BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket Number

ALGONQUIN GAS TRANSMISSION, LLC : CP08-420-000

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Norwich City Hall Council Chambers

100 Broadway

Norwich, CT 06360

Thursday, December 11, 2008

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

P R O C E E D I N G S

(7:10 p.m.)

MS. JONES: We'll go ahead and get started. Good evening and welcome. My name is Shannon Jones and I'm an environmental scientist with the Federal Energy Regulatory Commission, also referred to as the FERC.

Seated on my right is Lieutenant Colonel Stephen Lefebvre, he's the Deputy District Commander, U. S. Army Corps of Engineers in New England. To my right is -- my left is Amy Davis with Natural Resources Group. They're an environmental consulting firm that's been assisting the FERC in our review of this project.

This is a public comment meeting regarding Algonquin Gas Transmission's proposed hub line east to west project. We're here tonight to receive your comments on the draft Environmental Impact Statement that we've prepared. In addition, the Corps of Engineers is here tonight to gather comments regarding its permit process and review. Energy representatives are manning this side of the table and in the back there and they have some handouts that are helpful you might want to grab tonight. Also, if you have any questions during the meeting, please feel free to see Steve at the sign-in table.

Representatives from Algonquin are here tonight. They've brought detailed maps of the pipeline route which is

posted in the hall. After the formal portion of the meeting concludes, we'll all be available if you'd like to talk and directly review the maps with Algonquin or the FERC.

I'd like to provide a brief introduction to the FERC and our process. The FERC is an independent federal agency that regulates the interstate transmission of electricity, natural gas and oil. We're located in Washington, D.C., headed by five presidentially appointed commissioners and about 1200 staff. We review proposals and authorize construction of interstate natural gas pipelines, storage facilities and liquefied natural gas terminals. We also have jurisdiction over the licensing and inspection of hydroelectric projects in some electric transmission corridors.

The FERCs primary purpose is to oversee energy industries and the economic, environmental and safety interests of the American public. The FERC is the lead federal agency responsible for approving or denying this project. We're also working in formal cooperation with the Corps of Engineers, represented here tonight, and the EPA. These agencies have assisted in providing input and review of our work as we evaluate Algonquin's proposal.

Algonquin has requested authorization to construct approximately 31.4 miles of natural gas pipeline. Thirteen miles would be new 36-inch diameter pipeline

constructed in Norfolk County, Massachusetts, and 18.5 miles would be replacement of existing pipelines with larger diameter pipe in Norfolk County, Massachusetts and New London County, Connecticut.

The project also includes a new compressor station in Bristol County, Massachusetts called the Rehobeth compressor station. There will also be modifications to three existing compressor stations in Rhode Island, Connecticut and New Jersey and other pertinent facilities necessary to safely operate pipelines. That includes valves, meter and regulator stations, pig launchers and receivers.

Algonquin's pipeline system has traditionally received gas supplies from the Gulf and Appalachian regions and delivered those supplies to the Northeast. This project would allow Algonquin to reverse flow and accept increased supplies of natural gas at the east end of its system for delivery to markets in the Northeast. Increased supplies include new LNG terminals constructed offshore in Massachusetts and in Canada.

Before any decisions are made, FERC Staff conducts an extensive environmental review to comply with the National Environmental Policy Act, also called NEPA. Over the past year, we've been compiling and analyzing data and comments from a variety of sources including the

applicant, the public, other resource agencies and our own independent analysis and field work. Our analysis findings and recommendations to ensure environmental impacts are minimized are summarized in the draft Environmental Impact Statement and we're prepared to take your comments on that document here tonight.

The draft Environmental Impact Statement, or EIS, was issued on November 7th and mailed to everyone on our environmental mailing list. We also brought limited copies of the document with us here tonight. The document is also available for download from our website at www.ferc.gov.

At this point, we're about three-quarters of the way through the formal comment period on the draft EIS. That comment period ends December 29th. There are a couple of ways we can take comments. You can provide verbal comments here tonight and, if you want to, there's a speaker sign-up list that Steve has at the table in the back. You could also provide us written comments by mailing a letter to the FERC or submitting your comments electronically through our website. There are instructions on how to do -- how to provide written comments in the first few pages of the draft EIS and we also have some yellow handouts at the table that provide those instructions as well.

