FEDERAL ENERGY REGULATORY COMMISSION

PUBLIC SCOPING MEETING FOR THE

ALASKA PIPELINE PROJECT

Kaktovik Community Center

Kaktovik, Alaska

February 8th, 2012

4:50 p.m.

DAVE SWEARINGEN: All right. Good evening. Welcome. I want to thank you all for coming here tonight. My name is Dave Swearingen and I'm on the staff of the Federal Energy Regulatory Commission, or FERC. At the front table is John Peconom. Mike Boyle with the FERC is also with us tonight. And Ellen Saint Onge at the table in the back. We also have a representative from Argonne National Labs who is helping us with our environmental assessment. That's Rob McWhorter. He's also at the table in the back.

You'll notice that the meeting's being transcribed. We have a court reporter. So it's going to be put into the public record.

So let the record show that the Kaktovik scoping meeting began at 4:50 p.m., February 8th, 2012.

The purpose of this meeting is to give you the opportunity to provide environmental comments specifically on the Alaska Pipeline Project. The Alaska Pipeline Project is being advanced jointly by TransCanada Alaska Company and ExxonMobil Alaska, which I will sometimes refer to as the project proponents or the

applicant.

TransCanada and ExxonMobil jointly entered into the FERC pre-filing process on May 1st, 2009, in which we began our review of the facilities that we call the Alaska Pipeline Project.

The FERC is being assisted in its environmental review by our contractor, as I mentioned before, Argonne National Labs as well as a number of federal and state agencies working with us in cooperation. Namely, the Office of the Federal Coordinator, we have a representative, Julie McKim is here from the OFC. The U.S. Bureau of Land Management, we have Ralph Eluska here from the BLM. He's the Alaska Native Claims Settlement Act liaison and also is assisting us as an adviser on Native issues. Other cooperating agencies assisting us in environmental impact statement is the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, U.S. Environmental Protection Agency, U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration, U.S. Geological Survey, U.S. Coast Guard, Eielson Air Force Base and the Alaska State Pipeline

Coordinator's office.

The project will involve construction and operation of a new pipeline system to transport up to 4.5 billion cubic feet of natural gas per day from Point Thomson to Prudhoe Bay down to the Alaska/Yukon border. You can see there's a map here that shows it very general. Point Thomson, Prudhoe Bay, then down to the Alaska/Yukon border. At the border the pipeline will interconnect to a new pipeline in Canada to deliver gas to North American markets in the Lower 48.

Associated with the project are also compressor stations, in-state delivery points and various other facilities. Associated infrastructure includes access roads, helipads, construction camps, pipe storage areas, contract yards, borrow sites and dock modification and dredging at Prudhoe Bay.

In a little while I'll ask a representative from ExxonMobil to take the floor to give a more detailed project description. The project proponents will also be able to answer some of your questions regarding the project. And they'll be available for you to ask some

questions in the back of the room after the formal part of the meeting is over. You can see materials over here, so when the formal part of the meeting is over, stick around and you can ask them questions as well about specifics about the project.

But right now I'm going to talk a little bit about the FERC scoping process and public involvement. The main FERC docket number for the Alaska Pipeline Project is PF09-11. PF means that we're in the pre-filing stage of the process. Once the proponents file a formal application, a new docket number will be assigned.

I know you can't really see this from here -- and that's okay -- after the meeting's over I'll be glad to step through this with you if you want some more information. But just as a point of reference, if the star represents the point of the formal application, which we have not reached yet, this is anticipated to be in October of this year. Right now we're still early in the process during scoping. We are soliciting input from the public before the formal application is filed so that when the

application is filed it will contain a lot of the answers. And, you know, the companies take on the issues that have already been brought up. And then what we do, our staff, is we take those issues as we move into the development of the environmental impact statement before the project is approved. I'll talk more about that in a minute. As a visual, you can see we're still early in the process. The formal application has not yet been filed.

