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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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Dominion Transmission, Inc. Docket No. PF09-15-000
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APPALACHIAN GATEWAY PROJECT

Waynesburg Central High School
30 Zimmerman Drive
Waynesburg, Pennsylvania
Thursday, January 21, 2010

The public hearing, pursuant to notice, convened at 6:12
p.m., before a Staff Panel:

JANINE CEFALU, Environmental Project Manager
ELLEN ARMBRUSTER, Archaeologist

With:

SCOTT CANTERBURY, Dominion Transmission, Inc.

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LIST OF PUBLIC SPEAKERS

John Cantoni, landowner	15
Bruce Razillard, landowner	16
Richard Miller, Assistant General Counsel, Alpha Natural Resources	17

1 PROCEEDINGS

2 MS. CEFALU: Ladies and gentlemen, if you could
3 take your seats, please. We'll be starting the meeting.

4 Good evening and welcome to the public scoping
5 meeting for the Dominion Transmission Appalachian Gateway
6 Project, filed under Docket No. PF09-15-000. My name is
7 Janine Cefalu, and I am the Environmental Project Manager
8 with the Federal Energy Regulatory Commission, or FERC.

9 With me today is Ellen Armbruster, the
10 archaeologist for the project.

11 Let the record show that the public scoping
12 meeting began at 6:12 p.m. on January 21st, 2010, in
13 Waynesburg, Pennsylvania.

14 As it says in our Notice of Intent for this
15 project, the Commission is preparing an Environmental
16 Assessment, or EA for the proposed project. We are here
17 tonight to learn from you. The purpose of this meeting is
18 to give you an opportunity to comment on the environmental
19 issues or any other issues that you think we should consider
20 in this EA. The more specific your comments are, the more
21 helpful this will be in our analysis.

22 As you can see, the meeting is being recorded by
23 a court reporter so that we can have an accurate record of
24 tonight's comments. A transcript of this meeting will be
25 placed in FERC's public record. If you are interested in

1 receiving a copy of the transcript directly for a fee,
2 please see the court reporter after the meeting to make
3 arrangements.

4 To help the court reporter produce an accurate
5 record of this meeting, I ask that you please follow some
6 ground rules. I will ask you to please come to the front
7 and speak into the microphone, please introduce yourself,
8 and if appropriate, the agency or group you're representing;
9 please spell your name, define any acronyms you may use, and
10 speak one at a time.

11 Following the formal segment of tonight's
12 meeting, there will be an informal opportunity to ask
13 questions either of myself, Ellen Armbruster, or the
14 representatives from Dominion Transmission who are here
15 tonight.

16 I'll start out tonight by briefly explaining the
17 FERC application process. Then Scott Canterbury from
18 Dominion Transmission will present an overview of the
19 project.

20 Next week we will also hold two more meetings in
21 Pine Grove and Belle, West Virginia regarding the proposed
22 facilities. Following Dominion Transmission's presentation,
23 we will hear from those of you who have signed up to speak
24 and would like to make formal comments on the project.

25 If you do not want to speak tonight, you can also

1 send a letter to the Commission addressing your specific
2 concerns. The Notice of Intent, which most of you should
3 have received in the mail, explains how you can mail your
4 comments or provide comments through the FERC website. If
5 you have not received one and are interested in a copy, I
6 have a few copies with me, so please see me after the
7 meeting.

8 There is also a form on the back table where you
9 can write your comments and give them to me tonight, or mail
10 them in by following the instructions on that sheet. The
11 official comment period in the Notice ends February 3rd, so
12 there's still time to mail in comments or provide them
13 through the website.

14 Now I will explain the FERC approval process.
15 The FERC is an independent federal agency that, among other
16 things, regulates the interstate transmission of natural
17 gas. In doing so, the FERC reviews proposals and authorizes
18 construction of interstate natural gas pipelines, storage
19 facilities, and liquefied natural gas terminals.

20 One of the Commission's purposes is to protect
21 energy customers and the public and ensuring that regulated
22 energy companies are acting within the law.

