

Comments on the Draft EIS and Responses

PUBLIC MEETINGS

1 BEFORE THE
2 FEDERAL ENERGY REGULATORY COMMISSION

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4 - - - - -x
5 IN THE MATTER OF: : Docket Number:
6 TRANSWESTERN PHOENIX : CP06-459-000
7 EXPANSION PROJECT :
8 - - - - -x

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11 Central Arizona
12 Seniors Association
13 9360 East Manzanita Circle
14 Prescott Valley, Arizona

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16
17 Monday, June 4, 2007

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

22
23
24 BEFORE:
25 DOUG SIPE, FERC

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P R O C E E D I N G S

(7:10 p.m.)

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5 MR. SIPE: Good evening. On behalf of the
6 Federal Energy Regulatory Commission, referred to as FERC, I
7 would like to welcome you all tonight. This is a public
8 comment meeting on the draft Environmental Impact Statement.
9 If everyone received the draft Environmental Impact
10 Statement, that's what it looks like or you may have
11 received a CD in the mail. We're trying to cut down mailing
12 costs at FERC, so we're sending out CDs now. This is for
13 the TransWestern Pipeline Company's proposed Phoenix
14 Expansion Project.

15 Let the record show the public comment meeting
16 began at 7:10 p.m. on June 4, 2007. My name is Doug Sipe.
17 I am the FERC project manager for this project. Mark
18 Mackiewicz, sitting over here in the middle, is the Bureau
19 of Land Management National Project Manager. Later on in
20 the week we are going to have DOT with us also, but they
21 couldn't make it tonight. That will be Ross Reineke. He is
22 a regional community assistant and Technical Services CAT's
23 manager with the Pipeline and Hazardous Material Safety
24 Administration, PHMSA. If you guys have any questions for
25 him, you can let me know and I can forward those on to him

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1 and he can get back to you guys on that.

2 I'll describe the roles of the agencies in a
3 minute and a bit later Mark will expand on the role of his
4 respective agency. Bill Braun, on my left, and Amy Davis in
5 the rear, you met them -- you met Amy when you came in.
6 They are with NRG. They're a consulting firm. They're the
7 ones that helped us write that big document there that would
8 probably put most people to sleep, the draft Environmental
9 Impact Statement.

10 The FERC is an independent agency that regulates
11 the interstate transmission of electricity, natural gas and
12 oil. FERC reviews proposals and authorizes construction of
13 interstate natural gas pipelines, storage facilities and
14 liquified natural gas terminals as well as licensing and
15 inspecting of hydroelectric projects. The purpose of the
16 Commission is to protect the public and energy customers and
17 assuring that regulated energy companies are acting within
18 the law.

19 We are located in Washington, D.C. We're just
20 north of the United States Capitol, if anybody's familiar
21 with D.C., Union Station. We're right down the street from
22 those guys. FERC has up to five commissioners. Right now
23 we do have five commissioners in the house. Sometimes it's
24 a little bit less than that. Sometimes they're in and out.
25 We maybe have three. We usually always have three. I

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1 haven't been there for anything less than three, but right
2 now we are fortunate to have five. They are appointed by
3 the President of the United States with advise and consent
4 of the Senate. Commissioners serve five-year terms and have
5 equal vote on regulatory matters. One member of the
6 Commission is designated by the President to serve as our
7 chair and FERC's administrative head.

8 FERC has approximately 1200 employees in D.C.
9 There are also regional offices, but they're for the
10 hydroelectric facilities only. Right now our chairman is
11 Joseph T. Kelliher. The FERC is the lead federal agency
12 responsible for the National Environmental Policy Act,
13 review of the Phoenix Expansion Project and the lead agency
14 for the preparation of the EIS.

15 NEPA requires FERC to analyze the environmental
16 impacts, consider alternatives and provide appropriate
17 mitigation measures on proposed projects. The BLM, the
18 Forest Service, the Pipeline and Hazardous Materials Safety
19 Administration. I can't get used to saying that. They are
20 formally OPS, Office of Pipeline Safety, but they've changed
21 their name and they want us to use the new name, but a lot
22 of people know them as the Office of Pipeline Safety. The
23 Bureau of Indian Affairs and the Navajo Nation are
24 participating as cooperating agencies in the preparation of
25 the EIS.

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1 This meeting is a joint agency public comment
2 meeting. The purpose of tonight's meeting is to provide
3 each of you with the opportunity to give us your comments on
4 the draft EIS and any general comments you have about the
5 project. We are here tonight to learn from you. It will
6 help us the most if your comments are specific as possible
7 regarding the proposed project and the draft EIS. If you
8 have any specific questions, I am here to answer those. And
9 also I'll get into later, TransWestern is here also. They
10 can take a lot of your questions.

11 If you wish to speak tonight, please be sure to
12 sign the speaker's list that was in the back. This is
13 pretty informal since we don't have that many people here
14 tonight. If you want to speak, you can just raise your hand
15 and let me know but you have to do it with a microphone in
16 front of you so our friend, the court reporter, here doesn't
17 get mad at me.

18 If not, you can pick up one of the blue handouts
19 that provide instructions to make it easier for you to send
20 written comments into us. The speaker's list and the
21 handouts are both with Amy at the sign-in table, along with
22 a couple of other brochures in the back. I meant to bring a
23 couple of those up. The brochure will help you out with
24 what to do if there's a pipeline on your land. There's a
25 brochure back there for electronic information at FERC, how

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1 to deal with that at FERC -- just some helpful brochures for
2 you.

3 During our review of the project we assembled
4 information from a variety of sources, including
5 TransWestern, you the public, other state, local and federal
6 agencies and our own independent analysis and field work.
7 We analyzed this information and prepared a draft EIS. It
8 was distributed to the public for comment. A notice of
9 availability of the draft EIS was issued for the project on
10 April 27, 2007. We try to set these meetings up, the
11 comment meetings on the draft, somewhat about a month after
12 the EIS goes out to give everyone a fair share at reading
13 that big, thick document.