The National Environmental Policy Act, or NEPA, requires that the FERC commission take into consideration the environmental impacts associated with new natural gas facilities. Scoping is the general term that we use to solicit input from the public before the environmental analysis is conducted. The idea is to get information from landowners, Alaska Native groups, agencies, organizations and other interested parties so that we can incorporate issues of your concerns into our analysis. The scoping period started last August when we issued our notice of intent to prepare an environmental impact statement, what we also call an NOI. In that NOI we describe the environmental review

process, some already identified environmental issues, and the steps that the FERC and the cooperating agencies will take to prepare the environmental impact statements, which I will also refer to as an EIS.

If you received the NOI in the mail, that means that you're already on our mailing list. If you think that you might not be on the mailing list or you have to update that, you can give us that information in the back. That way you can be sure to receive additional mailings and things that we send out as the process continues.

Now we've set an ending date of February 27th, 2012, for this scoping period. And as I mentioned it opened last August. However, the end of this scoping period is not the end of public involvement. There will be a comment period including additional public meetings once the draft EIS is issued. An important step in the environmental review process and the preparation of an EIS is to determine which environmental resource issues are most important to you. Basically that's the main reason I'm here tonight. Your comments and

concerns, along with those of other people and agencies participating in this process will be used to focus our environmental analysis. Your comments tonight, together with any that you may have already filed or intend to file will be added to the public record as comments on the environmental proceeding.

Last month the project proponents filed draft environmental resource reports which contained information on which the public may wish to comment. Because the project sponsors are still developing their FERC application, your comments will help the company address all of the issues and potential effects. After we receive -- the FERC receives a complete and acceptable application, FERC staff will prepare our independent analysis of the project's potential impacts. We'll work with the cooperating agencies to do that. We'll publish those findings in a draft EIS which will be mailed out to all the people on our mailing list, and as I mentioned before, will be publicly noticed for comments and additional meetings. We will then continue our analysis and incorporate the public comments into a final EIS which will

also be mailed to all interested parties.

Now our mailing list for this project is well over 2,000 people, agencies, Native groups and organizations. So because of the size of the mailing list what we've decided to do is when we issue the draft EIS and the final EIS we're going to mail it out on CD. Now in the NOI there was an opportunity to tell us if you don't want a CD, you rather have a paper copy, that's fine. You have to let us know. There's a check box that I'd rather have a paper copy. Now if you didn't check that box or you're not sure, you can also tell us at the table on the back that you'd rather have a paper copy. And if you don't tell us, you're going to get a CD.

Now I need to differentiate between the roles of the FERC commission and that of the FERC environmental staff. The Commission is responsible for making a determination on whether to issue a Natural Gas Act certificate of public convenience and necessity to the project proponents. The EIS developed by FERC environmental staff is not a decision-making document. It does not make the decision on whether to approve or not to approve the project.

In general the EIS describes the environmental impacts associated with construction and operation of the project, discusses variable alternatives to the project, mitigation to avoid or reduce environmental impacts and FERC staff's conclusions and our recommendations.

So then the EIS is used to advise the FERC commission to disclose to the public the environmental impact of constructing and operating the proposed project. The FERC commission will consider the EIS, public comments as well as those non-environmental issues such as engineering, markets, rates, tariffs, finances and design and cost in making an informed decision on whether or not to approve the project. Only after taking the environmental and non-environmental factors into consideration will the Commission then issue its finding on whether to approve the project or not.

Now this particular project is unique. It was addressed by Congress in the Alaska Natural Gas Pipeline Act of 2004. Also referred to as ANGPA. The objective of that Act was to facilitate the timely development of an Alaska natural gas transportation project to

bring Alaska natural gas to markets in both Alaska and the Lower 48 states. That legislation designates the FERC as the lead federal agency for the purposes of complying with NEPA, but also specifies that all federal agencies that have a permitting role in the project to use the single EIS to meet their required environmental reviews.

Are there any questions about the scoping process or the way the FERC handles things?

THE WITNESS: Was that state legislation or federal legislation?

DAVE SWEARINGEN: ANGPA was federal legislation. There was also state legislation which would've been Alaska Gas Inducement Act which was the one that set up the funding mechanism for the project.

Any other questions about the FERC process scoping?

Okay. What I'm going to do now is I'm going to turn the meeting over to Myron Fedak of ExxonMobil. And he's going to provide a project overview. And then we'll turn it back -- I'll take the meeting back and we'll have an opportunity for public comments.

