UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

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Ruby Pipeline, LLC : Docket No. CP09-54-000

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Draft Environmental Impact Statement

PUBLIC COMMENT MEETING

Brigham City Senior Center

24 North 300 West

Brigham City, Utah

Monday, July 27, 2009

The public hearing, pursuant to notice, convened at 7:04 p.m. before a Staff Panel:

DAVE SWEARINGEN, Environment Project Manager, FERC

MARK MACKIEWICZ, U.S. Bureau of Land Management

JOHN MUEHLHAUSEN, Merjent

COMMENTERS

Ron Smith, landowner 7

Blaine Richins, landowner 11

P R O C E E D I N G S

MR. SWEARINGEN: My name is David Swearingen and I am an environmental project manager with the Federal Energy Regulatory Commission, or FERC. To my far right is John Muehlhausen with Merjent, an environmental consulting corporation. Merjent is assisting us in our environmental analysis. Christine Allen of FERC Staff, and Peg Boden also with Merjent are at the sign-in table. Also here tonight is Mark Mackiewicz with the U.S. Bureau of Land Management. The BLM is a cooperating agency in the preparation of the environmental analysis.

So on behalf of the FERC and the BLM, I want to welcome you all here tonight. Let the record show that the Brigham City public comment meeting began at 7:04 p.m. July 27, 2009.

The purpose of this meeting is for the FERC and the BLM to get your comments on the Draft Environmental Impact Statement, or EIS, that we recently released. In a moment I'm going to give a brief overview of the FERC process, and then Mark with the BLM will say a few words about his agency's process.

Where we are right now: We are in the midst of a 45-day comment period on the draft EIS, and that comment period ends on August 10. All comments that we receive within the comment period will be addressed in a final EIS.

To provide comments, there are several options that you have. There was a sign-up sheet at the entrance table where you could sign up to speak tonight if you wish to give oral comments here at the meeting. There was also a sheet of paper where you could write down comments and either leave those here with us or you can mail them in to FERC. You can also provide comments through the website, electronically.

It doesn't matter to me how you get your comments to me. If you want to speak tonight, that's great; that's why I'm here. If you don't wish to speak tonight and would rather mail them in, that's fine. If you get inspired later on tonight thinking you should have said something, just write it and send it to me. The address and how to file the comments is on the information at the sign-in table. If you have any questions about it, you can talk to me after the meeting; I'll be glad to step you through it.

Specifically, the type of comments that we're after are the things that are going to help us to revise the Draft EIS and to make the Final EIS. So you're here tonight and if you wish to speak, whatever you want to say you'll have the floor and you can say whatever you want. The type of comments that are most helpful are the ones that are specific to the environmental analysis; that way, we can take those comments, have my staff and the BLM staff take a

look at the resource issues, and we will take those into consideration when we prepare the final document.

If you received a copy of the Draft EIS, you're already on the mailing list; you don't have to do anything else. If for some reason you don't think that you're on the mailing list or you're not sure, or the next time you want to get a paper copy instead of the CD, there's a paper at the sign-in table that you can indicate that you wanted to be added to the list or that you'd like to have a paper copy of the final document.

Once we've finished preparing the Final EIS and have mailed it out and issued it, we're going to forward that on to our commissioners at FERC. The FERC Commission is responsible for making a determination on whether to issue a Certificate of Public Convenience and Necessity to Ruby for this project. In other words, the FERC Commission will decide whether or not to approve the Ruby project. The environmental document is not a decision document and it does not make an approval of this particular project.

The EIS is used to advise the Commission as to the environmental impacts, and the FERC Staff's recommendations and conclusions as to the environmental impacts. The Commission will consider the recommendations and conclusions in the EIS as well as a whole host of non-environmental issues such as engineering, markets, rates,

finances, tariffs, and design and cost in making an informed decision on whether or not to ultimately approve the project.

Now I want to turn the meeting over to Mark Mackiewicz. He'll say a few roles about the BLM role.

MR. MACKIEWICZ: Good evening. My name is Mark Mackiewicz, and I'm National Project Manager with BLM's Washington, D.C. office. The Bureau of Land Management is the lead federal agency charged with granting right-of-way across all federal lands involved in the project. We work closely with our local BLM office in Salt Lake City, our Forest Service Office, as well as our reclamation offices and their resource specialists to make sure that we have identified resources and issues that the proposed project may have on federal lands.

