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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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TransCanada Pipeline USA, Ltd. Docket No. PF08-22
Bison Pipeline, LLC Docket No. PF08-23
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Pathfinder/Bison Pipeline Project

Bowman City Hall Auditorium
101 1st Street, NE
Bowman, North Dakota 58623
Wednesday, October 15, 2008

The public hearing, pursuant to notice, convened at 6
p.m. before a Staff Panel:

- CHARLES BROWN, Deputy Environmental Project
Manager,
Federal Energy Regulatory Commission
- HAROLD WINNIE, Office of Pipeline Safety, US DOT
- KATIE GRANGE, Federal Energy Regulatory
Commission
- JACKIE LAYTON, Federal Energy Regulatory
Commission
- WAYNE KICKLIGHTER, Entrix
- MARK YEOMANS, TransCanada Pipeline USA

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

2 MR. BROWN: Good evening. Thank you for coming
3 tonight. My name is Charles Brown, I'm the Deputy
4 Environmental Project Manager for the Federal Energy
5 Regulatory Commission or FERC. Our environmental
6 contractor, Entrix, is represented by Wayne Kicklighter,
7 seated to the left, and Katie Grange and Jackie Layton in
8 the rear, assisting at the table. Also present tonight is
9 Harold Winnie, from the Department of Transportation,
10 Safety, he'll be giving a brief presentation.

11 We're here tonight to provide some information on
12 the federal agency process as they relate to the proposed
13 Pathfinder and Bison Pipeline Projects, and to hear your
14 comments and concerns. But before I explain the federal
15 process, I'd like TransCanada to come up and give you a
16 brief presentation on the pipeline project. Beth Jensen,
17 please.

18 MS. JENSEN: Good evening. As Charles said, my
19 name is Beth Jensen, I'm representing TransCanada
20 Corporation this evening, and I'd just like to give you a
21 very brief overview, first of all of TransCanada, then I
22 will give you a brief overview of each of the two projects,
23 and then I'll turn it back over to Charles.

24 Just for your information, TransCanada has been
25 in the business of conducting energy to markets for over 50

1 years. They own approximately 36,500 miles of pipeline that
2 they own interests in another 4800 miles of pipeline, and
3 approximately 60 percent of those assets are located in the
4 United States.

5 Now as regards to the projects that we're here to
6 talk about tonight, we actually have two to discuss.
7 Pathfinder project is first. That docket number, and you
8 may want to make a note of this because if you want to
9 correspond with any of the agencies with regard to the
10 projects, you're going to include the docket numbers. That
11 docket is PF08-22.

12 Pathfinder consists of 673 miles of 36-inch pipe.
13 It will be constructed in four segments. The first segment
14 is entitled the Meeker segment; that is 130 miles of 36-inch
15 pipeline from Meeker, Colorado to Wamsutter, Wyoming. Then
16 we have Segment 1, which is 236 miles of 36-inch pipeline
17 from Wamsutter, Wyoming to Dead Horse, Wyoming. Then
18 Segment 2, which is 297 miles of 36-inch pipe from Dead
19 Horse, Wyoming to Northern Border Pipeline's Compressor
20 Station No. 6, which is located in Morton County, right by
21 Glen Ullin, North Dakota. And then there's also a smaller
22 segment, which is 11 miles, that goes from -- it's called
23 the Wamsutter Segment; that's 11 miles of 36-inch from an
24 existing processing facility to the intersection of Meeker
25 and Segment 1.

1 There are also eight compressor stations proposed
2 for this project. The maximum capacity of this project is
3 approximately 1.6 BCF a day, and it's designed to bring
4 supplies to the Upper Midwest, from the Rockies basins,
5 primarily Peonca, Unita, and Green River.

6 The second project that we're here to talk about
7 tonight is entitled the Bison project. Again, the docket
8 number for that would be PF08-23. Bison is 297 miles of 24-
9 inch pipeline, and that is basically the exact same route as
10 Segment 2 of the Pathfinder Project. And again, that goes
11 from Dead Horse, Wyoming to Northern Border Pipeline's
12 Compressor Station 6 near Glen Ullin. There is one
13 compressor station proposed for that particular project;
14 that is designed to bring in supply from the Powder River
15 Basin supply area.