Myron?

MYRON FEDAK: Does everybody have the series of handouts?

Good afternoon. My name is Myron Fedak. I am the Alaska Pipeline Project environment regulatory land manager and I head up our office.

What FERC asked us to do as an applicant is to very quickly give you a high level overview of what APP is all about.

On slide 2 is -- most of these points were already stated by FERC staff. APP is a joint undertaking by TransCanada and ExxonMobil. The project's being set up to move natural gas from the North Slope to markets in the Lower 48.

FERC is our lead agency under the U.S. Natural Gas Act. They will be the ones preparing the environmental impact statement. As this was mentioned, we're also under state legislation for the rest of this project under the Alaska Gasline Inducement Act.

We have filed in January, 11 resource reports, several thousands pages. And so I'm just going to talk a little bit about the project. We also have here what our current

planning basis is for pipeline routing. So after the meeting we'll be pleased to talk with you about where we've situated pipelines in the facilities.

Slide 3 attempts in one page to give you a snapshot of the entire project. It's an overview of the three key project components. Begins not far from here with Point Thomson gas transmission line, about 58 miles which will take raw gas from Point Thomson Unit to a new gas treatment plant that we would build. The gas treatment plant will be located within the Prudhoe Bay Unit and simply it will take raw gas from Point Thomson and Prudhoe Bay, treat it to pipeline quality, compress it and send it down along the pipeline.

The Alaska mainline is approximately 1,700 miles, connect to existing major distribution pipelines in Alberta, Canada. Of that, 745 miles is in our state. We have eight compressor station in our state of Alaska. And I'll talk about those also.

We have in accordance with our requirements under AGIA committed to provide at least five in-state natural gas delivery points.

Those will not be our choices. Those will be the points that we are instructed to install. And if they are not told to us before construction they can be installed later.

Just to give you a high level perspective on how much land you physically walk on and touch, during construction we touch about 32,000 acres in the state of Alaska. Notice it's almost three times what we would have during operations. During construction we have temporary space, much wider corridor to build and install the pipeline, storage yards, construction camps, temporary access roads and so forth. Once the construction is done, the facilities are operating, we'll work to restore temporarily disturbed land.

So let me step through the three project components beginning on slide 4. You'll see the Point Thomson gas pipeline beginning in the east and west Prudhoe Bay. The detailed maps here in a much greater level of detail you can look at after the meeting. Pipeline is approximately 32 inches. It will handle one billion standard cubic feet a day of gas, 1,100 pounds of pressure. The minimal wall

thickness will be over a third of an inch of steel. And because we're burying the pipeline in this arctic zone the gas will be chilled to below freezing before entering the pipeline.

So it's transmitted to a new gas treatment plant which is on slide 5. As I stated it's in Prudhoe Bay Unit. And if you look at the map on the left-hand side, colors indicate different things. Yellow are existing facilities. So you see things like the central gas facility and the central compress plant, certain injection wells, West Dock. Those are all existing Prudhoe Bay facilities. In orange are facilities that APP would install. You have the gas treatment plant in the bottom left-hand corner. New roads that we'd have to build to provide access. And in red are existing facilities that we would modify. Mostly roads to West Dock.

Pure and simple the gas treatment plant takes up to 5.3 billion standard cubic feet a day of natural gas in its raw impure state, treats it about to 4.5 billion standard cubic feet a day and brings it up to 2,500 pounds of pressure. Simply put, it'll remove the

impurities, it'll pull out the water, it'll compress the 2,500. Again, because of arctic conditions we'll chill the gas, put it into a buried pipeline. There is a significant amount of CO2, we will pull the CO2 out. It will not go to the vent -- it will not be vented to the atmosphere. It will be sent back to the producers for reinjection.

To do all this will take about a million horsepower. Virtually everything powered by the natural gas that's treated and used.

The modules that comprise the bulk of the gas treatment plant will have to come in on West Dock, Dock Head 2. Because of the size of the modules, bigger than anything that we've ever brought up to the Slope, there will be a bit of dredging and we'll need to modify the dock itself.