14 We are in the midst of a 45-day comment period on
15 the draft EIS. The formal comment period will end on June
16 18, 2007. It is during this period that we receive comments
17 on the draft EIS. All written comments received during this
18 time period or verbally tonight will be addressed in the
19 final EIS. Now that is a NEPA timeframe, that 45 days. We
20 will accept comments up to -- we plan on probably putting
21 out the final around -- I think right now it's September.
22 We will accept comments up to a certain point where we can
23 still put them in the final and then there is a cut-off
24 point. But the 45-day comment period is a NEPA comment
25 period. We will continue to accept comments after that, but

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1 there is a certain timeframe where we will have to cut them
2 off. That's why we ask you to provide comments as soon as
3 possible in order to give us time to analyze and research
4 the issues and provide adequate response.

5 I would like to add that the FERC strongly
6 encourages electronic filing of any comments. The
7 instructions for this can be located on our website,
8 www.FERC.gov under the e-Filing link. The blue handouts at
9 the sign-in table with Amy also tell you how to file
10 comments electronically. We also have a nifty system. It's
11 called e-Subscription. Go on to www.FERC.gov and e-
12 Subscription you can subscribe to that and that will keep
13 you up-to-date on what's being filed on the record with
14 FERC. It's pretty nifty. You just get an e-mail sent to
15 you and you can either open it or delete it.

16 If you received a copy of the draft EIS, paper or
17 CD, you will automatically receive a copy of the final EIS.
18 If you did not get a copy of the draft and would like to get
19 a copy of the final, please sign the attendance sheet in the
20 rear and provide us your name and address and we'll make
21 sure we get you a copy of the final EIS.

22 The EIS is not a decision document. It is being
23 prepared to advise the Commission and to disclose to the
24 public the environmental impact of constructing and
25 operating the proposed project. When it is completed, the

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1 Commission will consider the environmental information from
2 the draft EIS, along with the non-environmental issues such
3 as engineering, markets and rates in making its decision to
4 approve or deny a certificate, which would be FERC's
5 authorization for this project.

6 There is no review of FERC's decision by the
7 President or Congress, maintaining FERC's independence as a
8 regulatory agency in providing for fair and unbiased
9 decisions. If the Commission votes to approve the project
10 and a certificate of public convenience and necessity is
11 issued, TransWestern will be required to meet certain
12 conditions as outlined in the certificate. Those conditions
13 are in the draft EIS right now. Everyone can see what we
14 have proposed so far. Take a look at them if you get a
15 chance.

16 FERC environmental staff will monitor the project
17 through construction and restoration, performing daily on-
18 site inspections to ensure environmental compliance with the
19 conditions of the FERC certificate. So if this project is
20 proposed -- right now we have what is called a third-party
21 monitoring program where we have FERC staff in the field
22 non-stop throughout the whole project. Assuming this
23 project will be done in four spreads, five spreads -- I
24 don't know -- but we will have a monitor on each one of
25 those spreads checking construction to make sure they're

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1 complying with our conditions along with state conditions.
2 Our cooperating agencies will use the final EIS
3 in support of their permitting efforts. Mark Mackiewicz
4 with the BLM will now speak to you about his respective role
5 on the EIS process.

6 MR. MACKIEWICZ: Good evening. Again, my name is
7 Mark Mackiewicz. I'm with the Bureau of Land Management,
8 Washington, D.C. Office and we have 10,000 employees across
9 the western United States. The Bureau of Land Management is
10 the lead federal agency with the responsibility of issuing
11 rights-of-way across all federal lands and associated
12 permits. This includes lands managed by the Bureau of Land
13 Management, Bureau of Reclamation as well as the National
14 Forest System. We, at this point, will be issuing right-of-
15 way across the Prescott National Forest as well as the
16 Kaibab National Forest.

17 It crosses lands that are administered by our
18 Phoenix office and this includes the Lower Sonoran field
19 office as well as the highest Hassayampa field office. In
20 addition, we also have lands out of the Farmington field
21 office in New Mexico.

22 As Doug has mentioned, we are a cooperating
23 agency in the preparation of the draft Environmental Impact
24 Statement. We have independently evaluated the content of
25 the draft Environmental Impact Statement and will utilize

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1 this document to support our decision to either approve or
2 disapprove the right-of-way grant. At this point, the
3 pipeline crosses approximately 90 miles of federal lands.
4 That includes again lands administered by the Forest
5 Service, Bureau of Reclamation as well as the Bureau of Land
6 Management.

7 Again, the purpose of this meeting is to
8 determine the adequacy of our document, whether we have
9 addressed the impacts to both the physical as well as the
10 human environment. And again, we're here to listen to you
11 and to help us determine the adequacy of this document.

12 MR. SIPE: Thank you, Mark.

13 I mentioned a little bit earlier I would like to
14 point out to the audience that there are TransWestern
15 representatives in the room. I saw you guys talking to them
16 in the back. They are going to be here throughout the
17 night. I'm going to be the one to answer most of the
18 questions. If I get stumped on any of them, if you have
19 any, then I may look to TransWestern to answer some
20 questions; but they have maps and they have the right people
21 here to answer your questions. So if you guys have any
22 questions for them or me, please let me know.

23 Before we start the formal portion of the meeting
24 or before the formal portion of the meeting concludes --
25 well, I have this set up for a lot of people because the

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1 last time I was here there were a lot of people and now
2 there's not. We usually don't want a bunch of people in the
3 back room looking at maps while the formal portion of the
4 meeting is going on, so if you'd like to ask questions or
5 anything like that, you can. But after the formal portion,
6 you can look at maps in the back.

7 Right now, Steven Veatch, Senior Director of
8 Certificates and Tariffs, a representative of TransWestern
9 is now going to give you a brief overview in the status of
10 the Phoenix Expansion Project.

