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UNITED STATES OF AMERICA  
  
FEDERAL ENERGY REGULATORY COMMISSION

Tennessee Gas Pipeline Company

Docket

No.

PF09-1-000

NOTICE OF INTENT TO PREPARE AN  
ENVIRONMENTAL ASSESSMENT FOR THE  
300 LINE PROJECT,  
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES,  
AND NOTICE OF PUBLIC SCOPING MEETINGS

Proceedings held on Wednesday, the 25th day of  
February, 2009, commencing at 7:07 p.m.

BEFORE: Ruth I. Lynch  
Registered Professional Reporter  
Registered Merit Reporter  
81 State Street, Second Floor  
Binghamton, NY 13901  
(607) 724-8724

1            APPEARANCES:    ELLEN SAINT ONGE, FERC  
2                            DAVID M. HANOBIC, FERC  
3                            BILL BRAUN, NRG  
4                            MARK A. HAMARICH, Tennessee Gas  
5                            Pipeline  
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1 MS. SAINT ONGE: Good evening. Can  
2 everybody hear me?

3 Okay. My name is Ellen Saint Onge, and  
4 I am on the environmental staff with the  
5 Federal Energy Regulatory Commission, or the  
6 FERC.

7 To my left is Dave Hanobic, who is the  
8 environmental project manager for this project  
9 with the FERC.

10 To my right is Bill Braun. He is with  
11 NRG, an environmental consulting corporation.

12 And also with NRG is Steve Holden, who  
13 is out at the front assisting us.

14 On behalf of the FERC, I want to  
15 welcome all of you here tonight.

16 Let the record show that the 300 line  
17 scoping meeting at Montrose began at seven o  
18 seven on February 25th, 2009.

19 The purpose of this meeting is to give  
20 you the opportunity to provide environmental  
21 comments on Tennessee's planned project.

22 Tennessee entered into the FERC  
23 prefilings process on November 4th, 2008, which  
24 began our review of the facilities that we  
25 refer to as the 300 line project. The 300 line

1 project would deliver gas to the northeast  
2 region of the United States.

3 The main facilities that Tennessee is  
4 considering for the project are a hundred and  
5 twenty-eight point four miles of new 30-inch  
6 diameter pipeline and seven separate looping  
7 segments in various counties of New Jersey and  
8 Pennsylvania; two new compressor stations in  
9 Pennsylvania; and upgrades to existing  
10 compressor stations in Pennsylvania and New  
11 Jersey.

12 There are some other associated  
13 facilities that Tennessee also is considering.

14 In a little while I'll ask a  
15 representative from Tennessee to take the floor  
16 to present a more detailed project description.  
17 They will be able to answer some of your  
18 questions regarding the project, and they will  
19 be available for you to talk to in the back  
20 hallway after the formal meeting is closed.

21 Right now I'm going to talk a little  
22 bit about the scoping process and public  
23 involvement in FERC projects in general.

24 For this project the main FERC docket  
25 number is PF09-1-000. The PF stands for

1 prefiling stage of the process. Once Tennessee  
2 files a formal application, they will get a new  
3 document number. So that's something to be  
4 aware.

5           The National Environmental Policy Act  
6 requires that the Commission take into  
7 consideration the environmental impacts  
8 associated with new natural gas facilities.  
9 Scoping is a general term for soliciting input  
10 from the public before the environmental  
11 analysis is conducted. The idea is to get  
12 information from the public as well as agencies  
13 and other groups that we can incorporate issues  
14 of concern into our review. This scoping  
15 period started last month when we issued our  
16 notice of intent to prepare an environmental  
17 assessment, or our NOI. In that NOI we  
18 described the environmental review process,  
19 some of the environmental issues we've already  
20 identified, and the steps the FERC and  
21 cooperating agencies will take to prepare an  
22 environmental assessment, or EA.

23           We have extra copies of that NOI in the  
24 back, if anybody needs one. And you can put  
25 your name on our mailing list if you're not

1 already on it.

2 We have set an ending date of March 6,  
3 2009, for the scoping period. However, the end  
4 of the scoping period is not the end of public  
5 involvement. There will be a comment period  
6 once the EA is published as well.

7 An important step in the environmental  
8 review process in the preparation of an EA is  
9 to determine which environmental resources  
10 issues are important to you. So your comments  
11 and concerns, along those with other people in  
12 the agencies participating in the process, will  
13 be used to focus our environmental analysis.

14 Your comments tonight, together with  
15 any written comments you filed or intend to  
16 file, will be added to the record as comments  
17 on the environmental proceeding.

18 So we take your comments and other  
19 information, and we do an independent analysis  
20 of the project's potential impacts to the  
21 environment. We publish those findings in the  
22 EA, which will then be mailed out to everybody  
23 on our mailing list, and as I mentioned before  
24 will be publicly noticed for comment.

