wishing to purchase a copy of the transcript within the next
16 10 days make those arrangements with the court reporter
17 there to my left. You can follow the FERC website, which
18 www.ferc.gov. That's [www dot F-E-R-C dot G-O-V](http://www.ferc.gov) has a couple
19 of nice ways for the public to keep involved with a certain
20 project, so for this project if you go to the link that says
21 E-library and you type in the docket number, which right now
22 is PF-08-9, you can use E-library to see all the information
23 that's on the public record for this particular project.
24 That includes information that the Ruby folks file with the
25 FERC and also any issuances that the FERC makes related to

this project.

There's also a link called e-Subscription and if you really want to keep tabs on the project, you sign up with your e-mail through the e-Subscription and every time something gets filed or issued for the public a link will be e-mailed to you and it's an automatic thing, and if you click on the link then you can be directed directly to that particular information. So there are a couple of ways that you can use the FERC website to keep track of the project. It's up to you if want to sign up for that or not.

On behalf of the FERC and the BLM, I want to thank you all for coming here tonight. Let the record show that Kemmerer scoping meeting concluded at 7:25 p.m. Thank you.

(Whereupon, at 7:25 p.m., the above-entitled matter was concluded.)