To give you kind of a visual perspective, on slide 6 you have a picture of existing facilities at Prudhoe Bay on the left. The central compressor plants in the foreground, central gas facility in the background. And on the right-hand side is a computer artist's generated sketch of what our gas treatment plant

design looks like today. When it's built out the facilities will look very similar from a distance to the existing facilities you see on the left.

So the gas treatment plant will put the gas into the Alaska mainline, which is on page 7. This pipeline, which traverses 745 miles in our state, is 48 inches in diameter, predominantly buried. There will be a few spots where it comes out of the ground. There are a small number of faults that we know, so the pipeline will be aboveground and cross those seismic faults. Still looking at options, it'll probably span one or two rivers with aerial pipeline crossing. Next, the natural gas will be cooled. And if you look at the route, it's basically parallel to existing highways and TAPS down towards Delta Junction and continues along the highway to the Yukon.

You'll notice given the high pressure, 2,500, the smallest pipeline steel thickness is almost an inch. It'll be in a range of an inch and a quarter in spots where needed.

We talk about the pipeline, we talk about a pipeline system. Includes a number of other facilities, like, meter stations. We'll

have major block valves about 20 miles apart. Pig launchers and receivers to help clean the inside of the pipeline and compressor stations about 90 miles apart. And, again, the provisions of a minimum of five offtakes within Alaska at places APP is told to install them.

Slide 8 is compressor stations. As the gas flows down the pipeline it gets warmer and it loses pressure. So the compressor stations do two simple functions. They recompress the gas back up to 2,500 and they cool the gas back down. The eight stations are set about 90 miles apart, roughly 25 acres per site. 45,000 horsepower of gas turbine compression at each compressor station.

So we have a total of eight. Six will have one large turbine. The picture on the bottom right is an actual installation on TransCanada that is operating in northern Alberta. You see one big building in the middle. That's the one big compressor turbine. Up at the top is a computer-generated sketch of our current design. Again, you'll see one big building in the center with a generator where the turbine is. What you don't see down below that you see up at

the top are gas aerial coolers which will be used to chill the gas back down. Natural gas will be used as fuel.

The entire pipeline system is being designed for remote operation. We'll have a few limited living quarters on site to help us through certain periods.

Slide 9 is a project schedule that's been our guiding light since 2008. We have been meeting every deadline on it. And our next major deadline is submittal of the application formally to FERC in October of this year. Under the proposed time line, under the assumption that FERC provides approval in 2014, the project will move forward in construction. We'll need to get appropriate regulatory approval beyond just FERC, commercial support from natural gas shippers, and project sponsors themselves will have to agree to spend tens of billions of dollars to make this project a reality.

So on page 10, again, I want to thank you for your attendance today. FERC staff has made you aware of various meetings to provide your comments, today through this meeting or written form or electronic form. And, again,

we've provide a Web site that has more information about the Alaska Pipeline Project.

Thank you.

DAVE SWEARINGEN: Thank you, Myron. Are there any questions specific to the project design that you might have right now?

GEORGE TAGAROOK: Looking at the map where they have Point Thomson to Prudhoe Bay, every year Exxon or oil companies make ice road and spend millions of dollars building ice roads, they could build permanent roads from Prudhoe Bay to Point Thomson that will get us half way to Kaktovik, you know? If they open that way or go over the top on the pipeline it will benefit the industry. It'll benefit local economy. Because we start to connect to the pipeline, you know, we'll have trucks coming from Deadhorse or whatnot, you know, that's economics, you know? And oil companies are melting millions of dollars every year. You know, how many years Prudhoe Bay's been in existence? And how long has Exxon been in existence? You know, they make ice roads out on the ocean, there's ice roads on the tundra and it doesn't come back. Just spent money and the money melts on the ground. They have

permanent roads, you know? Every year, you know, build the road, it's gone. If they make ice roads, you know, I would prefer that real short 50 or 60 miles. And that'll benefit, you know, future generations from Kaktovik. They start to open that way we'll connect to that Point Thomson road. It costs $800 just to fly in and out of Kaktovik round trip. $780 round trip, right? We could drive for less than couple hundred dollars, you know? That's not including paid for insurance, lodging, you know, and all that other stuff.