25 Our mailing list for this project is

1 well over 1400 people, agencies, and  
2 organizations. In order to contain costs and  
3 make sure that interested parties receive the  
4 EA, we ask that you inform us that you want it  
5 by filling out our mailing list or sending back  
6 a response card.

7 Which there was a return mail, if you  
8 received the NOI there was a return mail  
9 attached to the back that you could indicate  
10 you wanted to stay on the list, or you could  
11 sign up in the hall today. Otherwise you will  
12 not receive any more information from the FERC  
13 on the project. But if you are a landowner you  
14 will likely still be contacted by Tennessee  
15 Gas.

16 Also please note that because of the  
17 size of the mailing list, the mailed version of  
18 the EA might be on a CD ROM. That means unless  
19 you tell us otherwise the EA that you find in  
20 your mailbox will be in a CD ROM for a  
21 computer. If you prefer to have a hard copy  
22 mailed to you, you should indicate that to us  
23 either on the return mail letter or on the  
24 signup sheet in front before you leave.

25 Okay. Now I would like to

1 differentiate between the roles of the FERC  
2 commission and the FERC environmental staff.

3           The Commission is responsible for  
4 making a determination whether or not to issue  
5 a certificate of public convenience and  
6 necessity to Tennessee Gas. The EA prepared by  
7 the FERC environmental staff, that's us, does  
8 not make that decision. In general an EA  
9 describes the project facilities and associated  
10 environmental impacts, alternatives to the  
11 project, mitigation measures to avoid or reduce  
12 impacts, and our conclusions and  
13 recommendations. But it is the FERC commission  
14 that ultimately makes that decision.

15           So the EA is used to advise the  
16 Commission and to disclose to the public the  
17 environmental impact of constructing and  
18 operating the proposed project. The Commission  
19 will consider the environmental information  
20 from the EA, public comments, as well as many  
21 other nonenvironmental issues such as  
22 engineering, marketing rates, finances,  
23 tariffs, and design cost, in making an  
24 informed decision whether or not to approve the  
25 project.

1           Only after taking the environmental and  
2 nonenvironmental factors into consideration  
3 will the Commission make such final decision on  
4 whether or not to approve the project.

5           Okay. That's my overview on the FERC  
6 role. Next on the agenda is the project  
7 overview by Tennessee.

8           MR. MARK HAMARICH: Thank you.

9           Good evening. Good evening, everyone.  
10 My name is Mark Hamarich. I'm the project  
11 manager for the Tennessee Gas Pipeline 300 line  
12 project; and I've got a little presentation  
13 we'll go through here and then answer any  
14 questions you may have after.

15           Again, we're here to talk about, as  
16 Ellen said, the Tennessee Gas Pipeline Company  
17 300 line project. We're in the Montrose  
18 meeting today. We're going to be in Mansfield,  
19 Pennsylvania, tomorrow, if you want to come out  
20 and hear some of the same information.

21           As far as Tennessee Gas Pipeline  
22 Company, I think most of you are probably  
23 familiar with the company if you're here, if  
24 you're a property owner. We've had our  
25 existing pipeline here for over 50 years. But

1        what this -- this slide shows is basically that  
2        Elpaso, you hear the word Elpaso, and we've got  
3        two groups. We've got the pipeline and the  
4        exploration and production group; and we're  
5        part of the pipeline group. And we're  
6        Tennessee Gas Pipeline Company. And that's who  
7        this project is for the 300 line.

8                We've got sister companies in other  
9        parts of the country that are also part of our  
10       pipeline group. But we're here to talk about  
11       Tennessee Gas Pipeline Company. And basically  
12       Elpaso's a natural gas and related energy  
13       products is our mission.

14               As far as the 300 line project, I think  
15       Ellen described it, and I've just shown it on a  
16       map here. Basically the project is to bring  
17       additional volumes of gas. We've got a  
18       customer that wants to move gas from their big  
19       sandy production area, which is Appalachian  
20       Gas; I think the gas is in the West Virginia,  
21       Kentucky region; and they've got pipeline  
22       they've built to interconnect with us. And  
23       this gas will be transported along our existing  
24       pipeline to a point here, and then it goes  
25       along our 300 line pipeline. That's why we

1 call it the 300 line project. We're just  
2 expanding our existing 300 line.

3 And we start with some compressor  
4 stations in the west of the state, where the  
5 stars are. These are new compressor stations  
6 that we're going to be siting. And then all  
7 these other little triangles are compressor  
8 stations along the existing system already.  
9 And we're going to do work at most of those  
10 stations. Some of them have horsepower  
11 additions; some of them just have some filter  
12 separators in other facilities. And we're  
13 adding an additional 52,000 horsepower of  
14 compression along the system, including these  
15 two new stations.