11 MR. VEATCH: Good evening. As Doug said, my name
12 is Steven Veatch. I'm Senior Director of Certificate and
13 Tariffs representing TransWestern Pipeline on the Phoenix
14 Expansion Project. Tonight I'd like to give you a brief
15 overview of the Phoenix Expansion Project and where we stand
16 at this time on the project itself. With me tonight are
17 individuals from Project Management, Engineering, Right-of-
18 Way, Construction, Operations and Environmental, who can
19 hopefully answer any questions you might have at the
20 conclusion of the meeting.

21 The overall Phoenix Expansion Project in Arizona
22 consist of the construction of approximately 95 miles of 42-
23 inch pipeline and 164 miles of 36-inch diameter natural gas
24 pipeline. TransWestern will also be constructing minor
25 lateral lines and meter stations in addition to various

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1 taps, valves and other auxiliary facilities. The project is
2 designed to transport 500 million cubic feet of natural gas
3 per day to customers in the state. Customers having
4 executed binding, preceding agreements with TransWestern to
5 participate in this expansion are Arizona Public Service,
6 Salt River Project Agricultural Improvement and Power
7 District, Southwest Gas Corporation, Gila River Power LP and
8 Unisource Energy, Inc. Those customers, four of the five,
9 have executed 15-year agreements with Gila River executing a
10 four-year agreement for service.

11 TransWestern is looking to receive the FERC
12 certificate of public convenience and necessity in September
13 2007 and commence construction in October with initial in-
14 service scheduled for July 2008 with overall in-service in
15 October 2008. TransWestern has ordered the pipe for the
16 project and it is currently in production. Construction
17 contracts for the pipeline have been awarded to Gregory &
18 Cook Construction and Rockford Corporation. In addition,
19 the horizontal directional drilling will be performed by
20 Michael's Corporation.

21 As of this date, 41 percent of the private
22 easements needed for the project have been secured. This,
23 coupled with the right-of-way, TransWestern has requested
24 from the Bureau of Land Management, the Prescott and Kaibab
25 National Forest, Arizona State Lands and the Navajo Nation

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1 represents over 171 miles or 60 percent of the overall
2 project.

3 And I might note, as a result of meetings we had
4 here sometime back and the public comments we received when
5 we were here in Prescott Valley and discussions with local
6 public officials, TransWestern made revisions to the route
7 in the Prescott Valley area to avoid residential areas. The
8 current proposed route is approximately one-half mile longer
9 than the original route.

10 Let me state again that there are representatives
11 from TransWestern on the project team here tonight that will
12 be available to answer questions you might have. Thank you
13 very much.

14 MR. SIPE: Thank you, Steve.

15 I'll elaborate a little bit on what Steven said
16 there. A lot of people's misperception of one of these
17 projects coming into your area -- a lot of them think it's a
18 done deal as soon as it gets here and you're going to hear
19 that they have acquired easements and they have issued
20 proposals out to construction companies and so much and so
21 forth. They have to do that. They have to act like they
22 are going to get a certificate from FERC. It is a company
23 risk that they do that and it's not always a done deal that
24 the Commission is going to vote to approve their project,
25 but a lot of people think that because of all those things

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1 happening that's the perception that we usually get, but
2 that's not the case. They have to move forward and just
3 hope that they get a certificate to build.

4 We will now begin the important part of the
5 meeting with your comments. We have a speaker's list and
6 nobody's on it. But if you want to ask us any questions,
7 we'll bring a microphone around to you and that's what I'm
8 here for. I'm here until whenever to answer your questions
9 to help you guys out.

10 Let me explain a little bit about the difference
11 between -- we were here in March for the same type of
12 meeting. They were scoping meetings. That was really early
13 on in the project. That was when we'd come out. The
14 proposal was really new to us. It was new to you guys.
15 Since then a lot of work has been done on the project. The
16 project has been refined. Like Steve mentioned, there has
17 been a reroute in this area to avoid some things that had
18 some folks upset about. So those type of meetings is to
19 come out and get the information early on and hopefully we
20 can put the information in the document that you all read
21 and change some things to make everything go a little bit
22 more smoothly.

23 Now tonight's meeting is suppose to be for you
24 guys to make comments on our draft Environmental Impact
25 Statement -- tell us what we did wrong in it, tell us what

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1 you liked about it. So it's a little bit different, but
2 again, it could be the same format as the scoping. If you
3 have any questions, please let me know.

4 A transcript of this meeting will be placed in
5 the public record at FERC so that everyone has access to the
6 information collected here tonight, but that won't be done
7 for a little while. It does not go into the public record
8 for a number of days. If you'd like to purchase a
9 transcript early on, you can talk to the court reporter and
10 he can give you that information on how to do that.

11 We don't have anybody on the speaker's list, but
12 if you guys want to ask me any questions, feel free, raise
13 your hand. But make sure that if you want to ask my any
14 questions, it has to be one at a time and you have to do it
15 through the mic so it does become part of the public record.

16 (Pause.)

17 MR. SIPE: When I shut down the formal portion of
18 the meeting, we're going to stick around. If you guys want
19 to ask us any anything off the record, that's fine.

20 Going once, going twice. That's the end of our
21 list, a short list. Without any more speakers, which would
22 be zero, the formal part of this meeting will conclude. On
23 behalf of the Federal Energy Regulatory Commission, the
24 Bureau of Land Management and the Forest Service, the
25 Pipeline and Hazardous Material Safety Administration, the

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1 Bureau of Indian Affairs and the Navajo Nation, I'd like to
2 thank you all for coming tonight. Let the record reflect
3 that the TransWestern Phoenix Expansion Project public
4 comment meeting concluded at 7:28 p.m. Thank you.

5 (Whereupon, at 7:28 p.m., the above-entitled
6 matter was concluded.)

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1 The FERC is an independent agency that regulates
2 the interstate transmission of electricity, natural gas and
3 oil. FERC reviews proposals and authorizes construction of
4 interstate natural gas pipelines, storage facilities and
5 liquified natural gas terminals as well as licensing and
6 inspecting of hydroelectric projects. The purpose of the
7 Commission is to protect the public and energy customers and
8 assuring that regulated energy companies are acting within
9 the law.