If you are going to send us written comments, please try to get them in before December 29th so that we'll

have time to analyze your issues and provide an appropriate response. The Corps has a separate comment period and procedure for their permanent review process, which Lieutenant Colonel Lefebvre will explain in a moment.

All of the comments provided to the FERC are placed in our public record and will be addressed in a revised version, called a final VIS -- a final EIS, excuse me. Written comments have equal stature to verbal comments in our review. All of the comments we receive will be listed in an appendix to the final EIS and we'll provide a response to each and every one of them. If you received a copy of the draft EIS, you're on our mailing list and will receive a copy of the final EIS. If you did not get a copy and would like to be added to our mailing list, you can do so tonight by signing up at the sign-in table.

It's important to note that the FERCs EIS is not a decisional document. It is prepared to advise the FERCs Commissioners and to disclose to the public the environmental impact of constructing and operating the proposed project. Once our final EIS is complete, the document is published, mailed to those on our mailing list and forwarded to our Commissioners. The Commissioners independently consider the environmental information in the EIS, along with other non-environmental issues, in determining whether to authorize the project.

If approved, the Commission will provide Algonquin a certificate of public convenience and necessity, which is essentially a permit authorizing the project. The certificate will require that Algonquin meet certain conditions to limit adverse environmental impacts. Algonquin will also have to obtain various other permits before it can construct this project, including those under the Corps of Engineers' jurisdiction that you'll hear about in a moment. If approved, FERC environmental inspectors would monitor the project through construction and restoration, performing regular inspections to ensure environmental compliance with the conditions of the FERC certificate.

At this time, I'll turn the floor over to Lieutenant Colonel Lefebvre.

LT COL LEFEBVRE: Good evening. I'd like to welcome you to this joint public hearing on a request from Algonquin Gas Transmission for a U.S. Army Corps of Engineers permit to place fill material and impact wetlands in conjunction with the expansion of its existing 1100-mile-long gas transmission pipeline system in Massachusetts, Conneticut, Rhode Island and New Jersey. The proposed project is the subject of an Environmental Impact Statement being prepared by FERC with the U.S. Army Corps of Engineers as a cooperating agency.

We are here because an Army Corps of Engineers permit will be required to fill and/or impact an undetermined amount of wetlands in conjunction with the proposed project. Wetland impacts for the proposed alternative are about 59.6 acres of temporary wetland impacts, with permanent fill of approximately 0.16 acre, and conversion from forested wetland to scrub shrub and emergent wetland of approximately 4.4 acres. The joint hearing will serve two purposes: to gather comments about the Corps of Engineer permit review and to receive comments about the draft EIS being prepared by FERC.

Before we begin, I would like to thank you for involving yourself in this environmental review process. Please feel free to bring up any and all topics that you feel need to be discussed on the Corps of Engineers record. I assure you that all your comments will be addressed during this permit decision process.

I am Lieutenant Colonel Stephen Lefebvre, the Deputy District Commander of the U.S. Army Corps of Engineers in New England. Our headquarters office is located in Concord, Massachusetts. Other Corps of Engineers New England District representatives with me tonight are Rick Christoph from our regulatory division and Tim Dugan from our public affairs office.

The work related to this project is proposed in

waterways and wetlands within Bristol and Norfolk Counties in Massachusetts and New London County in Connecticut. This hearing is being conducted as part of the Corps of Engineers regulatory program to listen to your comments, to understand your concerns and to provide you the opportunity to put your thoughts on the record should you care to do so.

I'd like to point out that no decision has been made by the Army Corps of Engineers with regard to the core permit decision. My job tonight is simply to listen to your comments, to make sure the Corps of Engineers is fully informed of all the issues as we begin our deliberations on the permit application. I would like to briefly review the Corps of Engineers' responsibilities in this process.