DAVE SWEARINGEN: I appreciate -- I appreciate the comment. We're actually going to move into the part of the meeting where we receive comments like that. Before we move on I just want to know, is there any questions about the design of the project that --

GEORGE TAGAROOK: Part of your road is the design.

DAVE SWEARINGEN: I know. I know. I'm talking about what was just explained.

GEORGE TAGAROOK: Throwing money away.

DAVE SWEARINGEN: Okay. We'll get to that in just a second.

LISA GRAY: Well, I think he's asking the question, Is that road being designed as an ice road right now or gravel road right now?

MYRON FEDAK: The current design is for construction of that pipeline one winter season with one ice road. Because once the pipeline's installed we will not need permanent access to the pipeline or the facility.

GEORGE TAGAROOK: Point Thomson came up about a month ago to give us all these alternates, you know, alternate A, B, C, D. Ice road through the ocean, ice road through the tundra, pipeline. And then alternative D had roads from Point Thomson all the way to Prudhoe Bay. Quit melting, you know, money on ice roads, you know, we could build gravel roads.

Thank you.

DAVE SWEARINGEN: Okay.

BEN HUNDSAKER: As far as with the pipeline being built, if you need to perform maintenance somewhere along the line where there's no road access, gravel road access, how do you intend on taking care of that?

MYRON FEDAK: During operations we will have overflights and visuals. If there's a need

to get on the ground, one is it's a rare occurrence needing to put people on the ground. If that occurs and it's in the winter we've got vehicles that can travel. Because we're talking if there's a problem that needs a repair, we're not talking bring phenomenal amounts of equipment out. During the summer program and, again, different kinds of vehicles that minimize the impact on the environment. And depending what it is, some of that can always be flown in with helicopters and the large part of the equipment and personnel dropped exactly into the location they need to be.

BRUCE INGLANGASAK: If it's underground and you have a small leak underground how are you going to detect it before it's too late?

MYRON FEDAK: Well, other than the probability of those leaks being rather small, there are leak detection systems. This is not oil. And because it's a gas, if it's a small leak, pressures will drop from 2,500. They become very noticeable much more quickly.

DAVE SWEARINGEN: For the sake of the court reporter what we're going to do is we're going to move on. Because, like, right now it's

difficult to get the comments from the back. We're going to move on to the part of the meeting where I invite people to come up and present their comments to us. That'll be more helpful. That way the court reporter can get it all into the record. If you have a very specific questions, after the meeting we'll stick around and be glad to answer them for you. So if you have a question or a comment, if you could come up and actually give your name and actually present the comment, that would be helpful for the entire meeting.

So I don't think we had anyone actually signed up to speak; is that correct? Right. We don't have anybody that signed up to speak. So we can just move on into the point where anybody that wants to have a comment can come. We'll just take turns. So if you want to come up, that would be great. You can come up and you can provide the comments or whatever that you want to say about the project.

You want to go first?

GEORGE TAGAROOK: Yeah, I'll go first. I don't know why we need to go through Canada, you know, the pipeline. Canada's got enough natural

gas in the world they're getting from McKenzie. We just do all of these state gas lines. Get McKenzie gas from Canada and take it up to Prudhoe Bay. I mean, that's my comment for now.

DAVE SWEARINGEN: Okay. Thank you.

GEORGE TAGAROOK: I got till October, right?

DAVE SWEARINGEN: Yes, you do.

GEORGE TAGAROOK: Come in 49 miles. How many miles is that Canadian gas line? 3,400-some miles all the way to Chicago or -- how many miles is that? Who's going to benefit? Canada.

DAVE SWEARINGEN: Well, actually none of the gas is going to be distributed into Canada. The gas will be distributed into Alaska and into the Lower 48. Canada does not get the distribution of the gas. So Canada --

GEORGE TAGAROOK: Well, they're going to change their mind and say, we're going to tap into it.

DAVE SWEARINGEN: As the legislation is now, the gas is specifically designed for Alaska and the Lower 48, not Canada. Sir, did you have -- did you want to come up and provide comments? Yes, sir, you can come up.

GEORGE KALEAK: You said Canada's not going to benefit from it.