16 We're also building a hundred and  
17 twenty-eight miles of 30-inch loop, and as  
18 mentioned that's seven loop sections. Six of  
19 those loop sections are in Pennsylvania. We  
20 have a loop section between what we call  
21 these -- these are just valve numbers and  
22 compressor numbers, so, it's -- it's kind of  
23 sequential. 303, 310, and then there's 313,  
24 and it seems like every -- every second main  
25 line valve we've got a compressor station.

1           We've got looping designed between  
2           these stations, 313, 315, 317, probably 319,  
3           321 in West Clifford. 319's in Wyalusing,  
4           Pennsylvania, just to kind of put a scale on  
5           the map. 323's in Lackawaxen, I think. I have  
6           trouble saying that, in Pennsylvania. And then  
7           325's in New Jersey.

8           We're going to bring the gas across  
9           this system and tie into, bring it to existing  
10          meter stations. We've got meter stations in  
11          New Jersey and New York, where the gas will be  
12          delivered. And it's going to be a 15-year  
13          agreement to bring 300,000 decatherms of gas  
14          per day along that.

15          And I'm going to talk in a little bit  
16          about what looping is along the system.

17          Here's a little bit closer map. You're  
18          probably more interested in the next map but  
19          here shows the counties and -- and where we're  
20          at.

21          So I'm going to jump ahead to the next  
22          map.

23          There's our loop in Bradford County,  
24          317, our loop in Susquehanna County, and that's  
25          where we're at today, up in here. I guess

1       about right there. And then we go into Wayne  
2       County and down into Pike County.

3               Just out of curiosity, is anybody else  
4       from further west than Bradford County here?  
5       Or does this pretty much cover the area we're  
6       at? Here?

7               Okay.

8               And then we go down in New Jersey. So  
9       that's just a little -- little closer up on  
10      the -- on the project as far as the mapping.

11              As far as the project description, we  
12      talked about some of it, but basically it's  
13      going to allow -- our pipelines now allow us  
14      access to Gulf Coast, Appalachian, and Rockies  
15      gas. This project's mainly to bring gas in  
16      from the Appalachian gas but there's also gas  
17      that will come along this system right now from  
18      Gulf Coast and the Rockies.

19              The project design, as I said, is  
20      300,000 decatherms of gas per day in capacity.  
21      And right now I think the line's probably in  
22      the 700 to 800,000 decatherms per day. So it's  
23      about a 5 -- about a 40 percent increase in  
24      volume by putting this project in, both looping  
25      and compressor stations along the project.

1           And we scaled the project to match our  
2 agreement so we're not -- we were able to add  
3 on to existing compressor stations and -- and  
4 loop the existing line versus building a  
5 brand-new line across to bring this gas east.

6           And like I say, a big takeaway today  
7 is that we're -- you know, we're using our  
8 existing pipeline corridor for our expansion.  
9 And I said we already had deliveries into the  
10 White Plains, Rivervale, and Mawa areas.

11           In Pennsylvania we have a hundred and  
12 eleven miles of 30-inch loop and 41,000  
13 horsepower, 2 new stations, and modifications  
14 to 7 stations.

15           As -- as was explained by Ellen, we're  
16 following the FERC prefiling process. So  
17 Tennessee Gas elected to follow that process.  
18 And one of the involvement was early  
19 involvement with stake holders. I was talking  
20 to Susan, and I think she's been here four or  
21 five times; we've met with -- we've had open  
22 houses here, we've met with other folks in this  
23 area; so we've been out since about July and  
24 August kind of talking about the project and  
25 getting early involvement from different stake

1 holders on the project. And part of that was  
2 contact with the landowners; that if you're a  
3 property owner, you were probably contacted and  
4 requested survey permission so we could go out  
5 there and get our environmental surveys to be  
6 able to meet the application needs of the  
7 filing.

8           So we had I think 97 percent of the  
9 owners granted us access to the easement so  
10 that we could gather our environmental  
11 information. We had nine open houses; we had  
12 an open house I think it was the second week in  
13 December we were here in Montrose, I think we  
14 were -- we were right here in this high school.  
15 We had one of our open houses. We had seven of  
16 them in Pennsylvania. And that was a Tennessee  
17 Gas sponsored open house. And then we have had  
18 additional communications, mailings, and what  
19 not on the project.

20           As far as we're still following up with  
21 agency coordination and meetings. We did  
22 complete our environmental studies for the most  
23 part. We were able to get most of the data we  
24 needed to file our application. We do have to  
25 follow up with some threatened endangered

1 species and other surveys in spring of 2009,  
2 once the weather clears, and we're working to  
3 follow our environmental permits at the same --  
4 at least our state permits and our larger  
5 permits at the second quarter of 2009, the same  
6 time we file our FERC application with all of  
7 our environmental information.