23 When a company wants to build a storage or a
24 pipeline facility to transport and sell natural gas in
25 interstate commerce, the company files an application with

1 the Commission. At this point the Appalachian Gateway
2 Project is currently in our pre-filing process. A formal
3 application has not yet been filed with the FERC. We
4 consider the pre-filing process to be, among other things, an
5 extension of our scoping process. The scoping process is a
6 learning process; it is where we educate ourselves about the
7 project and the potential issues.

8 Under the National Environmental Policy Act, or
9 NEPA, the Commission is required to perform an environmental
10 analysis of the planned project's potential effects on the
11 environment. The FERC is the lead federal agency
12 responsible for the NEPA review of the Appalachian Gateway
13 Project, and the lead federal agency in preparing the EA.

14 We are here tonight to get your input on the
15 issues you feel will be analyzed in the Environmental
16 Assessment. Your comments, along with those interested
17 groups or agency will help focus our analysis on significant
18 impacts. The Commission will make its decision about
19 whether to approve the project after considering the
20 project's environmental and economic impacts.

21 I would like to emphasize that the EA is not a
22 decision document; it is being prepared to advise the
23 Commission and to disclose to the public the environmental
24 impact of constructing and operating the proposed project.
25 When it is completed, the Commission will consider the

1 environmental information from the EA along with non-
2 environmental issues such as engineering, marketing and
3 rates in making its decision to approve or deny a
4 certificate of public convenience and necessity, which would
5 be the FERC's authorization for the project.

6 If the Commission votes to approve the project,
7 then a certificate of public convenience and necessity is
8 issued. Dominion Transmission will be required to meet any
9 conditions attached to the certificate.

10 FERC environmental staff would monitor the
11 project through construction and restoration, performing
12 onsite inspections to ensure environmental compliance with
13 the conditions of the FERC certificate. If you have
14 additional questions about the FERC, I'd encourage you to
15 talk with me or Ellen here after the meeting, or visit the
16 Commission's website at www.FERC.gov.

17 The notice for this meeting and the Notice of
18 Intent were mailed to affected landowners, federal agencies,
19 state and local agencies, elected officials and other
20 interested public groups. To remain on the mailing list for
21 this project, you will either need to return the information
22 request in Appendix III of the Notice of Intent, sign the
23 mailing list sheet at the back of the room, or provide
24 written comments. If you have already mailed in the
25 information requested in Appendix III, we've got it recorded

1 and you don't need to sign again.

2 At this point, does anyone have any questions
3 about the EA process or tonight's program?

4 (No response.)

5 Okay, now I'd like to introduce Scott Canterbury
6 with Dominion to briefly describe the project.

7 MR. CANTERBURY: Thank you. Good evening. My
8 name is Scott Canterbury, I'm an Engineering Manager with
9 Dominion out of our Clarksburg, West Virginia Office. Also
10 here from Dominion are other representatives from our
11 engineering department; also representatives from our land
12 and right-of-way, environmental, government affairs, media
13 relations, and our operations departments.

14 I have a prepared speech that I will read into
15 the record so that the information may be accessible for
16 later use. Tonight I will provide information about
17 Dominion, the proposed project, the process we are
18 undertaking with the FERC for the project, and the
19 applicable environmental and safety regulations. I would
20 like to start by expressing Dominion's appreciation to
21 everyone for coming tonight and to say that we're looking
22 forward to your comments regarding the Appalachian Gateway
23 Project. We also appreciate the Federal Energy Regulatory
24 Commission or the FERC for affording us the opportunity to
25 provide these comments with the goal that they will provide

1 more information and clarity about the project for everyone.

2 First I'd like to briefly describe Dominion
3 Transmission, Inc. or Dominion. Dominion is a subsidiary of
4 Dominion Resources, which is an integrated energy company
5 serving more than 5 million electric and gas customers in 11
6 states in the Midatlantic, the Midwest, and Northeast
7 regions of the United States. Dominion is primarily a
8 provider of interstate natural gas transportation and
9 storage services. It owns and operates one of the nation's
10 largest underground natural gas storage systems and has
11 approximately 7800 miles of pipeline in six states,
12 including Ohio, West Virginia, Pennsylvania, New York,
13 Maryland, and Virginia.