The core jurisdictions in this case are Section 10 of the Rivers and Harbors Act, which authorizes the Corps of Engineers to regulate structures and work in navigable waters of the United States, and Section 404 of the Clean Water Act, which regulates the discharge of dredged or fill material in waters of the United States, to include wetlands. The detailed regulation that explains the procedures for evaluating permit applications and unauthorized work is Title 33 of the Code of Federal Regulations, Parts 320 through 330.

The core decision rests upon several important factors. First, the Corps must make a public interest

determination. That is, we must determine whether or not the project is in the overall public interest based on the probable impacts of the proposed project on a wide variety of public interest factors. All factors which may be relevant to the proposal will be considered prior to our making a decision. Those factors include, but are not limited to, conservation, economics, aesthetics, the environment, fish and wildlife values, navigation, recreation, water supply, food production, and, in general, the needs and welfare of the American people.

The public interest determination is done by weighing the benefits that may reasonably accrue from the proposal against the reasonably foreseen detriments. Only project deemed not contrary to the public interest may receive a permit.

Second, our decision will reflect the national concern for both the protection and utilization of important resources.

And third, in accordance with the National Environmental Policy Act or NEPA, any project that significantly affects the environment must have an Environmental Impact Statement. In this case, the Federal Energy Regulatory Commission is the lead federal agency for preparing the EIS.

All factors affecting the public will be included

in our evaluation. Your comments will help us in reaching a decision. The record of this draft EIS hearing will remain open and written comments may be submitted tonight or by mail to the FERC by December 29th, 2008. Comments on the Corps of Engineers permit review of this proposal should be sent to the Corps of Engineers by January 11th, 2009. All comments will receive equal consideration.

Lastly, to date no decision has been made by the Army Corps of Engineers with regard to this permit. It is our responsibility to evaluate both the environmental and socioeconomic impacts prior to our permit decision. And in order to accomplish that decision we need your input. Your testimony and comments from this hearing will be posted on the FERC website after this hearing. Again, it is indeed crucial to this public process that your voice is heard, and I thank you for your involvement in this environmental review.

Thank you. I'll turn it back over to Shannon.

MS. JONES: Thank you.

We're now at the point where we're ready to take comments. Do we have any speakers signed up?

Thank you. So far we only have one person, Douglas Lee. If you could come up and please state and spell your name for the transcriber.

And just a note about the transcriptions, we're

having the meeting transcribed so that we have an accurate record of all the comments that are made, since we do need to respond to them all. Ace-Federal Reporters is providing that service. The transcripts will be placed on our website -- on our public website. You can also make arrangements directly with the court reporter if you need an immediate hard copy of the transcripts.

MR. LEE: Good evening. My name is Doug Lee. I own property, along with my wife, Mary Beth, is at 62 Bog Meadow Road in Norwich, Connecticut. The wetland E3W2 exists entirely on our property and we'd like to provide comments on the proposed activities this evening.

But just a little bit of background before I launch into the short material that I provided to the panelists, I do have a Bachelors and Masters Degree in Fishery Science from Oregon State University, Ph.D. in Zoology from Michigan State University with an emphasis in Aquatic Community Ecology and Population Dynamics. I was an adjunct assistant professor with the University of Connecticut for seven years, running research programs with the National Oceanic and Atmospheric Administration, so that's just a little bit of background.

Flipping to the first page, on the easement looking west from the east side of the property, this is just a quick picture that gives you a shot of the easement

looking west and you can see a stand of phragmites in the center of the picture. And to the right, which is to the north of the easement, is a heavily wooded buffer, and that happens to be immediately adjacent to a two-acre pond.

Going to the next page, this is a photograph of the black-and-white portion of E3W2 that's on file with the City of Norwich planning office. The thick black line running from the top to the bottom denotes the position of the pipeline. The narrow black lines give you the property boundaries and the white solid lines represent the proposed areas of activity for the trenching and replacement of the pipe.

The dashed lines represent the 100-foot upland review boundaries but in certainly the black-and white renditions you can't tell that those lines, and especially the one particularly to the right as you look at the page -- that's to the north -- runs through the pond.