8 As far as the project timeline, we've  
9 been able to maintain our timeline so far.  
10 We -- we went out to the market in July of  
11 2008, customers signed up. We've been -- we  
12 did our initial survey September to December  
13 2008. We're scheduling our rare species  
14 surveys, consulting with the agencies now as to  
15 what surveys have to be done, look at  
16 completing those in August. Again we -- back  
17 in November we requested the prefile grant by  
18 FERC, and I think they were -- they gave you  
19 the docket number, and that's when we were  
20 assigned that docket number. Had our open  
21 houses.

22 We're look at filing the application in  
23 June of 2009, if we're able to get the  
24 information together and follow our current --  
25 our current schedule. And at this time

1 construction is targeted to commence in the  
2 second half of 2010. And then we would place  
3 all the facilities in service and complete  
4 construction by November of 2011.

5 As far as looping, this is kind of -- I  
6 don't know if there -- if they got this or it's  
7 available out front, but it's right out of this  
8 book. It's a pretty good definition. It's  
9 just, it's a segment of the pipe that's  
10 installed adjacent to an existing pipeline but  
11 it's connected on both ends, it's not just  
12 there; it's gas could come into the loop, move,  
13 and out of the loop. The question was asked  
14 earlier if it was just stored. It's not just  
15 stored. It actually allows more gas to move  
16 through the line, even though some of it's 24,  
17 but with that 30-inch there, with the  
18 compression, we're able to move the gas.

19 And for the most part the proposed loop  
20 line will be installed adjacent to and in some  
21 cases within the existing easement that's  
22 already there. Typically we're -- we surveyed  
23 about a 25-foot offset from the existing  
24 24-inch line for our 30-inch line. That may be  
25 more narrow in some tight areas and residential

1 areas, in other areas we may have to deviate a  
2 little further from that. But typically  
3 through the Pennsylvania area that's what we're  
4 trying to maintain is a 25-foot offset. It  
5 talks about that in the -- pretty standard; it  
6 talks about that in the brochure too so it's  
7 pretty industry-wide standard is what's --  
8 what's been designed here.

9           There's some best management practices  
10 to follow. If you have any questions I can  
11 answer them but basically, you know, talk a  
12 little bit about residential construction. If  
13 for some reason you have a home and we have to  
14 come closer to your home or in a property to  
15 cross a driveway or -- or a yard or something  
16 like that, I know the majority of it here is  
17 more rural and agricultural and whatever, but  
18 in those cases we do have special construction  
19 techniques. One of it is that we're going to  
20 limit the amount of disturbance in that area so  
21 that you have access to your home so that  
22 the -- there's a lot of -- not that much  
23 disturbance. We have special techniques where  
24 we can weld a pipe outside of the residential  
25 area and then bring it in and put it in a

1 trench and not have as much disturbance.  
2 Safety fence, as far as keeping people,  
3 livestock, or whatever out of the ditch is used  
4 a lot in that area.

5 As far as agricultural construction,  
6 you know, one the big things, and I don't --  
7 you know, to locate drain tiles and irrigation  
8 systems, make sure we do the proper segregation  
9 of topsoil so that we're able to get our  
10 restoration back, get your property back to the  
11 normal use. Also sometimes the soil  
12 decompaction mitigation. There's a lot of  
13 mitigation measures when you do cross an  
14 agricultural area that will be implemented as  
15 we construct this project.

16 And then as far as working with the  
17 landowner to see -- and the -- and the  
18 conservation commissions as to what the -- what  
19 the restoration would be in non-ag areas as far  
20 as what's needed.

21 When we get into wetlands, in a  
22 wetland and water body area, we are restricted  
23 in the amount of space we can use. And we have  
24 setbacks, and there's a lot of mitigation  
25 involved in those type of things. And that's a

1       pretty sensitive resource that we were able to  
2       use our special construction techniques on.

3               That's just a picture of, you know,  
4       what we want it to do is look as good or better  
5       when we leave it.

6               This is a stream bed that's been put  
7       back. I don't know, yesterday I thought that  
8       was some sort of rip wrap, now I'm not so  
9       sure. It isn't. It's more of a, more of a  
10      juke fashion, like a burlap down over the --  
11      yeah, it looks different today on the bigger  
12      screen. Kind of erosion control. If you've  
13      ever seen where you put the burlap down and  
14      make sure that it doesn't erode, so that the  
15      grass comes back.

16              Got your filter fence here to keep your  
17      sediments out.

18              Here's a nice picture of a, you know,  
19      during construction what you'll see is you have  
20      to go in, grade the right-of-way, and you to  
21      level it out so your equipment can trench and  
22      bring the pipe in and put the pipe down. But  
23      afterwards the contours are put back the way  
24      they were at the beginning.

25              And then this just shows something near

1 a residence with a rock wall and some shrubbery  
2 there.

3 I don't have anything else, but does  
4 anybody have any specific questions that I  
5 may be able to answer prior to any questions to  
6 FERC and their team?