14 Dominion's customers include large commercial and
15 industrial companies, power plants, other interstate
16 pipelines and local distribution companies. By serving
17 local distribution companies, natural gas service is
18 ultimately provided to residences and businesses.

19 Natural Gas accounts for roughly 43 percent of
20 the energy consumed by residential homes in Pennsylvania,
21 and since 2003 the total natural gas consumption in the
22 state has increased by more than 60 billion cubic feet. A
23 steady increase in demand coupled with the recent low
24 temperatures that have fallen upon the region make it
25 critical for customers to have a sufficient supply of

1 natural gas.

2 While demand is increasing, production of natural
3 gas from both conventional and non-conventional shale and
4 coal bed methane, sources in the Appalachian Region of West
5 Virginia and Pennsylvania is also increasing.

6 Dominion is proposing the Appalachian Gateway
7 Project to help meet the demand for gas in the Midatlantic
8 and Northeastern United States by providing 484,260
9 dekatherms per day of firm transportation service for the
10 new Appalachian supplies that will ultimately be delivered
11 to homes, businesses, industries and power plants throughout
12 these regions.

13 Dominion's existing natural gas pipeline system
14 is uniquely positioned in the Appalachian region, as it
15 traverses the areas of significant supply growth. From an
16 economic development standpoint, the revenues generated from
17 the construction of the project itself will have a positive
18 socioeconomic impact on the region.

19 Now I would like to describe the project
20 facilities. Overall, the proposed Appalachian Gateway
21 Project facilities will include approximately 110 miles of
22 new natural gas pipeline along new and existing rights-of-
23 way in West Virginia and Pennsylvania, and new compression
24 facilities in West Virginia.

25 Proposed facilities in this area will be limited

1 to new pipeline installations. A new 30-inch diameter
2 pipeline called TL-590 will originate and traverse
3 approximately 20 miles in Marshall County, West Virginia
4 before extending approximately 23 miles into Greene County,
5 Pennsylvania, where it will terminate at Dominion's existing
6 Crane Station.

7 A proposed 24-inch diameter pipeline, designated
8 as TL-591, will originate at the Crane facility and parallel
9 Dominion's existing TL-342 pipeline for approximately 25
10 miles in both Greene and Washington Counties. The pipeline
11 will then continue another 30 miles through both Allegheny
12 and Westmoreland Counties to Dominion's existing Oakford
13 Storage Facility near Delmont, Pennsylvania. A 6 mile
14 extension of Dominion's existing TL-492 pipeline is proposed
15 to loop the TL-342 pipeline in Greene County.

16 Lastly, interconnecting facilities including
17 valve assemblies, above-ground piping, and measurement and
18 regulation equipment will be installed at the Crane
19 facility.

20 Next I will discuss where we are in the FERC
21 process. In October 2009, Dominion voluntarily began the
22 National Environmental Policy Act or NEPA pre-filing process
23 with FERC. This process allows Dominion to work closely
24 with the FERC, the resource agencies, communities, and
25 individual landowners during the early permitting stages of

1 the project, with the goal being better coordination of
2 major permitting issues in a more complete project
3 application when filed.

4 Dominion is currently in the initial assessment,
5 planning and design stage of the process. At the conclusion
6 of the pre-filing process, Dominion will file a formal
7 application with FERC.

8 Draft resource reports for the project were filed
9 on November 5, 2009 and again January 13th of this year, and
10 may be viewed on the FERC's e-library website.

11 In accordance with the FERC prefiling and
12 Environmental Assessment processes, complete resource
13 information will be provided in the updated resource reports
14 60 days prior to the date the application is filed. These
15 reports, which will consider your public comments, and
16 comments by the agencies, will also be available to the
17 public for review and comment. The formal application for a
18 certificate of public convenience and necessity will
19 finalize the project scope and include the environmental
20 resource reports and environmental assessment.