As Dave mentioned, we are a cooperating agency along with the Forest Service in preparing the Draft Environmental Impact Statement. We will use the environmental impact statement in determining whether we should approve or not approve a right-of-way on federal lands authorizing construction of the Ruby Pipeline project.

For everybody's edification, the authorized officer for this project is a gentleman by the name Ron Wenker. He is the state director for the BLM office in Nevada.

Thank you.

MR. SWEARINGEN: Are there any questions about the FERC role, the process, the BLM process that we can answer for you before we move on?

(No response.)

You noticed when you came in that Ruby Pipeline had a number of folks here; some folks with maps, and they had some right-of-way people and some engineers. They're here; after the meeting they'll be glad to hang around if you have any questions specific to the Ruby folks they'll be glad to answer those. They were nice enough to bring some water and some cookies over on the table on the left, so be sure and help yourself to those.

I want to point out that the Draft EIS had some route alternatives and variations that the FERC staff recommended. and it's my understanding that the Ruby folks are actually going to officially adopt those; they haven't yet, I don't believe, but they are going to officially adopt those. So what that means is that the maps that they have are more updated than the ones that were in the Draft EIS. So if you have any questions about any of the alternatives that might be recommended, and you're not quite sure exactly where the route is, I think that the maps will reflect the most updated information.

With that, I'll go ahead and open the meeting for

public comments. You'll notice at the table to my right there's a court reporter; this meeting will be a part of the public record, it's going to be transcribed. So what that means is, if you come up to speak, please give your name, spell it for the record, and if you're part of some organization or something to give that also so that the record can be complete.

One person has signed up to speak. I will call that person first, and after that I will open the floor for anybody else who wishes to make comments; that will be fine, we can do that as well.

So, Ron Smith?

MR. SMITH: I'm Ron Smith, and I have a place just out here where they plan on going through. I had them come and talk to me this spring; we'd been talking and looking at it for some time, but I was disappointed in what you guys want to pay the people. Proctor & Gamble is giving three times the property value, and most of the landowners I've talked to are very happy with it, that are taking that water out to Proctor & Gamble from Brigham City. But I don't even think you're giving the value of the land.

Now out where I am, we have five acre building lots, and that cuts across five or six of my building lots. And so when they explained it to me, they said "Well, we're not really buying the land, we're buying a 50-foot

easement." And then there's that 50 foot, and then of course it will go clear up to 115 where they need a work space, and then they said they would restore it back to the normal way it is and put the fences and everything else and reseed or whatever had to be done.

But the 50 feet, where it goes across me, it only comes out -- I have two acres that you guys want, and that would be $10,000 an acres. So there's two acres, I'd get $20,000 for going across five building lots, five acres building lots across my property. And I don't think that's even the land value. And I said 'well, Proctor & Gamble paid' -- and most of them guys are happy. But I said "I'm not happy at all." And they said "Well, Ron, if you don't take it this spring" -- and he's ready to give me a check for it" and he says "then there would be about a $10,000 cleanup fee," so I could get the original 50 foot of two acres would be 20,000 and then another 10,000 cleanup, get $30,000. And he said if I didn't take it now he said, of course your cleanup will be after it's restored and then you sign that off, but we could pay you the $20,000 now if you wanted it.

And I said, "Well, I don't want it at that price, that's for sure." And he said "Well, listen," he says "if you don't take it now" he says "we'll have you in court this fall." and I said "Well, I'll see you in court this fall."

Now if there's any of these guys that would like to go with me -- I know you guys, I'm just a little tiny guy, but I think your guys are a lot bigger than Proctor & Gamble. But I just don't -- they says "Well, we're going to take it anyway. We're going through." And I said "Well, if you go through, then I want you to pay for it." And I just don't feel that it's the proper amount of money.

And he says "Well, everybody we're going to offer the same." And I said "Well, I don't understand that." And unless he was going through some building district or someplace I guess maybe in Logan or something where the property value is extremely high, but I don't feel like they're even in the ballpark.

MR. SWEARINGEN: I can say a few things about that.

Did you have to say?

MR. SMITH: That's what I really wanted to say.

MR. SWEARINGEN: Okay. I'll use this opportunity to kind of put out some things about the different roles and who is supposed to do what. The FERC Commission, of course, it is not our project; the FERC environmental staff of the Commission, it's not our project, and the entities that actually negotiate the easement are the pipeline company and the individual landowner.