16 Both these projects are pending approval,
17 construction to start sometime in 2010, hopefully mid-2010,
18 and the proposed in-service for both of the projects is late
19 2010.

20 Now just one last thing to make you aware of. In
21 September, TransCanada announced that a subsidiary of
22 TransCanada had purchased the assets of the Bison Pipeline,
23 LLC, and what that means is that Bison or Pathfinder will be
24 constructed, and TransCanada will make a decision on which
25 project will be constructed in the very near future; but it

1 will either be the larger Pathfinder project or the smaller
2 Bison project, but not both.

3 And with that, I'll turn it back over to Charles.

4 MR. BROWN: Thank you, Beth.

5 I'm going to have Harold Winnie of Department of
6 Transportation give you a brief presentation on the
7 Department of Transportation's responsibility.

8 Harold.

9 Mr. WINNIE: Thank you, Charles.

10 Good evening. My name is Harold Winnie. I am a
11 Regional Project Manager for the Office of Pipeline Safety,
12 which is a branch of the U.S. Department of Transportation
13 Pipeline and Hazardous Materials Safety Administration,
14 known as PHMSA. I would like to thank FERC for
15 inviting OPS/PHMSA to this scoping session.

16 If Pathfinder or Bison receives permission from
17 FERC to construct the pipeline, the Office of Pipeline
18 Safety, in cooperation with state partners, will maintain
19 regulatory oversight over the safety of the pipeline. This
20 regulatory oversight would include inspections to ensure
21 that the pipeline is constructed of suitable materials, that
22 it is welded in accordance with industry standards, that the
23 welders themselves are qualified to join the pipeline, that
24 the pipeline is installed to the proper depth, that it is
25 protected from external corrosion, that the backfill is

1 suitable, and that it is properly pressure-tested upon
2 completion.

3 Beyond the construction process, inspections will
4 be performed periodically covering all aspects regulated
5 under U.S. Federal Code of Regulations 49 CFR Part 192,
6 regarding the operation and maintenance of the pipeline.
7 The operator must establish comprehensive written procedures
8 describing the types and frequencies of monitoring to ensure
9 the continued safe operation of the pipeline.

10 The monitoring that an operator must perform
11 includes:

12 the adequacy of external corrosion protection
13 systems;

14 the operability of pipeline valves and pressure
15 control equipment;

16 patrols of the right-of-way; and

17 leak detection surveys.

18 Beyond the routine monitoring that had for decades been the
19 baseline for operations and maintenance, pipeline safety
20 regulations now require operators of transmission pipelines
21 to implement integrity management programs. Gas
22 transmission pipeline integrity management programs require
23 periodic assessments of transmission pipelines in highly
24 populated areas, and unusually sensitive areas.

25 These assessments provide a comprehensive

1 understanding of the pipeline condition and associated
2 risks. In-line inspection tools, frequently referred to as
3 ILI or 'smart pig runs' provide detailed information about
4 pipe condition.

5 During an ILI inspection, sensors and computers
6 are sent through the pipeline. These devices can indicate
7 pipe deformations and changes in wall thickness of the
8 pipeline. By analyzing the data collected during the in-
9 line inspections, operators can locate and repair areas of
10 pipeline that have been dented or damaged during or after
11 initial construction. Integrity Management programs require
12 operators to detect and correct damage to the pipeline in
13 highly populated areas before damage results in a leak, in
14 all areas.

15 In addition to the physical pipeline itself,
16 Congress has mandated that operator personnel who perform
17 operating, maintenance or emergency response activities be
18 qualified in the performance of those functions. The aim of
19 this initiative is to minimize operator error as the cause
20 of any pipeline failure. Operators must develop a written
21 plan to qualify individuals performing certain tasks that
22 could affect the safety of the pipeline. Operators have
23 developed training and testing programs for employees and
24 contractors who perform those covered tasks.

25 Another initiative relevant to this meeting is

1 pipeline operator public awareness programs. The goal of
2 these programs is to improve awareness of pipelines
3 throughout the nation. Operators must communicate pipeline
4 safety information to the public along the pipeline right-
5 of-way, emergency responders, local public officials, and
6 excavators. Public awareness programs emphasize the
7 importance of notifying One-Call systems prior to
8 excavating. These notifications allow all participating
9 utility owners, including pipeline operators, to mark the
10 location of their facilities and monitor the excavation to
11 help ensure their facilities are not damaged.