21 In addition to providing comments tonight, the
22 public will have an opportunity to comment on the resource
23 reports, the Environmental Assessment, and the application.
24 Dominion anticipates filing the application for the project
25 this summer.

1 After FERC approval, construction of the
2 facilities is planned to begin the summer of 2011, to meet a
3 projected in-service date for the entire Appalachian Gateway
4 Project in September of 2012.

5 Now I'd like to provide a brief description of
6 the environmental regulations Dominion must comply with in
7 order to operate the project facilities. At the project
8 facility site locations, Dominion will perform relevant
9 field studies and surveys necessary to assess the
10 environmental impact of the project. The proposed project
11 facilities will be regulated by local, state and federal
12 agencies. As part of the FERC process, an environmental
13 assessment will be written and distributed by FERC to
14 communicate and establish conditions and mitigation measures
15 for the project.

16 Dominion will comply with the following
17 environmental laws: The National Environmental Policy Act,
18 or NEPA; the Clean Water Act, including wetlands protection;
19 storm water management, pollutant discharge and elimination
20 programs; the Clean Air Act; the National Historic
21 Preservation Act; Archaeological and Historic Preservation
22 Act; Endangered Species Act; and the Flood Plain Management
23 Program.

24 In addition to compliance with environmental
25 laws, safety is Dominion's top priority. Dominion

1 incorporates this core value into the design of its
2 facilities and strives to meet or exceed the safety
3 regulations in the operation of its facilities.

4 Dominion must comply with safety regulations set
5 forth by the U.S. Department of Transportation as well as
6 FERC. Dominion has operated natural gas facilities in the
7 region for over a hundred years and has an excellent safety
8 record. Dominion will continue to comply with federal,
9 state and local safety laws to achieve reliable operations
10 for the proposed facilities.

11 In closing, I'd like to say that Dominion strive
12 to both be a good neighbor and a good corporate citizen.
13 Dominion's field supervision works with local residents to
14 address their concerns and to inform them of operating
15 activities that may directly affect them. Dominion will
16 work with the local community and affected landowners to
17 address issues and concerns raised during the permitting and
18 the detailed design period for the project.

19 Your comments tonight and throughout the FERC
20 process will provide an opportunity to successfully achieve
21 this goal. I would again like to thank you for the
22 opportunity to provide this information tonight.

23 MS. CEFALU: Thank you.

24 Are there any questions at this time concerning
25 the proposed project description?

1 MR. RAZILLARD: My name is Bruce Razillard. I
2 own property in Franklin Township, Parcel No. 07-06118E and
3 0706118A. It's roughly about 30 acres, plus or minus.

4 First time I ever hear about this project was in
5 September of '09, from Dominion, a representative of
6 Dominion. At that time I agreed to meet him at his office,
7 and we discussed it, and he says, we need some survey
8 permission from you. And I said that's fine with me, go
9 ahead onto the property.

10 He told me that there's a proposed pipeline that
11 may happen, not that it was definite. I told him at that
12 time I had plans of developing the property. At that time,
13 he said he will be in contact with me when he knew that it
14 was a hundred percent sure it was moving forward.

15 I didn't have another meeting with Dominion until
16 a couple weeks ago, when they told me it was a hundred
17 percent going to go forward. I told him at that time, I
18 said "Well, how come nobody's contacted me to talk about, I
19 told you I was developing this property?" He said 'we're
20 here to talk about it now.' And they wanted to get me to
21 sign a right-of-way.

22 So I'm just saying that I need to sit down with
23 Dominion and talk to them, to tell them where the
24 development's going to take place so they can coordinate
25 together a proposed location that will work for both of us,

1 instead of where they have it. That's it.