DAVE SWEARINGEN: I said they weren't going to receive takeoffs of the gas. That's correct.

GEORGE KALEAK: They are going to benefit from it. They're not going to do it for free. I mean, there's some benefit that goes into building this gas pipeline through Canada.

DAVE SWEARINGEN: I'm sure there, sir.

GEORGE KALEAK: And when you say they're not going to benefit, this is totally, totally wrong.

DAVE SWEARINGEN: No, I did not say they weren't going to benefit. I said they were not going to receive offtake of the gas. They will probably benefit.

Yes, Myron?

MYRON FEDAK: Now similar to Alaska there is a commitment to provide offtakes to local distributions --

GEORGE KALEAK: See.

MYRON FEDAK: -- in Canada, but it's not for major use.

DAVE SWEARINGEN: Okay.

GEORGE KALEAK: And my other question is the detection of the -- especially on the green, from Point Thomson to Prudhoe Bay where a lot of our campers or subsistence hunters go through and they hunt there, and they do not like no aircraft. That's why we avert a lot of the other companies that want to do any kind of projects around our area, our subsistence area and make them fly 15 feet -- 1,500 feet and above and not go low. And if you're going to try to detect these leaks or -- or look at the pipeline, you're going to have to fly low. And a lot of our subsistence hunters, me being one of them don't like no low-flying aircraft. And we'll take your number and report you. And that's a big problem.

DAVE SWEARINGEN: I appreciate that comment. Can we get your name for the record?

GEORGE KALEAK: I did.

DAVE SWEARINGEN: Oh, you said it. Okay. Good.

Okay. Anyone else?

BRUCE INGLANGASAK: The pipeline is underground, and if erosion starts, the permafrost starts melting, are those pipes going to handle that pressure? Because I know in

Canada they got this problem with short little gas pipelines, shorter than what you're planning for right now. It's permafrost erosion over there, and from what I heard they're having problems. What do you think about this?

DAVE SWEARINGEN: Okay. Permafrost and erosion. We'll consider that. Thank you, very much.

BEN HUNDSAKER: One of my questions -- my question was, Would there be any possibility for pipeline coming this direction so the community can benefit from the natural gas? And obviously you got to have a station to purify and all those kind of resources.

DAVE SWEARINGEN: Yeah, that's an economic negotiation between the company and the community. So an environmental impact statement isn't going to dictate -- the FERC is not going to dictate where the gas gets delivered to. I do know that there's already been four communities I believe that have tentatively been agreed upon to have takeoff points. And that was Fairbanks, Tok --

MYRON FEDAK: Livengood and Delta Junction.

DAVE SWEARINGEN: Delta Junction and Livengood.

MYRON FEDAK: They've not been agreed to. We sponsored an independent study that was overseen by the state that went through the economic analysis and said from what their analysis showed, those are the four likely locations. There's no agreement on any location at all. And, again, this is -- we are a pipeline company. What we do -- end up is signing a contract with the producers who own the gas. They're the ones that will need to make contracts with local distribution systems, with communities, what have you. It's their gas. All we're doing is stating we'll take your gas and move it from point A, point B or C.

If the producers have a contract and they decide they want to move some of their gas to a community, then they'll come to us and say we want you to do this. But it's not our -- it's not our gas.

BRUCE INGLANGASAK: Another question, are we going to pay a higher price than Fairbanks if we do get this stuff?

DAVE SWEARINGEN: I personally can't

answer that. That's outside of the environmental impact statement, the prices of gas. That's not what I'm here to help you with. So I apologize, I cannot answer that question.

KEN SIMS: Ken Sims. I hear recently there's been an explosion in gas in the Lower 48 with some sort of shale gas or something of that nature, and frankly making all this sort of obsolete because they got enough gas to handle their needs for apparently a long time to come. So, you know, my opinion, that being the case, in the north the environment here is very delicate, you know? A lot of little things, building that road, it's going to affect the area, you know? And all the little things they -- maybe not just that one by itself but all the other things they're doing. Nuiqsut, Alpine, the petroleum reserve they're opening up over there, it's my opinion, it's a lot more than what this environment can handle. We're already getting a lot of air -- air quality from Prudhoe Bay, you know? We can see it sometimes. And what's this new gas plant they got going up there, with how many compressors in that plant you got? How much air quality's that going to disturb up here, you

know. It don't clear up like it does down south where you can have -- where it dissipates quicker. In the cold things are slow and it takes time. And the same thing that they can do wantonly and without regard down there we can do it up here without the same kind -- you know, it'll have more of a drastic effect. I just don't think it's smart, you know, it shouldn't be done. Too much of an environmental cost to us which is not really needed. So too bad for ExxonMobil, you know? I mean, I know they want to make money, but, hey, it's not all about money.