7 Yes, sir.

8 AN ATTENDEE: If you're counting on  
9 like a 40 percent increase in gas, why is the  
10 pipe that you're putting in almost twice the  
11 size of the existing pipe?

12 MR. HAMARICH: Yeah, it's a good  
13 question.

14 The question was if we're looking for  
15 about 40 percent, it might be 35 to 40 percent  
16 increase in volume from that area, why is the  
17 pipe larger than the existing pipe. Well, as I  
18 said in the beginning, we designed the project  
19 scale to meet the deliveries. It's not a  
20 contiguous 30-inch pipe. So there -- it's a  
21 loop line. So in certain segments it's a loop  
22 but there's other segments where there's not a  
23 30-inch pipeline. So it's not two pipelines.

24 Had we put a 30-inch from all the way  
25 at the beginning of the project across, then

1 the -- the volumes would have been a lot more.  
2 But it's not so it's -- I hope I'm explaining  
3 it right. It's only short sections of this  
4 30-inch pipe, and then it goes back into the  
5 24-inch. So those segments along there, you  
6 know, along that 220-mile corridor, we only  
7 have a hundred twenty-eight mile of pipe. We  
8 only needed that much pipe to get the volumes  
9 that were delivered -- planned to deliver.

10 I don't know if. I don't know if that  
11 explains it. It's not a contiguous 30-inch  
12 line.

13 AN ATTENDEE: No, I know, but it would  
14 seem that if you're doubling up on the existing  
15 24-inch pipe a 12-inch pipe would do.

16 MR. HAMARICH: Yeah, it just does -- I  
17 mean it doesn't, and it's part of the -- it's  
18 part of the exhibits that we filed; we need  
19 that horsepower and that compression to do  
20 that. It's just incremental above what the  
21 other is. So a 40 percent increase is like 1.4  
22 times the existing. It's not more, it's not  
23 double or anything.

24 For the record I don't think I  
25 explained that that well.

1           AN ATTENDEE: I have a question. One  
2 was I have, you know, this was mailed to me. I  
3 had a question. On page 4 it was talking about  
4 area disturbed during construction would be  
5 allowed to revert back to, you know, before  
6 preconstruction. Revert to me means on its  
7 own. But from what you just said, you don't  
8 allow it to be just on its own, you actually go  
9 to the -- to the trouble of making sure it is  
10 back to where it was.

11           MR. HAMARICH: Yeah, let me clarify  
12 that, because we're probably -- if we clear  
13 trees, in most cases we are going to vegetate  
14 the right-of-way and allow that to grow back  
15 but we're not going to go in, except in special  
16 cases, and replant those trees and stuff. So  
17 it's -- it's kind of both. We have to  
18 stabilize the right-of-way but make sure that  
19 we've got some cover at a minimum, and then,  
20 you know, that will blend right in with the  
21 natural.

22           AN ATTENDEE: Very good. Thank you.

23           I had one other one on page 2. They  
24 were talking about a representative of the pipe  
25 company, you know, Tennessee I guess it was,

1 would approach the landowners, et cetera, and  
2 attempt to negotiate an arrangement there. And  
3 if they -- in the course of doing that, it also  
4 says, you know, that the -- you know, they  
5 had -- if they agree to it, you know, meeting  
6 of the minds, that along with that conveys the  
7 right of eminent domain, correct?

8 MR. HAMARICH: The -- do you want to  
9 address the eminent domain?

10 MR. HANOBIC: I'm going to say, the  
11 eminent domain would only happen if the  
12 landowner and Tennessee do not reach an  
13 agreement. Then after FERC, if the  
14 commissioners approve the project --

15 AN ATTENDEE: Yes.

16 MR. HANOBIC: --then that -- if the  
17 landowner does not agree to terms with  
18 Tennessee, then that gives Tennessee the right  
19 to have a legal proceeding and seek the land  
20 under the eminent domain.

21 AN ATTENDEE: Okay. So if they do come  
22 to an agreement it's not an issue.

23 MR. HANOBIC: Correct. If there's an  
24 agreement, eminent domain does not have  
25 anything.

1 AN ATTENDEE: Okay. Thank you.

2 MR. HANOBIC: Yep.

3 MR. HAMARICH: Yes.

4 AN ATTENDEE: Do you have a picture of  
5 the compressor stations?

6 MR. HAMARICH: A picture of the  
7 compressor stations.

8 AN ATTENDEE: I have another question.  
9 According to the map, this line doesn't come  
10 through Montrose. Is that correct?

11 MR. HAMARICH: Correct. It's south.

12 AN ATTENDEE: And what happens if you  
13 want the pipeline in a straight line and you  
14 actually want to put it right through that barn  
15 of that house?