10 We are located in Washington, D.C. If you guys
11 are familiar with that area, we're just north of the United
12 States Capitol, Union Station, the big train station in D.C.
13 We're right down the street from those guys. FERC has up to
14 five commissioners who are appointed by the President of the
15 United States with advise and consent of the Senate.
16 Commissioners serve five-year terms and have equal vote on
17 regulatory matters. One member of the Commission is
18 designated by the President to serve as our chair and FERC's
19 administrative head.

20 FERC has approximately 1200 staff employees. I'm
21 a part of the staff and we do our recommendations, we send
22 those upstairs and that's part of what they make their vote
23 on. Chairman Joseph T. Kelliher is right now our chairman.
24 You guys may be familiar with Commissioner Mark Spitzer.
25 He's from this area. He became a commissioner I think about

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1 a year ago with us. He used to work in the Arizona areas --
2 just a little background. The FERC is the lead federal
3 agency responsible for the National Environmental Policy
4 Act, review of the Phoenix Expansion Project and the lead
5 agency for the preparation of the EIS.

6 NEPA requires FERC to analyze the environmental
7 impacts, consider alternatives and provide appropriate
8 mitigation measures on proposed projects. The BLM, the
9 Forest Service, the Pipeline and Hazardous Materials Safety
10 Administration, the Bureau of Indian Affairs and the Navajo
11 Nation are participating as cooperating agencies in the
12 preparation of the EIS.

13 This meeting is a joint agency public comment
14 meeting and I can only thank the amount of cooperating
15 agencies we have and without the cooperating agencies -- I
16 know there is some staff here from BLM -- we wouldn't get
17 very far. They provide a lot of good input for us.

18 The purpose of tonight's meeting is to provide
19 each of you with the opportunity to give us your comments on
20 the draft EIS and for us to answer any questions you may
21 have regarding the proposed Transwestern Project. This
22 meeting is a little bit different than the scoping we had
23 here in March of 2006. That was in the pre-filing process
24 of the project. That was before they filed an application.
25 That's what a scoping meeting -- that's a NEPA term. That's

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1 what it's called. Tonight is a comment meeting on the draft
2 Environmental Impact Statement. We will also take your
3 questions and any concerns you may have concerning the
4 project.

5 It would help us the most if your comments are
6 specific as possible regarding the proposed project and the
7 draft EIS> If you wish to speak tonight, there's a
8 speaker's list over there at the table, which is pretty well
9 empty right now. But it's a small crowd. A lot of times we
10 have a speaker's list because we do have a lot of speakers
11 and we try to get them in order. But if you guys, after I'm
12 done and after the cooperating agencies are done giving
13 their spill and the company, if you guys have any questions
14 or anything, just let me know and you'll need to come up to
15 the microphone and you can speak.

16 If you do not wish to speak, there are blue
17 handouts over on the table that provide instructions to make
18 it easy for you to send written comments into us. The
19 speaker's list and the handouts are both with Amy at the
20 sign-in table.

21 During our review of the project we assembled
22 information from a variety of sources, including
23 Transwestern, you the public, other state, local and federal
24 agencies and our own independent analysis and field work.
25 We analyzed this information and prepared a draft EIS that

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1 was distributed to the public for comment. A notice of
2 availability of the draft EIS was issued for the project on
3 April 27, 2007.

4 We are in the midst of a 45-day comment period on
5 the draft EIS. The formal comment period will end on June
6 18, 2007. It is during this period that we receive comments
7 on the draft EIS and all written comments received during
8 this time period or verbally tonight will be addressed in
9 the final EIS. So basically what happens is we first issue
10 a draft. This draft comes out to you guys and all of our
11 stakeholders in the project. Or you may have received a
12 little CD. The same thing. It's a lot less weight. It
13 saves the government a lot of money.

14 After the comment period and after we have a
15 chance to go over all the comments, we will put out a final
16 Environmental Impact Statement. After the final
17 Environmental Impact Statement goes out the street, there's
18 usually a cooling off period. That's what we call it at the
19 Commission and then the Commission will vote to approve or
20 deny the project.

21 The 45-day comment period is a NEPA comment
22 period. That is not to say we will not take comments after
23 that time, but we ask for them as soon as possible in order
24 to give us time to analyze and research the issues to
25 provide adequate response.

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1 I would like to add that the FERC strongly
2 encourages electronic filing of any comments. The
3 instructions for this can be located on our website at
4 www.FERC.gov under the e-filing link and the blue handouts
5 at the sign-in table with Amy also tell you how to file
6 comments electronically, plus there's a nice little brochure
7 on how handle e-filing. E-Subscription at FERC I always
8 like to go over. That's a nice tool that we offer. You can
9 e-subscribe to this project and you'll get e-mails daily now
10 most likely on this project. Every time there's something
11 filed under the record you will ge an e-mail sent to you and
12 you can click on it or you can delete.

13 If you received a copy of the draft EIS, paper or
14 CD, you will automatically receive a copy of the final EIS.
15 If you did not get a copy of the draft and would like to get
16 a copy of the final, please sign in on the attendance list
17 and provide us your name and address and we'll make sure we
18 get you a copy of the final EIS. We do have extra copies of
19 the draft if anybody would like to have one of those. We
20 have some extra CDs and such over there. We don't actually
21 have the extra copies with us tonight, but we can get you
22 guys a copy. They were sent out last week. They're not
23 here yet.

24 The EIS is not a decision document. It is being
25 prepared to advise the Commission and to disclose to the

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1 public the environmental impact of constructing and
2 operating the proposed project. When it is completed, the
3 Commission will consider the environmental information from
4 the draft EIS, along with the non-environmental issues such
5 as engineering, markets and rates in making its decision to
6 approve or deny a certificate, which would be FERC's
7 authorization for this project.