That's my comment. Thank you.

DAVE SWEARINGEN: Thank you Mr. Sims. Anyone else?

EDWARD REXFORD: Edward Rexford. The concern I have is there was talk recently that they will be doing fracking. And I know that's a controversial subject down in the Lower 48. And with the permafrost being frozen and they do that here for this project, I'm pretty sure the environmental damage -- you know, because it's going to migrate through the cracks. And that's going to be a touchy subject, I know, but that's

got to be addressed and looked into very carefully I think because this is setting a precedent in the Arctic to frack. And that's got negative impacts.

Thank you.

DAVE SWEARINGEN: Okay. I can't speak to the withdrawal, but I know that the natural construction of the pipeline that's being presented here, that construction does not involve fracking for the construction operation of the pipeline.

EDWARD REXFORD: So it'll probably be done by the oil company.

DAVE SWEARINGEN: Their extractions methods -- I'm not familiar with the engineering of their extraction methods. This pipeline -- the take away will not involve fracking.

CLARICE AKOOTCHOOK: So when I see the green up there that means they found something over there. So I'm hoping that everything will go up and the oil people will help with the village again because we're losing some stuff here in our village due to lack of money.

BRUCE INGLANGASAK: Dehydrate and compress, is that something like fracking?

MYRON FEDAK: Dehydrate means take the water out. And then compress is the gas will be depending where in the plant --

BRUCE INGLANGASAK: Reinjection.

MYRON FEDAK: Reinjection means that we will send CO2 back to the producers. They will send it back underground.

BRUCE INGLANGASAK: Okay. So how much pressure are you applying when you putting it back into the ground?

MYRON FEDAK: That will be up to the producers. Right now they're doing that by -- as they're producing oil and gas, because there's no way to move the gas out, they're reinjecting the gas right now by putting some of that gas back into the reservoirs actually increasing the amount of oil production.

BRUCE INGLANGASAK: So the pressure will have to change to force the oil out?

MYRON FEDAK: Force the oil back up a little bit. But those decisions as to where the gas goes, and what pressure it goes, and how many wells they use, that's all going to be the producers.

BRUCE INGLANGASAK: So this is natural

gas?

GEORGE KALEAK: It's coming out of the ground anyway and it's being burned. Why waste all of that natural gas when you -- when it could be used again, so to speak, to be boost up the millions -- the hundreds of thousands of barrels per day. Just to make you understand, they reinject it back in.

MYRON FEDAK: What you're doing is as you produce oil and gas the pressure in the reservoir goes down. By recycling some of that gas back into the reservoir the pressure goes down more slowly.

CLARICE AKOOTCHOOK: This is Clarice again. I heard rumors they found more gas in Point Thomson than they did at Prudhoe Bay. How come we don't know what they're finding over at Point Thomson?

DAVE SWEARINGEN: I Don't know what they're finding in Point Thomson either, ma'am.

CLARICE AKOOTCHOOK: They've found something.

DAVE SWEARINGEN: I don't know what rumors that you've heard.

Any more environmental comments,

environmental concerns about the proposed projects?

GEORGE KALEAK: Get it done.

DAVE SWEARINGEN: Okay. I think that we've heard that there's some interesting questions, you know, questions about some of the procedures and things. We'll hang around afterwards, the company personnel and I will. I don't know how many of those we'll be able to answer, but we'll be glad to, you know, do the best that we can with that.

GEORGE KALEAK: I got another very important question. What percentage or -- what I want to know is what percentage of Alaska is hired and what percentage is from the Lower 48 and what percentage is actually from Canada that are all -- I know this is going to get contracted out some way or another in this project.