12 Another key message for these stakeholder
13 audiences includes how to recognize a pipeline emergency,
14 how to respond appropriately, and how to report the
15 potential emergency to aid in rapid response by both the
16 pipeline operator and community emergency responders.

17 The testing and programs described provide a
18 brief overview of the steps taken by OPS and our state
19 partners to ensure the safe transportation of natural gas.
20 If inspections determine that procedures are not adequate,
21 or that an operator is not following the procedures, OPS is
22 authorized to seek punitive action in the form of remedial
23 action, civil penalties, and even criminal action. Congress
24 grants OPS this enforcement authority, and OPS is
25 responsible to Congress for the execution of its mandates.

1 Safety is the primary mission of OPS. We
2 understand how important this mission is to you, your
3 community, and citizens across the nation.

4 Should you have questions that are not addressed
5 in this meeting, I will remain for a period of time after
6 the meeting to allow you the opportunity to address them.
7 Again, thank you for this opportunity to share a few aspects
8 of the Office of Pipeline Safety's responsibilities.

9 MR. BROWN: Thank you, Harold.

10 Fundamentally, the purpose of tonight's meeting
11 is to provide each of you with an opportunity to give your
12 comments and to tell us what environmental safety, security
13 issues are that you think we should address in our
14 respective analyses of the projects.

15 The FERC staff analysis will result in the
16 production of an environmental impact statement or EIS.
17 FERC is the lead federal agency, and tasked with the
18 responsibility of preparing the EIS. The BLM is also a
19 cooperating agency with us in the preparation of the EIS.

20 In our notice issued on September 30th, we
21 requested comments and signed a deadline of November 3rd.
22 We will take comments throughout our review of the project,
23 but for us to adequately address your comments, analyze them
24 and research the issues, we ask that you try to get those
25 comments to us as soon as possible.

1 A speaker's list is located at the back table,
2 and we will use that list to identify individuals wishing to
3 provide verbal comments on the project tonight. In addition
4 to verbal comments provided tonight, we will also accept
5 your written comments. If you have comments and don't wish
6 to speak tonight, you may provide written comments on the
7 comment forms at the back table. You may drop those off
8 with us or mail them in at a later date. Be sure to include
9 the project docket number, and I'll repeat those; Beth
10 repeated them before. That's PF08-22 and PF08-23. Now, the
11 'PF' doesn't stand for Pathfinder, the 'PF' stands for
12 prefiling.

13 The Pathfinder and Bison projects are currently
14 in our prefiling process; that is, an application has not
15 been filed with us yet. We consider the prefiling process
16 to be, amongst other things, an extension of our scoping
17 process.

18 The scoping process is a learning process where
19 we educate ourselves about the project and the potential
20 issues and the impacts of the project. During the scoping
21 process, we use four places to gather our information.
22 Information is provided by the applicant, input from other
23 agencies; federal, state and local, we do our own field work
24 and research, and most importantly, we come here and get
25 your comments, because you live here. There are issues that

1 you probably know that we're not aware of, so we need your
2 input. I would really appreciate some input tonight, if we
3 can get it from you.

4 Now, once we gather all this information in the
5 prefiling scoping process, we will analyze it and prepare a
6 draft impact statement, Draft EIS, that will be distributed
7 for comments. There are two general ways you can get a copy
8 of the Draft EIS. First off, the Notice of Intent that we
9 sent out has an attachment on the back of it that you can
10 fill out and mail back to us.

11 Now, did you all get a notice? How many folks in
12 here got a notice?

13 (Show of hands)

14 The folks that didn't get a notice, we need you
15 to get on our mailing list, because if you don't, you won't
16 get a copy of the draft or the final. So if you don't do
17 one of those two things, mail that back to us or get on our
18 mailing list, you won't get a copy of anything that we put
19 out.