8 There is no review of FERC's decision by the
9 President or Congress, maintaining FERC's independence as a
10 regulatory agency in providing for fair and unbiased
11 decisions. If the Commission votes to approve the project
12 and a certificate of public convenience and necessity is
13 issued, Transwestern will be required to meet certain
14 conditions as outlined in the certificate. Those conditions
15 are in the draft Environmental Impact Statement right now.
16 There are approximately 35 of them. You can take a look at
17 those. It's basically the conditions that goes at the end
18 of the certificate that we issue that the companies have to
19 abide by. Most likely that number will change. It will
20 most like decrease because in a draft we require these guys
21 to do a lot of stuff before we issue the final and before
22 the Commission votes on the project.

23 FERC environmental staff will monitor the project
24 through construction and restoration, performing daily on-
25 site inspections to ensure environmental compliance with the

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1 conditions of the FERC certificate if this project is
2 proposed.

3 Our cooperating agencies will use the final EIS
4 in support of their permitting efforts. Mark Mackiewicz
5 with the BLM and Ross Reineke with PHMSA will now speak to
6 you about their respective roles on the EIS process.

7 Mark?

8 MR. MACKIEWICZ: Good evening. My name again is
9 Mark Mackiewicz. I'm a national project manager with our
10 Washington, D.C. Office. The Bureau of Land Management is
11 the lead federal agency with the responsibility of issuing
12 rights-of-way across all federal lands. This includes lands
13 managed by the Bureau of Land Management, Bureau of
14 Reclamation as well as the National Forest System and lands
15 managed by the United States Forest Services, specifically,
16 the Prescott National Forest and the Kaibab National Forest.
17 This project is within the jurisdiction of BLM's Phoenix
18 District Office, including the lower Sonoran field office as
19 well as the Hassayampa field office. In addition, it will
20 cross lands within the jurisdiction of the Farmington field
21 office in New Mexico.

22 And as Doug has mentioned, we are a cooperating
23 agency in the preparation of the draft Environmental Impact
24 Statement. We, as an agency, have independently evaluated
25 the content of this document in support of our decision to

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1 either approve or disapprove a right-of-way for the project.

2 Again, the purpose of this meeting is to solicit
3 your comments as to the adequacy of the draft Environmental
4 Impact Statement and to determine whether we have adequately
5 both the physical as well as the human impacts to the
6 environment. Thank you.

7 MR. REINEKE: Good evening. My name is Ross
8 Reineke. I'm with the Office of the Pipeline and Hazardous
9 Materials Safety Administration. We are part of DOT. We're
10 also known as the Office of Pipeline Safety, OPS.

11 I would like to thank Doug Sipe for inviting me
12 to this public comment meeting. Given the concerns of the
13 public with respect pipeline safety, my purpose at this
14 meeting is to assure you that if the pipeline receives a
15 favorable review from FERC, the Office of Pipeline Safety
16 will maintain a continual regulatory watch over the pipeline
17 from its construction to it's testing and for the entire
18 operational life of the pipeline.

19 This regulatory oversight will consist of
20 measuring the operator's performance to ensure that the
21 pipeline is constructed of suitable materials, that it is
22 welded in accordance with industry standards, that the
23 welders themselves are qualified to join the pipeline, that
24 the pipeline is installed to the proper depth, that it is
25 coated to assure effective cathodic protection from

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1 corrosion, that the backfill is suitable and that the
2 pipeline is properly tested upon completion to ensure that
3 it can hold the pressures that the operator requires to
4 transport the natural gas.

5 Beyond the construction process, the Office of
6 Pipeline Safety conducts inspections periodically over all
7 aspects of the operations and maintenance of the pipeline.
8 The operator must have a written plan in place to instruct
9 its personnel and to relate to federal inspectors exactly
10 what testing or monitoring is done and the frequency. In
11 addition, if the testing or monitoring prompts a response or
12 a corrective action, the operator must detail his process to
13 address problems.

14 Beyond the routine functions that have for
15 decades been the baseline for operations and maintenance,
16 OPS has in the past few years implemented new initiatives to
17 ensure pipeline safety. At the forefront is the integrity
18 management program. This program was published in the
19 Federal Register December 15, 2003. It requires operators
20 to identify high consequence areas (a class 3 or class 4)
21 area or other areas with specified population density
22 concentrations or buildings of assembly or buildings housing
23 confined or impaired persons.

24 The Integrity Management Plan, IMP, mandates that
25 operators rely not on spot checks, but on a comprehensive

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1 understanding of its pipelines using established risk
2 assessment methods combined with emerging technology. The
3 attempt is to find critical defects and repair them before a
4 failure occurs. The plan is continual, implementing up-to-
5 date mapping techniques, hydrostatic testing, in line
6 inspection of the pipeline, verification of the ILLI, and
7 additional steps to assure that the pipeline has a real time
8 file with any anomalies documented and tracked. To measure
9 the effectiveness of its integrity management plan,
10 operators are required to measure performance through a
11 variety of measurements including test excavations.

12 Another initiative relevant to this meeting is
13 public awareness. Last year, a standard was adopted as
14 regulation API RP1162. The standard requires operators to
15 identify persons affected by the pipeline in a community; to
16 inform the public about recognizing leaks and taking
17 appropriate action; and to evaluate the effectiveness of the
18 program. RP 1162 establishes lines of communication and
19 information sharing with the public, excavators, emergency
20 responders, and local officials. Operators have prepared
21 their written plans to comply with the standard, which was
22 implemented in October 2006.

23 The initiatives that I have described are a
24 sampling of what PHMSA/OPS does. The Western region of
25 PHMSA inspects interstate operators in 12 western states.

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1 If procedures are not adequate, or if an operator is not
2 following its procedures or prescriptive regulatory
3 requirements, PHMSA is authorized to seek punitive action in
4 the form of remedial action, civil penalties, which is a
5 frequent practice, and even criminal action. The authority
6 is granted by Congress and the agency is responsible to
7 Congress for the execution of its mandates.

8 I hope that the preceding has been informative.
9 PHMSA's mission is pipeline safety and we want to assure the
10 public that pipeline safety to all stakeholders is our
11 number one goal. Thank you.