16 MR. HAMARICH: Well, that's a good  
17 question. First off, the pipe we're doing,  
18 we're trying to follow the existing pipeline  
19 and then this corridor. Try to stay within  
20 that corridor. Now, in cases on that,  
21 number 1, we're not going to route through any  
22 structures. We're going to try to stay a  
23 minimum distance away from those structures so  
24 that we're able to build it, and those  
25 structures that are there would be outside our

1 existing easement.

2 AN ATTENDEE: What is the number of  
3 feet?

4 MR. HAMARICH: Right now -- on average,  
5 and I'm just saying, if we have a 24-inch  
6 pipeline, we may have a 50-foot easement. This  
7 is standard. 25 on each side. And for the new  
8 line we might be looking for an additional, if  
9 we don't have the already right, another 25  
10 feet of easement. So we may end up with a  
11 standard of 75-foot easement to operate two  
12 pipelines. And during construction we may need  
13 more space. But in those cases that's where we  
14 would engineer something to either come closer  
15 to the pipeline, the existing pipeline, safety,  
16 move over to the other side and try to route  
17 through those areas without impacting any  
18 existing structures.

19 AN ATTENDEE: Is there a minimum that  
20 you would stay away from a structure?

21 MR. HAMARICH: I don't want to say now  
22 there's a minimum. There's a minimum we like  
23 to, we like to stay as far away so that we  
24 don't impact it.

25 AN ATTENDEE: How close do you want to

1       come?

2                   MR. HAMARICH: I think, I think from an  
3       allowance, you know, there's no set rule that  
4       says, if -- if we could reach an agreement and  
5       we may have to come within, you know, 10 feet  
6       from a house and put up a fence in a real tight  
7       area. We don't see that much but I don't --  
8       there's not any specific setbacks other than we  
9       try to look at the situation, look at the area,  
10      and make sure we can do it safely and come to  
11      agreement on that with our special construction  
12      techniques.

13                   AN ATTENDEE: Well, you mentioned a  
14      fence. When you're finished. Is there a  
15      fence?

16                   MR. HAMARICH: No; the fence would be  
17      just during construction. We want to make sure  
18      that the -- the ditch, the trench, the  
19      equipment, that anybody in the public's not  
20      endangered, so we would -- we use a lot of that  
21      orange safety fence in those areas to keep  
22      the -- keep the separation from the -- from the  
23      trench, from the other things.

24                   AN ATTENDEE: Okay.

25                   MR. HAMARICH: The compressor station,

1 I'll have to look here. I'll see if I can find  
2 one of our photos. I don't have it in the  
3 slides. I have a photo of a new station we had  
4 built. If I can find it I'm more than willing  
5 to share it. But I don't have any right here  
6 on my slides with me. I don't know.

7 MR. HANOBIC: I was going to say, there  
8 may be some in the booklet too.

9 MR. HAMARICH: There may be too, that's  
10 true. That's true.

11 That's a good example. That's about  
12 like I --

13 MS. SAINT ONGE: Page 7.

14 MR. HANOBIC: Yeah. And each  
15 compressor station looks, a lot of them are  
16 different, so that's a representative example,  
17 but.

18 MR. HAMARICH: Right, that's a good  
19 example.

20 AN ATTENDEE: How close do you put that  
21 to a residence?

22 MR. HAMARICH: Right now all the  
23 compressor stations are already sited except  
24 for the two in the west. And typically for a  
25 new compressor station we might buy anywhere

1 from 25, I think in here it says 10 to 40 acres  
2 of land and then site the compressor station in  
3 the middle of that; so as close to the middle  
4 as possible to that property.

5 The stations, except for the first  
6 three that we were looking at here, except for  
7 the first two, are existing compressor stations  
8 already. And we've been operating there for  
9 several years on those existing stations.  
10 Along -- along that route there.

11 For example, we've got a station in  
12 Troy, New York. It's pretty rural. Station in  
13 Wyalusing's pretty rural. All these stations  
14 are really pretty rural and been there a while.  
15 Been there a long time. And we're just going  
16 to expand on the same footprint.

17 But back to these others where we  
18 purchase the land, this is -- this is very  
19 rural and there's only some hunting cabins. We  
20 picked a very -- you know, as much isolation as  
21 we could to -- to keep it there. Keep it  
22 isolated from the public as much as possible.

23 I'm sorry.

24 AN ATTENDEE: In any particular section  
25 with regard to the loop, do you find it

1       necessary sometimes to hop on the other side of  
2       the pipe, or do you have to stay on one side?

3               MR. HAMARICH:  It's a very good  
4       question.  You know, the question was when  
5       we're siting a loop line next to the existing  
6       line, if we start out a loop, for example, in  
7       this location, this graphically shows us on one  
8       side.  Ideally we would like to stay on one  
9       side and keep that.  There are cases on this  
10      particular line that we've had to -- we have to  
11      cross over, for either a residence, maybe  
12      there's an environmental concern there; and so  
13      in our routing we have had to do some  
14      crossovers.  We can do it safely.  We don't  
15      like to but we can do it because then we pick  
16      that side and try to go on that side for quite  
17      a while to prevent those.  But we have had to  
18      go back and forth in some areas.  Along the  
19      system.