So if you flip to the next page, you can see the satellite photograph where I've gone ahead and overlaid the position of the pipeline, the position of the north boundary of the upland review area as depicted in the applicant's DEIS. And the solid yellow line represents the width of the proposed area of activity, that would be 25 feet to the north of the pipeline. And 50 feet to the south, and the solid white line moving to the north from the red line, the

pipeline, represents the distance between the pipeline and the edge of the pond. So you can't quite tell from the picture because it was taken in the late spring/early summer, but the pond edge is actually well inside of the canopy and, at its closest point, the pond edge is 23 feet away from the pipeline.

So this is a view of the pond from the north looking south, and so it would be looking towards the easement; obviously you can't see it. But I included this shot just to give you a sense of the overall size. It's about 500 feet of distance between the north edge of the pond and the far edge of the pond.

And the pond itself is actually quite high functioning. It has an extensive population of odenates, tipulids, stoneflies, a very high population of -- and a diverse population of amphibians. No fish in this particular pond. We keep it that way because it keeps the mosquitoes down. And the population of amphibians has been healthy enough in some years to actually support the occasional visiting river otter.

The applicant's proposed construction activities would result in clearing of all trees along the southern edge of the pond right up to the edge of the pond in order to give them the 25 feet to the north of the pipeline to work, and the applicant's proposed construction activities

would result in dredged soils being stored immediately adjacent to that pond.

And at this point I want you to think back to the phragmites stand, because that means that the topsoils that are currently contaminated with phragmites would be stockpiled to the north of where they currently exist and, in fact, in that -- what is currently that wooded buffer between the easement and the pond edge.

So installation of the pipeline as planned will result in clearing to the edge of the pond and placement of phragmites-contamined topsoil in areas where heavy tree growth and shading currently prevent expansion of phragmites. Clearing of all trees along the southern edge of the pond leaves no undisturbed buffer between the pond and the work area as proposed. Both clearing of the edge of the pond and introducing wetland topsoils contamined with phragmites to previously undisturbed areas represent poor practice and are not in keeping with the ENS or invasive species control plans that are in the applicant's draft Environmental Impact Statement.

Property owners suggest that there are two prudent and feasible alternatives to the current proposal. These alternatives are in compliance with the intent of the applicant's erosion and sediment control, as well as the invasive species control plans in the draft EIS.

The first alternative is to restrict the limit of clearing north of the pipeline in E3W2 to 15 feet -- that's the current limit of clearing for the easement -- and that leaves a fully wooded and undisturbed wetland with a minimum eight-foot buffer between the work area and the pond edge.

If you stockpile the phragmites-contamined topsoil on the south side of the pipeline to prevent further expansion into undisturbed wetland north of the easement and adjacent to the pond, and the applicant could work with the owners to temporarily use up to 65 feet as opposed to the 50 feet that's proposed of work space south of the pipeline to compensate for restriction on clearing north of the pipeline.

This may not necessarily be the most attractive alternative depending on the contractor that the applicant utilizes, so we've offered a second alternative as well, and that is to in fact re-route the position of the new pipeline to be installed in E3W2 15 feet or more to the south of its current position and then install a new pipeline using the proposed construction approach. The current pipeline would be left in place and the new pipeline easement would be shift accordingly.

And if you look at the aerial photograph with the applicant's construction overlays and you look closely at the property boundaries, you see that in fact on our

property we have plenty of room to facilitate moving the pipeline and the easement further south and farther away from the pond.

Thank you very much for the opportunity to speak tonight.

LT COL LEFEBVRE: Okay. We appreciate your input. Thank you.

MS. JONES: Thank you.

Is there anybody else who would like to provide comments here tonight?

(No response.)

MS. JONES: Okay. Without any more speakers, the formal part of this meeting will conclude. We will remain afterwards if there are additional questions or if anyone wants to review the maps.

On behalf of the FERC and the Corps of Engineers, I'd like to thank you all for coming tonight. This meeting is concluded.

(Whereupon, at 7:25 p.m., the scoping meeting was concluded.)