12 MR. SIPE: Thank you, Ross. We appreciate that.

13 I would like to point out to the audience that
14 there are TransWestern representatives here to answer your
15 questions and they have brought detailed maps of the project
16 and of the pipeline route. I would appreciate you talk to
17 them after the formal part of this meeting is over. I saw
18 some people back there before the meeting started and after
19 the formal part of this meeting have at it and we're going
20 to be here actually after that, too.

21 Steven Veatch, Senior Director of Certificates
22 and Tariffs, a representative of Transwestern, is now going
23 to give you a brief overview in the status of the Phoenix
24 Expansion Project.

25 MR. VEATCH: Good evening. As Doug said, my name

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1 is Steven Veatch. I'm Senior Director of Certificate and
2 Tariffs representing Transwestern Pipeline. Tonight I'd
3 like to give you a brief overview of the Transwestern
4 Pipeline Company Phoenix Expansion Project and where we
5 stand at this time on the project itself. And as Doug
6 indicated, with me tonight are representatives of the
7 Project Management, Engineering, Right-of-Way, Construction,
8 Operations and our Environmental Group, who will be
9 available to answer any questions you might have at the
10 conclusion of the meeting.

11 The overall Phoenix Expansion Project in Arizona
12 consist of the construction of approximately 95 miles of 42-
13 inch pipeline and additionally 164 miles of 36-inch diameter
14 natural gas pipeline. Transwestern will also be
15 constructing minor lateral lines and meter stations in
16 addition to various taps, valves and other auxiliary
17 facilities. The project is designed to transport 500
18 million cubic feet of natural gas per day to customers in
19 the state. Customers having executed binding, preceding
20 agreements to participate in the expansion are Arizona
21 Public Service Company, Salt River Project Agricultural
22 Improvement and Power District, Southwest Gas Corporation,
23 Gila River Power LP and Unisource Energy, Inc. The total
24 contracts executed by those five parties total 370 million
25 cubic feet per day. Four of the five have executed 15-year

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1 contracts, with Gila River executing a four-year agreement
2 for the project.

3 Transwestern is currently looking to receive the
4 FERC certificate of public convenience and necessity in
5 September of this year and hoping to commence construction
6 in October. Our initial in-service is scheduled for July
7 2008 with overall in-service of the project in October 2008.
8 At this point in time Transwestern has ordered the pipe for
9 the project and it is currently in production. Construction
10 contracts for the pipeline have been awarded to Gregory &
11 Cook Construction and Rockford Corporation. In addition,
12 the horizontal directional drilling will be performed by
13 Michael's Corporation.

14 As of this date, 41 percent of the private
15 easements needed for the project have been secured. This,
16 coupled with the right-of-way, Transwestern has requested
17 from the Bureau of Land Management, the Prescott and Kaibab
18 National Forest, Arizona State Lands and the Navajo Nation
19 represents over 171 miles or approximately 60 percent of the
20 overall project.

21 Let me state again that we do have
22 representatives from the project team that will be available
23 to answer any questions you might have after the meeting.

24 Thank you.

25 MR. SIPE: Thank you, Steve.

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1 We will now begin the important part of the
2 meeting with your comments. I know we don't have any
3 speakers signed up, but we are here to answer any questions
4 you may have and I can walk back in there and give you the
5 mic because we do have a court reporter and he will get
6 upset with me if we start asking questions and he can't
7 record it. So I can bring the mic back to you guys to speak
8 to me, if you want, or any of the cooperating agencies.

9 That's it. Right now it's up to you guys. If
10 you want to ask me any questions or if you have any concerns
11 or anything like that. Does anybody have any specific
12 questions? That's what we're here for. We traveled from
13 Washington, D.C., Utah, Denver, Minneapolis.

PM2-1

14 MS. McKEEL: Stevie McKeel, S-T-E-V-I-E M-C-K-E-
15 E-L. What pages in the EIS is the conditions on? Do you
16 know? While you're looking, what are the odds of that draft
17 becoming a reality or being changed?

18 MR. SIPE: What you're looking at is on page 516
19 of the draft Environmental Impact Statement is what's stated
20 here. It's our recommended mitigation measures. Usually,
21 the first 10 to 12 are standard for most projects, most EIS
22 projects and then project-specific they get the further you
23 go down the line. Most likely this draft will change
24 because of the comments we received, like the difference
25 between scoping and a comment meeting would be, for example,

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PM2-1

The conditions, which are the Federal Energy Regulatory Commission (Commission or FERC) staff's recommended mitigation measures, were listed in section 5.3 of the draft environmental impact statement (EIS) and are listed in section 5.3 of the final EIS. The first nine conditions in the draft and final EISs are standard conditions that are included in all FERC EISs. The remaining conditions are project-specific. These project-specific conditions also appear as bulleted, boldfaced paragraphs in the text of section 4.0 on the page number noted at the end of the condition as it appears in section 5.3. Volume II of the final EIS contains the Agency Staffs' responses to timely comments filed on the draft EIS that are related to environmental issues. The text of the final EIS has been revised as a result of these comments and to reflect refinements in the project plans and mitigation measures since the issuance of the draft EIS. A vertical line in the margin of the final EIS identifies text that has been modified and differs from the corresponding text in the draft EIS.

1 like in Prescott Valley we had approximately 120 people in
 2 March at our scoping meetings and last night for the comment
 3 meetings on the draft we had four people. There was a route
 4 change. The route was changed and it moved it away and we
 5 were able to do that. So that's the difference between what
 6 happens in scoping to what actually goes into the draft.

7 In the comments we receive, what we'll do is
 8 we'll take this draft EIS and you'll be able to see where we
 9 changed the document on the margin is where we usually put
 10 where we changed the document.

PM2-2 | 11 MS. McKEEL: Will you be using line-x on the
 12 pipeline for corrosion?

13 MR. SIPE: The pipeline companies do use
 14 corrosion measures they use on the pipeline themselves, but
 15 I don't want to go into the specifics right now.

PM2-3 | 16 MS. McKEEL: What did Ross mean by there's
 17 frequent action on taking legal action? How often do we get
 18 in a court battle on pipelines?