DAVE SWEARINGEN: Okay. I have two answers to that. The first one is I know that the project proponents have a plan in place to involve local hire. I'm going to let one of the others explain what that plan is.

MYRON FEDAK: I think in some of our other meetings, Lisa was here, we're gathering

information on people's desires to work, companies who are available to work and so forth. We are many years away from getting into any detailed discussions. It is in our mutual best interest to hire locally. That is better for the community and usually it's better for the project because we manage the cost involved to bringing other people in.

GEORGE KALEAK: Is it for the whole duration of the whole project? Is all Alaskans or the majority of them are Alaskans?

MYRON FEDAK: Well, I can tell you that there aren't enough Alaskans available to build this project.

GEORGE KALEAK: What do you mean there aren't enough?

MYRON FEDAK: Between -- and I can't -- we have reports of --

GEORGE KALEAK: How many people is it actually going to take to do this project? There's not enough Alaskans?

LISA GRAY: Well they have to be a particular type of workers. We need a welder that can weld. The pipeline's an inch thick. So it's a particular type of workforce that we're

trying to develop. Jerry is here with the State of Alaska, Department of Labor Workforce development. So after the meeting if you want to talk with him. The State of Alaska is very interested in developing a workforce.

GEORGE KALEAK: I'm not trying to look for work. I'm retired.

LISA GRAY: But if you have kids in the community and -- we're trying to develop a workforce. So we've got people here who are happy to talk to you about that kind of -- it's a great question and we're very much interested in continuing the conversation. I'm not trying to take over the meeting, it's just they have a certain part they need to do and then we're happy to talk about that. And Jerry's here too.

DAVE SWEARINGEN: Yeah, I was -- I attended the open houses that APP put on last year. And a big focus of that presentation the company gave was their efforts to be sure the people had the correct training and such, they were prepared to be hired when that time would come. So I know there is a program in place and it is being developed. So I do know that. And to the extent that the environmental impact

statement will consider socioeconomic impacts and the impacts of jobs and cash revenue, things like that. So that will be in our analysis as well.

Does anybody else have any environmental comments?

CLARICE AKOOTCHOOK: Some years back they had a well over here. There's no information to give to us about what went down over there?

GEORGE KALEAK: No, that was Chevron.

I have one environmental one, I think. You know, with all the politics and ANWR and the Sierra clubs, you know, that go along with it, is there any of the environmentalists, so to speak, you know, going to you guys and trying to stop this project?

DAVE SWEARINGEN: Well, environmentalists -- being a public scoping period, environmentalists have every right to give their comments just like anybody else does. We have received some comments in meetings and people speaking in meetings concerned about environmental impacts. But to say that environmentalists or something can stop a project, that's -- all they can do is provide the same type of input and concerns, and we will take

under consideration. So that's all I can tell you about that.

UNIDENTIFIED SPEAKER: How come you guys don't build aboveground instead of below?

DAVE SWEARINGEN: You know, standard operating and design for natural gas pipelines is for them to be buried. It's safer that way, and that's just -- that's the way that the natural gas pipelines are designed to be buried.

UNIDENTIFIED SPEAKER: And on your -- between borders are you going to have -- is the prices for the gas going to be fluctuating?

DAVE SWEARINGEN: I can't -- I can't answer any pricing questions. That's outside of the scope of what we're doing here.

Okay. I'm actually going to close the formal part of the meeting. I'm not leaving quite yet, the folks aren't leaving, but we're going to close the formal part of the meeting.

Anyone wishing to purchase a copy of the transcript can make those arrangements with the court reporter.

Within the FERC Web site, www.FERC.gov, there's a link called eLibrary. If you type in the docket number, which is PF09-11

-- and this information's also on the handout at the back table -- you can use eLibrary to gain access to everything that's on the public record concerning the project, including information that's submitted to the FERC and also issuances by the FERC commission -- I mean, by the FERC staff.

So on behalf of the Federal Energy Regulatory Commission I want to thank you all for coming here tonight. Let the record show that the Kaktovik meeting concluded at 5:45 p.m.

Thank you.

(Scoping meeting concluded at 5:45 p.m.)