20              So any time you see a pipeline like  
21      this, I can't say there never was a crossover.

22              AN ATTENDEE:  Do you have to go over or  
23      under?

24              MR. HAMARICH:  Typically, well, I can  
25      say typically.  On this you would go under.

1       Because the existing 24-inch line would have,  
2       say, 3 feet of cover. We have a 3-foot minimum  
3       cover on this. The only way to do it is to go  
4       under.

5               So typically when utilities come at  
6       roads or whatever, they -- they go under the  
7       existing line in that point. So it makes a --  
8       there's a bigger disturbance and a bigger  
9       trench to be able to put that pipe in there,  
10      but at times it makes sense to do those  
11      crossunders, really, is what you would call it.

12             I'm sorry, you had another question.

13             AN ATTENDEE: That was my question.

14             But if you went under, wouldn't you  
15      have to stay 25 feet below the other existing  
16      line?

17             MR. HAMARICH: No, because -- no.  
18      That's another good question. 25-foot offset.  
19      You have a minimum clearance for utility  
20      crossings. And I don't know what ours is, 18  
21      to 24 inches. If a water line comes to us, a  
22      Tennessee Gas pipeline, and wants to cross  
23      under, you know, if it's metal to metal we try  
24      to keep at least 2 foot, I think it's 2 foot;  
25      if it's plastic it'd be closer.

1                   So no, it would not be practical to  
2                   keep that 25-foot offset like we have on the  
3                   horizontal underneath. You can safely, you  
4                   know, in that one area keep a 2- to 3-, 2-foot  
5                   separation and keep that separation between the  
6                   two pipelines underneath. So it's not a --  
7                   it's not a 25-foot offset.

8                   AN ATTENDEE: One more question. This  
9                   pipeline that's in there has been in there  
10                  about 50 years, right?

11                  MR. HAMARICH: Yes, sir, 1955.

12                  AN ATTENDEE: How long does that  
13                  pipeline last?

14                  MR. HAMARICH: The way it's operated,  
15                  I'm sorry.

16                  AN ATTENDEE: It wears out eventually,  
17                  right?

18                  MR. HAMARICH: Not really. I mean the  
19                  way it's operated and maintained, the pipe  
20                  should be there for as long as any of us and a  
21                  lot longer; because if it's installed properly,  
22                  coated properly, and maintained properly,  
23                  throughout the years, it's -- it's lasted a  
24                  while. If we go in sometimes now and do  
25                  maintenance work, if you look at the inside of

1 that pipe, and if it's coated properly, you're  
2 going to see the stencils sometimes that are in  
3 there from the original mills 50 years ago. So  
4 there's an extensive maintenance and safety  
5 program that natural gas pipelines have to  
6 follow. So they're built, you know, I hate to  
7 the say built forever, nothing's built forever.  
8 But they're built to last forever, if they're  
9 maintained properly and installed properly.

10 And for example, now that with  
11 technology you can run an intelligent tool, or  
12 we call it a pig, but it's an electronic tool  
13 that runs with the gas system in the line and  
14 can detect if there's any kind of flaw in the  
15 pipe, for example, any kind of corrosion or any  
16 kind of dent or something. And by doing that  
17 internal inspection, if we see something we can  
18 go out and identify it and excavate and correct  
19 the pipe.

20 We also have ways to check the coating,  
21 how the coating's doing, with our cathodic  
22 protection by electronically just, you know,  
23 checking the -- putting electric through the  
24 piping, a pipe to soil potential, to basically  
25 see if we have any coating flaws, and we can go

1 in and change, correct that.

2 So over the years the pipe's maintained  
3 and inspected both internally and externally  
4 sometimes to ensure its integrity.

5 The new pipes are, you know,  
6 hydrostatically tested to a higher pressure  
7 before they're put in service for the gas.

8 Any other questions?

9 Okay.

10 AN ATTENDEE: How much is that  
11 hydrostatic test above what you're going to be  
12 running, pressure-wise?

13 MR. HAMARICH: It's about 15 -- it's  
14 about 1.5 times is the minimum, so.

15 AN ATTENDEE: Okay.

16 MR. HAMARICH: Got a higher pressure.  
17 And held for eight hours minium at that  
18 pressure.

19 AN ATTENDEE: This coating is on the  
20 outside to keep the pipe from rusting, is  
21 that --

22 MR. HAMARICH: Yeah, basically, to keep  
23 the pipe from corroding. It's on the outside.

24 AN ATTENDEE: Wouldn't it deteriorate  
25 from the outside, rather than on the inside?

1           MR. HAMARICH: Well, the inside, the  
2           inside, this -- for pipeline quality gas like  
3           in this region, we have a lot of filter  
4           separation at our compressor station and  
5           elsewhere. There's really not contaminants in  
6           the pipe. So that gas is very clean  
7           internally.