19 MR. SIPE: Ross, do you want to address that
 20 question? I can somewhat address it. How often do we get
 21 in court battles over pipeline projects? Your question
 22 about legal battles over the pipeline project itself. What
 23 type of legal battles?

24 MS. McKEEL: He stated that there was frequent
 25 action to take legal action and I just wondered what

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2

PM2-2 As discussed in section 4.11.1, Transwestern Pipeline Company, LLC (Transwestern) would use an external pipe coating and cathodic protection system to protect the pipe against external, internal, and atmospheric corrosion.

PM2-3 Legal actions related to pipeline construction projects are typically related to easement negotiations or intervenors requesting a rehearing after the Commission approves a project.

1 "frequent action".

2 MR. SIPE: Civil penalties. We're not lawyers,
3 so we don't like to talk about court decisions. A lot of
4 the court issues that happen on these type of projects is
5 over easement negotiations. It happens in the private
6 sector where a private companies are going against the
7 pipeline company for commercial reasons, but really that's
8 the main court battles you have. Now the court battles you
9 may have is we have intervenors on this project.

10 Intervenor have rehearing status on the project and they
11 may file for a rehearing when the Commission votes to
12 approve the project. That's a type of court issue you may
13 have, but I don't really want to address specific court
14 issues because I'm not an attorney.

PM2-4

15 VOICE: He said at the beginning if there are
16 problems with the pipeline, them meeting the conditions and
17 regulations of his agency what occurs and you're saying --
18 why don't you let them know what are the ramifications.

19 MR. REINEKE: If a pipeline operator does not
20 follow the federal regulations, there are civil penalties
21 that we levy and we have the authority of Congress to do
22 that.

23 MR. SIPE: Actually, under the Energy Policy Act
24 of 2005, years back FERC did not have a civil penalty
25 authority on the pipeline industry itself, but ePACT gave

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PM2-4

If a company does not meet the conditions or regulations that apply to the project, under the National Environmental Policy Act (NEPA), the FERC can issue fines up to \$1,000,000 per day for certain infractions and the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA)/Office of Pipeline Safety (OPS) can issue fines up to \$100,000 per day.

1 FERC that authority to be able to fine up to a million
2 dollars a day for certain actions on a pipeline issue.

3 MR. REINEKE: Ours is up to \$100,000 a day.
4 That's our limit.

5 MR. SIPE: Usually what happens is FERC will --
6 we regulate the industry and when a pipeline project is
7 built we follow it through the restoration of the project
8 environmentally like the restoration of the right-of-way.
9 Once we deem the restoration successful, it basically turns
10 the operation part to PHMSA and the Office of Pipeline
11 Safety. Then once a new project comes in the door again, we
12 start it all over again with FERC. Once it's built and
13 restored, we again turn it over to OPS.

14 Does anybody else have any other questions?

PM2-5

15 MR. COTHERN: My name is Bob Cothern. I
16 understand from a BLM person that their visual resource
17 management folks have not received any information they were
18 supposed to have gotten yet. Could you check into that and
19 get that to them if they don't have it?

20 MR. SIPE: Absolutely. There is a lot of
21 outstanding information you see by the conditions in the
22 draft Environmental Impact Statement. We are requesting
23 that the applicant provide agencies with the information
24 that they need. That's part of the procession of the
25 project. They don't have everything at once. It just keeps

Public Meetings

2

PM2-5

Transwestern has provided its Draft Visual Resource Study Technical Report. The results of the report have been incorporated into the discussion in section 4.7.7. The report is included in the final EIS as Appendix T.

1 on building. For example, they just filed their restoration
2 plan that was required for them to do with us and with the
3 BLM. They will file different sources of information with
4 the Forest Service, with the Corps of Engineers, so this is
5 an ongoing process. Even after they get a certificate, if
6 they get a certification from FERC, they will still owe the
7 agencies a lot of information to get their permits.

8 MR. MACKIEWICZ: Transwestern is working very
9 closely BLM in developing a visual resource management plan
10 and it's a work in progress right now. That particular plan
11 will be part of what we call our Plan of Development. That
12 plan of development is attached to their right-of-way grant
13 and when that's completed, Transwestern will be required to
14 mitigate any visual impacts out there. We do have, again, a
15 firm, a local contracting firm and it's working on that. In
16 fact, tomorrow we will be working on that a little bit more.
17 If a right-of-way is issued, they will be required to follow
18 that plan. So we're pretty comfortable right now with the
19 efforts that Transwestern has put forth into completing a
20 visual resource management plan.

21 MR. SIPE: To let you guys know how it works,
22 right now we have a draft EIS out on the street. That will
23 turn into a final document. After we have a final EIS, the
24 Commission will vote on the project. After the Commission
25 votes on the project, the company files what is called an

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1 implementation plan with FERC. They have to satisfy all the
2 conditions in the document and then we have to give them a
3 construction clearance letter in order to build, so there
4 are a lot of steps left.

5 Does anybody else have any questions?

6 (No response.)

7 MR. SIPE: It is formal, but it's informal.

8 Usually, we require everyone to stand up and come up to the
9 mic to speak. I usually don't walk around. Does anybody
10 have any further questions? We will be here to take your
11 questions after the formal part. I can close the meeting.
12 We'll stand around. We can look at maps. You guys can ask
13 anything you want.

14 No one? Going once, going twice. Without any
15 more speakers or any more questions, the formal part of this
16 meeting will conclude. On behalf of the Federal Energy
17 Regulatory Commission, the Bureau of Land Management and the
18 Forest Service, the Pipeline and Hazardous Material Safety
19 Administration, the Bureau of Indian Affairs and the Navajo
20 Nation, I'd like to thank you all for coming tonight. Let
21 the record reflect that the TransWestern Phoenix Expansion
22 Project public comment meeting concluded at 7:45 p.m. Thank
23 you.

24 (Whereupon, at 7:45 p.m., the above-entitled
25 matter was concluded.)