2 MS. CEFALU: Thank you.

3 Our next speaker will be Richard Miller.

4 MR. MILLER: Thank you for this opportunity to
5 speak. My name is Richard Miller [spelling] and I am
6 Assistant General Counsel with Alpha Natural Resources.
7 Tonight joining me is Sam Kario, he's the President of
8 Pennsylvania Land Holdings Company, LLC. Also joining me
9 tonight is Jason Hustus, and he is the Managing Engineer for
10 Emerald Coal Resources, LP.

11 Just by way of explanation of who we are, Alpha
12 Natural Resources acquired Foundation Coal Corporation
13 August 1st, and so all of the companies formerly associated
14 with Foundation Coal Corporation are now a part of Alpha
15 Natural Resources. There are a number of companies here in
16 Pennsylvania owned by Alpha Natural Resources indirectly.
17 Those companies include Cumberland Coal Resources, which is
18 an active coal mining operation; Emerald Coal Resources,
19 which is also an active mining operation; Coal Gas Recovery,
20 LLC, which is a methane gas producer and processor; they
21 take the methane gas from the mines and process that and
22 market it. Also, Pennsylvania Land Holdings Company, LLC,
23 it's a land holding company that owns or leases the rights
24 to the coal and in turn leases or subleases those to the
25 coal mining operations so that they can mine the coal.

1 Also indirectly owned by Alpha Natural Resources
2 is Pennsylvania Services Corporation, which is a services
3 provider to the active mining and gas operations. Freeport
4 Resources Corporation, which owns the Freeport seam of coal;
5 and Freeport Mining, LLC, which is projected to mine the
6 Freeport seam of coal.

7 So these are all of the affiliates here in
8 Pennsylvania which will be impacted by this pipeline, and
9 Alpha owns many other companies that operate in
10 Pennsylvania; but I'll just stop there because these are the
11 companies that will be directly impacted.

12 Alpha is one of the top five largest coal
13 producers in the United States. Right now we think we are
14 at number three, and the operations in Pennsylvania
15 represent the second largest coal production operations in
16 Pennsylvania. In addition to that, Pennsylvania Land
17 Holdings Company owns or leases 18,000 acres of gas rights,
18 and Pennsylvania Land Holdings Company is looking to more
19 aggressively prosecute these rights and produce this gas.

20 As of December 31, 2009, Cumberland and Emerald
21 and Pennsylvania Services employed 1,094 people with high-
22 paying jobs with excellent benefits. They paid millions of
23 dollars in taxes and contributed heavily to the local
24 community. If you drive down the road here and make a left,
25 the aquatic center was built with money from the coal mines.

1 So the point that I'm trying to make is that
2 these operations are very important to the local community,
3 to the county at large, to the state; and also, I would
4 submit, to the United States, because this is a domestic
5 form of energy which represents approximately 50 percent of
6 the electricity that's generated in the United States that
7 comes from the burning of coal.

8 Now, we're interested in these pipelines for two
9 reasons. The first reason is, as I mentioned earlier,
10 Pennsylvania Land Holdings Company has 18,000 acres of gas
11 rights and they're looking to aggressively prosecute those
12 rights; so strictly from the perspective of Pennsylvania
13 Land Holdings Company, we are very encouraged by this
14 pipeline, as it will provide another source of
15 transportation for the natural gas produced by Pennsylvania
16 Land Holdings Company. And hopefully that will also mean
17 more competitive transportation rates.

18 And as you may recall earlier I mentioned, the
19 coal gas recovery produces methane gas, and so we're also
20 looking for means of transporting that gas. So strictly
21 from the perspective of the natural gas side of our
22 business, we're encouraged by this project.

23 On the coal side, we're not opposed to it so long
24 as we have an understanding of how Dominion is going to
25 respect our property rights. And in that regard, I'd like

1 to give you just a quick primer on basic property rights in
2 Pennsylvania. In Pennsylvania there are three basic general
3 estates and property; there's the surface estate, which is
4 the land that we walk on. There is the mineral estate,
5 which includes the coal and the natural gas and oil; and
6 furthermore, that can be divided up by specific coal seams
7 or specific strata underneath the surface; and the third
8 general estate is the support estate. The support estate
9 is, as the name would imply, the right to subside the
10 surface.