8           If you get, and I'm just going to say,  
9           if you're in the Gulf of Mexico and gas is  
10          coming from the production wells there before  
11          they reach the facilities, then you have like  
12          water and gas and oil mixed. But the gas is  
13          high quality clean.

14          We are, though, internally, what we  
15          call an internal coating, or -- or it's almost  
16          like a painting inside the pipe. On this  
17          project because it's more efficient. And it  
18          will allow us to use less horsepower, and the  
19          gas doesn't have any friction against the  
20          internal. So this pipe will have an internal  
21          coating except where we weld it.

22          AN ATTENDEE: I'm thinking more on the  
23          outside rusting and then leaking.

24          MR. HAMARICH: But because the pipe's a  
25          hundred percent coated before it's installed.

1       So that once that pipe is coated, there's --  
2       and it's put in the ground, it's not rusty.  
3       And that's how we -- that's how we maintain it  
4       with the coating. And then we put a current on  
5       it too so if there is any current -- any  
6       coating flaws that the pipe doesn't leave the  
7       wall thickness. The rust doesn't leave. It  
8       goes to a ground bed in an anode. So there's  
9       protection systems there.

10               And that's a very good point because if  
11       you put the pipe in and you coat it properly,  
12       it will not rust. Especially buried  
13       underground like that.

14               AN ATTENDEE: But you cannot tell if  
15       there's any corrosion on the outside of the  
16       pipe, correct?

17               MR. HAMARICH: There's ways to tell.  
18       One is you can have a -- by checking the  
19       electrolysis of the pipe, you know if there's a  
20       low potential there. That shows that maybe  
21       you've got some coating damage in that area.

22               We have a whole corrosion cathodic  
23       protection team that maintains that along all  
24       the natural gas pipeline systems.

25               AN ATTENDEE: You can tell that from

1 the pig that goes through?

2 MR. HAMARICH: The pig sometimes will  
3 not -- the question was can you tell. The pig  
4 may not tell if it has coating damage. What  
5 the intelligent tool tells us if you have wall  
6 loss. If there was rusting occurring on the  
7 outside. If the coating was damaged but you  
8 had your cathodic protection on the pipe, you  
9 would never lose any pipe so your tool  
10 wouldn't -- your intelligent tool wouldn't tell  
11 you that.

12 MS. SAINT ONGE: Okay?

13 In that case we would move to the part  
14 of the meeting where we could have comments  
15 from the audience members. If you would rather  
16 not speak tonight, you may hand in written  
17 comments tonight or send them in to the  
18 Secretary of the Commission by following the  
19 procedures outlined in the notice. Either way  
20 your comments will be considered.

21 There's also a blue form on the back  
22 table where you can write comments and give  
23 them to us tonight or mail them following the  
24 instructions on the sheet.

25 We did not have anyone signed up on the

1 list, but if anyone would like to talk, you are  
2 welcome to come up now at this time.

3 Okay.

4 MR. HANOBIC: Anybody like to speak  
5 tonight? Provide any comments on the record?

6 MS. SAINT ONGE: All right, then, in  
7 that case the formal part of this meeting will  
8 close. Anyone wishing to purchase a copy of  
9 the transcript in less than ten days should  
10 make those arrangements with the transcriber.  
11 The transcript will also be available on the  
12 FERC website after that, after ten days.

13 That's on [www.FERC.gov](http://www.FERC.gov). And within our website  
14 there is a link called E library. If you type  
15 in the docket number, which was PF09-1, you can  
16 use E library to gain access to everything on  
17 the record concerning this project as well as  
18 all the filings and information submitted by  
19 Tennessee.

20 On behalf of the Federal Energy  
21 Regulatory Commission, I want to thank you for  
22 coming tonight.

23 Let the record show that the 300 line  
24 project scoping meeting at Montrose concluded  
25 at 7:45 p.m. Thank you.

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(Proceedings were adjourned.)

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C E R T I F I C A T E

IN THE MATTER OF:

Tennessee Gas Pipeline Company 300 Line Project

ON: Wednesday, February 25, 2009

BEFORE: RUTH I. LYNCH

Registered Professional Reporter

Registered Merit Reporter

This is to certify that the foregoing is a true and correct transcript, to the best of my ability, of the stenographic minutes of the proceedings held in the above-mentioned matter, on the above-mentioned date, and of the whole thereof.

EMPIRE COURT REPORTERS

By \_\_\_\_\_

Ruth I. Lynch

Registered Professional Reporter

Registered Merit Reporter