20 After the draft is issued, there's a 45-day
21 period for comment. During that period we normally hold
22 another public meeting similar to this format. We'll
23 probably come back here, the same facility if it's
24 available, and you can provide comments on the Draft EIS to
25 us. At the end of the 45-day period, we will begin

1 synthesizing all the information gathered to date and
2 prepare a final, FEIS. Once we have issued the Final EIS,
3 it will be forwarded to our commissioners. Our
4 commissioners at the Federal Energy Regulatory Commission
5 will use that document as well as other information to make
6 a determination on whether to grant or not grant the
7 authorization for the project.

8 At this time we'll start taking comments. Do we
9 have anybody who has any comments?

10 (No response.)

11 So no one has signed up for our comments, so what
12 I'll do is, we'll open the floor up for questions, questions
13 of myself, the company, DOT. And what I'll ask you to do,
14 if you have a question, please stand up and state your name
15 for the record, ask your question, and we'll answer it.

16 I know we've got to have some questions out
17 there. I need your input, I need your help. That's why
18 we're here. This is your back yard, you know more of what's
19 going on out here than we do.

20 Yes, sir?

21 MR. BUCCOLS: I'm Neil Buccols. (ph)

22 When your man came for permission to get through,
23 I told him it was rough, they would have to walk. They'd go
24 wherever they pleased, who gave them authorization?

25 MR. BROWN: First off, FERC is not a proponent of

1 this project; we're proponents of the process. That's
2 something I'll let TransCanada address.

3 MR. YEOMANS: Sure. Maybe if you could repeat
4 the question. I don't think I heard it from the back here.

5 MR. BROWN: Could you repeat the question, sir.

6 MR. BUCCOLS: I gave you permission to walk,
7 because it's rough ground. Your people drove about where
8 they pleased. Who authorized them?

9 MR. YEOMANS: Sir, I don't know the circumstances
10 in this case here, and if you told them to walk, they should
11 have walked. What I'd like to do is probably follow up with
12 you to see exactly.

13 I don't know the circumstances around the
14 incident that you spoke of, but if you told them that you
15 wanted them to walk across your property, they should have
16 walked across your property; and what I'd like to do is
17 follow up with yourself so we can make that correction as we
18 go forward, because that shouldn't have happened. So I
19 apologize for that, because like I said, it shouldn't
20 happen.

21 MR. BROWN: More questions?

22 Folks, this is your opportunity to provide us
23 some input, and we really need your input. I'd appreciate
24 anything, any question you have. Any question you have in
25 your mind about the project, concern -- please.

1 MR. RUSIDY: I'm Robert Rusidy (ph) from
2 Southeast Baker, and this pipeline is coming diagonally
3 across my property, which I really don't appreciate in any
4 manner at all, but I suppose I'm going to have to live with
5 it.

6 Now, we're in the process tomorrow of trying to
7 move the stake line with the contractor, because the terrain
8 is not feasible to this, or conducive to putting a pipeline
9 in this area because of erosion.

10 Now what is the company going to do in case of
11 erosion projects, or damaging this?

12 MR. BROWN: They're supposed to return the
13 property back -- their responsibility is to return the
14 property back to its previous use.

15 MR. RUSIDY: There's no way in God's world that
16 they'll ever do that. It's impossible.

17 MR. BROWN: Do you have an alternative?

18 MR. RUSIDY: Well, that's what we're going to go
19 through tomorrow.

20 MR. BROWN: Okay, that's what we need to hear.

21 MR. RUSIDY: Now also, on Section 35 -- 129 grade
22 103 in North Dakota I have property. This is a sage grouse
23 study area, by the University of Brookings in South Dakota.
24 And we want to steer them away from that as far as we can,
25 and so we're going to probably going to push it on to the

1 Southeast.

2 So I want them to consider looking into, and
3 visiting with the Brookings University.

4 MRS. RUSIDY: I am Mrs. Rusidy, and here are two
5 letters, one copy for each of you, from the South Dakota
6 State University.

7 (Documents presented to panel)

8 MR. RUSIDY: Also, this here pipeline going
9 through our property is going to devalue the property. Your
10 salable value of this property, after this line goes
11 through, is not going to be near what it was prior to that.

12 How are you going to compensate the ranchers and
13 landowners for this?

14 MR. BROWN: FERC doesn't compensate; that's
15 between you and the easement negotiations.

16 MR. RUSIDY: Well, I know, but I would like to
17 know how TransCanada is going to compensate these people.

18 MR. BROWN: Mark?

19 MR. RUSIDY: It will never be returned to the
20 situation it is now. Once you've destroyed native property,
21 native land, it's never going to be restored.