So the comments that you made tonight are to be

directed towards Ruby, and there's a lot of Ruby folks here in the room, so hopefully some of them were listening and they can talk to you after the meeting and perhaps discuss the particulars of the land acquisition, the easement acquisition process for your property.

Just as a general rule, the FERC does not get into anything regarding setting compensation amounts or rates or issues regarding the monetary settlement for easement. But one thing that Mr. Smith brought up that is true is that if the FERC certificates the project, the authorization does convey with it the right of eminent domain. So if the Ruby folks say in a factual manner that they will have eminent domain if the project is approved, that is true. I would hope that they would do it in a judicious manner and not a confrontational manner; hopefully, like I said, that some of the Ruby folks will be glad to talk with you after the meeting to perhaps clear some of that up.

That's the only person that signed up to speak. The floor will be open. I will hold the public part of the meeting open as long as anybody wants to speak. If not, what I will do is I'll close it and then you can go back to looking at maps and talking amongst yourselves and talking with the Ruby folks or asking me; but all that will be off the record.

So if you want to make environmental comments on the record, now's your chance. So I will open the floor to anybody who may wish to come up.

Yes, sir.

MR. RICHINS: Blaine Richins (spelling).

The concern I have is when they go through, we've spent a considerable amount of money developing water; and I have a feeling that there's a good chance that they will mess up that water that's already flowing through there, and we'd have to go develop it again. I don't know how much effect that -- that's what you consider the environment or not, but.

MR. SWEARINGEN: Just a question; is this surface water or ground water?

MR. RICHINS: It's underneath. We've had to dig trenches about 10 to 12 feet deep and create drain lines to collect the water going across our property. And they'll be above that; so the water flows through the ground, and I'm concerned that if they interrupt that or change it then we would lose our water, which changes the value of our property a whole lot, and changes the whole environment, I guess.

And also how it's going to be restored, how the old mountain fuel line that went through back in the Sixties, I believe it was, they left quite a road through

there and quite a scar. I suppose it will be looking better than that this time, but that also affected the water, apparently, because there were some ponds on our property below that line that are now dry and have been for years. But apparently there was water there at one time, so I'm concerned that this pipeline will do the same thing to the water that the other one probably did. And if that happens then it forces us to go above that to try to develop water just up on the hill where it's pretty steep now, and so I have those concerns that it's going to change the environment quite a bit, and I don't quite know how to deal with that.

MR. SWEARINGEN: That's a good point, because we definitely take water issues, groundwater flow very seriously, and we do discuss that in the environmental impact statement.

What I'd like you to do is, after the meeting, if you could let somebody know exactly where your property is, because that way we can kind of have a before and after picture of your property in particular. But in general, the FERC restoration requirement is that what was there before is what is there after. There are what we consider to be best practices for construction that addresses the fact that you do have groundwater subsurface flow, and there are ways to construct in that where you're using trench plugs and

different construction techniques to basically not affect the groundwater flow.

However, sometimes it does happen that the pond on the downslope side of the trench doesn't recharge as quickly as it did before, and at that point we require the company to do remediation measures until it is restored satisfactorily; or there is a damages issue where they would have to either do additional things above and beyond what would be normal restoration to ensure that would happen.

So let us know where you are and we'll keep an eye on that for you.

Does anybody else wish to give comments?

Okay, then what I'm going to do is I'm going to close the public part of the meeting. I will stay around, folks from Ruby will stay around, Mark with the BLM will stay around for a little bit, and we can answer some questions off the record.

Anyone wishing to keep up with the official activity associated with the Ruby Pipeline Project can use the FERC website. Within our website -- which is www.FERC.gov -- there is a link called e-Library. Click on e-Library and either type in the docket number, which is CP09-54, or just type in Ruby Pipeline, and it will bring up all the public information that's been filed regarding the project, whether it's a FERC issuance or a submittal by Ruby

Pipeline. And you can view it, download it, burn it, read it off the computer, whatever you want to do with it.

Anybody wishing to obtain a transcript of this meeting in the near future can talk with the court reporter; at some point it will be made available on the FERC website.

On behalf of the Federal Energy Regulatory Commission and the BLM, I want to thank you all for coming here tonight. Let the record show that the Brigham City comment meeting concluded at 7:22 p.m. Thank you.

(Whereupon, at 7:22 p.m., the scoping meeting concluded.)