11 For coal mining operators this is very important.
12 If you don't own it, it means that you can't subside the
13 surface; you've got to leave coal in place to support the
14 surface, and you cannot fully extract the coal from below
15 the surface.

16 In the location of this pipeline, Emerald Coal
17 Resources does own both the Pittsburgh seam of coal and the
18 support estate. And what that means from the perspective of
19 property rights is that Emerald has the property right to go
20 in, fully extract the coal, and subside the surface without
21 liability for damages to the surface.

22 So what this means for Dominion is that they need
23 to, in respecting our property rights, they need to be
24 responsible for protecting their pipelines. So this is our
25 concern; are they going to recognize our property rights and

1 accept that responsibility.

2 Let me just add that both Cumberland Coal
3 Resources, the Cumberland mine, and Emerald Coal resources,
4 the Emerald mine, have undermined over the past 30 years
5 many, many miles of pipeline without incident. So let me be
6 clear that it can be safely done, so it's not strictly
7 speaking an issue of safety; it's an issue of the pipeline
8 accepting responsibility for any safety issue. And in that
9 regard, we have cooperated in the past with pipeline
10 companies, given them information about subsidence studies,
11 about when it would be passing through the area, providing
12 them with maps and timing maps; and if Dominion recognizes
13 our property rights with regard to this pipeline, then we
14 would be amenable to cooperating with them.

15 We are encouraged by Dominion's recognition of
16 these issues. We notice in the Resource Report No. 10 that
17 Dominion recognizes that, quote: Coal companies in the area
18 have plans for underground mining for the next 15 to 20
19 years. End quote. We just wanted to add to this, this is
20 true for the existing operations for Cumberland and for
21 Emerald. I just wanted to point out that we own reserves
22 that will be mined many years beyond that time frame; so
23 this will be an ongoing issue for the pipeline company.

24 In addition, we note that Dominion has set forth
25 the mitigation measures that it has used in the past, and

1 states that it is coordinating with coal companies in the
2 area. And that is found at the Resources Report at pages
3 10-10 and 10-11.

4 So we would just like to make it clear that we
5 hope and expect that Dominion will agree, as it did in the
6 Hub III project, to affirmatively address subsidence safety
7 issues that will arise given the proposed location of its
8 pipeline over our active mining areas and coal reserves; and
9 to us this means accepting responsibility for planning,
10 implementing and paying for the subsidence mitigation.

11 And if Dominion has that understanding, and
12 assuming that that becomes part of the resources report and
13 the environmental assessment, then we will agree to fully
14 cooperate and provide any information that we can, any
15 cooperation that we can necessary to perform the subsidence
16 mitigation.

17 We note also that FERC did this in the Dominion
18 Hub III and also in the Rockies Express Pipeline East cases;
19 and so we believe that what we're asking for is nothing
20 extraordinary. We believe that this is consistent with past
21 practice; we just want to make sure that the same practice
22 is honored in this instance.

23 So thank you very much for the opportunity to
24 speak, and if Dominion or the FERC has any questions, we'd
25 be happy to answer them.

1 Thank you very much.

2 MS. CEFALU: Thank you.

3 At this time there's no one else signed up on our
4 speaker list, so I will ask if anyone else would like to
5 speak that is not signed up.

6 (No response.)

7 Without any more speakers, the formal part of
8 this meeting will conclude. Again, I encourage you to stay
9 and look more closely at the maps and the information that
10 Dominion has brought with them. Their representatives will
11 be able to assist you with these maps and to answer any more
12 specific questions you may have.

13 On behalf of the Federal Energy Regulatory
14 Commission, I would like to thank all of you for coming
15 tonight. Let the record show that this meeting concluded at
16 6:44 p.m.

17 (Whereupon, at 6:44 p.m., the scoping meeting
18 concluded.)

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