22 MR. YEOMANS: So I'll just keep it at a high
23 level, but our process is to take a look at what the fair
24 market value is for the land in this area, and any area
25 along the pipeline route; and that's our process. And

1 that's similar to what the rest of the industry does as
2 well; and I'm speaking of the pipeline industry.

3 MR. RUSIDY: Well, there's pipeline back there
4 that was put in back in the Forties that's still not got the
5 growth of grass on it that never-disturbed property has.

6 MR. BROWN: What I'm going to ask you to do, if
7 the pipeline does impact your property, then what you need
8 to do -- and if it's not restored back to your satisfaction,
9 then you need to call FERC. And we will monitor the
10 situation and we'll get it rectified. That's what -- you've
11 got to let us know, though. We've got a hotline number you
12 can call, I've got a handout sheet back there, the project
13 manager's name, my name -- you can call me, and if we've got
14 a problem, we'll try to get it resolved for you; that's what
15 we're here for.

16 Again, we're not proponents of this project;
17 we're just evaluating the impact of the pipeline. We're
18 proponents of the process, and part of that process is for
19 us to satisfy you. That's my job. That's Jim Martin's job;
20 he's the project. And I do a pretty good job of it, so
21 that's something you need to do, you need to contact me.
22 Anyone in here, take that list and you can contact me or Jim
23 Martin. If you have problems during construction, let me
24 know.

25 One other thing, projects of this size, we

1 require third party monitors. What that is is we have five
2 to eight monitors that work for me, on a daily basis, that
3 are inspecting. If you've got a problem, all you have to do
4 is call FERC or call me, and I'll send one of my monitors
5 out, discuss the situation with you. They work for us; they
6 don't work for them.

7 MR. RUSIDY: After the erosion problem has arose,
8 it's never going to be reclaimed to the original.

9 MR. BROWN: Then there's damages that need to be
10 paid.

11 MR. RUSIDY: Okay. Thank you.

12 MR. BROWN: These are the kind of questions I
13 know a lot of you probably have in your mind, and you need
14 to bring up, and let's discuss them tonight. That's one of
15 the reasons why we're here.

16 MRS. OLSON: I'm Marilyn Olson. We have property
17 that the line runs very, very close to our house, on the
18 farm. And I'm just wondering if we're the only ones that
19 have that problem, or if other people here tonight have it
20 going so close to their house?

21 MR. BROWN: If the pipeline is -- how close are
22 we talking?

23 MR. OLSON: Oh, 200 yards, I suppose.

24 MR. BROWN: 200 yards. Why don't you let us know
25 that, and it'll go in the record tonight, and we'll have

1 someone come out and look at it and see if we can't --

2 MRS. OLSON: Any others that -- I'm wondering if
3 others have the same problem.

4 MR. BROWN: I don't think there's a lot of houses
5 that are impacted on this project; actually for a project
6 that is 800 miles, it's not very many. But I can't see why
7 it would need to be that close, with all this land out here.
8 To me, we can get it away, we can do something, we can do an
9 alternative; that's one of the things that we look at.

10 MRS. OLSON: Thank you.

11 MR. BROWN: And TransCanada, they'll work with
12 us. That's what we are here for. You guys are taxpayers --
13 just like I am-- you're paying my salary, I'm here to help
14 you. I want to help you, but you've got to talk to me.

15 Any other questions?

16 If there are no other questions, what I'll do is
17 close the meeting; but we'll be around if you want to come
18 up and talk to me, or talk to the DOT gentlemen, Harold
19 here.

20 The alignment sheets will be available, so if you
21 want to know where the pipeline is in relation to your
22 property or where it is on your property, go back there and
23 look at it. If you have any alternatives that you might
24 recommend, recommend them, we'll look at it -- I'm not
25 saying we'll do it, but we'll look at it. And if we think

1 your recommendation is solid, we'll go with it. Fair
2 enough?

3 Okay, let the record show we've closed the
4 meeting, and we'll be around for 30 minutes or so to answer
5 questions.

6 Thank you for coming tonight.

7 (Whereupon, at 6:27 p.m., the meeting adjourned.)

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