Public Meetings

1 BEFORE THE
2 FEDERAL ENERGY REGULATORY COMMISSION
3
4 - - - - -X
5 IN THE MATTER OF: : Docket Number:
6 TRANSWESTERN PHOENIX : CP06-459-000
7 EXPANSION PROJECT :
8 - - - - -X

9
10
11 Buckeye Community Center
12 201 East Centre Avenue
13 Buckeye, Arizona
14
15 Wednesday, June 6, 2007

16
17
18 The above-entitled matter came on for scoping
19 meeting, pursuant to notice, at 7:13 p.m.

20
21 BEFORE:
22 DOUG SIPE, FERC
23
24
25

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1 is prepared for this project and they will be producing the
2 final Environmental Impact Statement.

3 The FERC is an independent agency that regulates
4 the interstate transmission of electricity, natural gas and
5 oil. FERC reviews proposals and authorizes construction of
6 interstate natural gas pipelines, storage facilities and
7 liquified natural gas terminals as well as licensing and the
8 inspection of hydroelectric projects. The purpose of the
9 Commission is to protect the public and energy customers and
10 assuring that regulated energy companies are acting within
11 the law.

12 We are located in Washington, D.C. just north of
13 the United States Capitol -- really down over the hill from
14 the Capitol Building. FERC has up to five commissioners.
15 We are blessed with five right now who are appointed by the
16 President of the United States with advise and consent of
17 the Senate. Commissioners serve five-year terms and have
18 equal vote on regulatory matters. One member of the
19 Commission is designated by the President to serve as our
20 chairman and FERC's administrative head.

21 FERC has approximately 1200 staff employees. I'm
22 a part of the staff at FERC. We have other regional
23 offices, but they work with the hydro-related facilities,
24 but the part that deals with the natural gas is in
25 Washington, D.C. Actually, Commissioner Mark Spitzer is at

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1 the Federal Regulatory Commission now and I know that a lot
2 of people out here know who he is. He used to be out here
3 before he came to be a part of us.

4 The FERC is the lead federal agency responsible
5 for the National Environmental Policy Act, review of the
6 Phoenix Expansion Project and the lead agency for the
7 preparation of the EIS.

8 NEPA requires FERC to analyze the environmental
9 impacts, consider alternatives and provide appropriate
10 mitigation measures on proposed projects. The BLM, the
11 Forest Service, the Pipeline and Hazardous Materials Safety
12 Administration, the Bureau of Indian Affairs and the Navajo
13 Nation are participating as cooperating agencies in the
14 preparation of the EIS.

15 This meeting is a joint agency public comment
16 meeting. The purpose of tonight's meeting is to provide
17 each of you with the opportunity to give us your comments on
18 the draft EIS and for us to answer any questions you may
19 have regarding the proposed Transwestern Project. I will
20 answer questions tonight. If I cannot answer all the
21 questions, they will be addressed in the final Environmental
22 Impact Statement. I'll try to answer as many as I can, but
23 sometimes we can't. So I hope you guys understand. We are here
24 tonight to learn from you. It will help us if your comments
25 are specific as possible regarding the proposed project and

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1 the draft EIS.

2 If you wish to speak tonight, we do have a
3 speaker's list out there. I saw about 15 people on it right
4 now. We have it ordered in elected officials will speak
5 first and then we'll go down through the list. I hope
6 everyone doesn't mind that. But if you don't wish to speak
7 tonight, we do have information out there on how you can
8 file comments with the FERC, either electronically, written
9 or verbally tonight.

10 During our review of the project we assembled
11 information from a variety of sources, including
12 Transwestern, you the public, other state, local and federal
13 agencies and our own independent analysis and field work.
14 We analyzed this information and prepared a draft EIS that
15 was distributed to the public for comment. A notice of
16 availability of the draft EIS was issued for the project on
17 April 27, 2007.

18 We are in the midst of a 45-day comment period on
19 the draft EIS. The formal comment period will end on June
20 18, 2007. It is during this period that we receive comments
21 on the draft EIS and all written comments received during
22 this time period or, as I said, verbally tonight will be
23 addressed in the final EIS.

24 I can go over a little bit how it works at FERC
25 and give you an outline. This project was done in pre-

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1 filing. Before the company actually files an application,
2 we work with the company in pre-filing. We have scoping
3 meetings and we do a lot of public outreach. Then an
4 application is filed with the FERC. After an application is
5 filed at FERC, approximately four months after its filed, we
6 usually issue a draft EIS if their application is deemed
7 complete. The time line sometimes changes.

8 Four months after the DEIS a lot of time the FEIS
9 goes out on the street. Two months after the FEIS is out on
10 the street the Commission votes to approve or deny the
11 project. That gives you a little bit of a timeline on what
12 is going to be next down the road. The 45-day comment
13 period is a NEPA timeline. We will accept comments a little
14 bit after that, but it's kind of a judgment call by us
15 because as we are preparing the final Environmental Impact
16 Statement and as we are receiving more information from the
17 applicant, we will take the comments and we will address
18 those in the final. There is a cutoff line that has to be
19 for us to get the final on the street. The comments that
20 are received after that we will address those in the order
21 that went upstairs for the Commission to look at.

22 We ask that you provide comments as soon as
23 possible and I appreciate the comments that we've received
24 so far. We have received a lot of early comments and that
25 helped us out a lot, early comments and that helps us out

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1 greatly in working the kinks out of this project and it
2 gives us time to analyze and research the issues to provide
3 accurate responses.

4 I would like to add that the FERC strongly
5 encourages electronic filing of any comments. The
6 instructions for this can be located on our website at
7 www.FERC.gov under the e-Filing link. The blue handouts at
8 the sign-in table also tell you how to file comments
9 electronically and there is also a brochure out there that
10 the outreach team, which I lead at FERC, put out to help
11 people file electronically. Another good service is e-
12 Subscription. You can e-subscribe to this project under the
13 docket number. It's a really good tool. It's what I use to
14 track the project. Anything that's filed under the docket
15 number you get an e-mail on if you e-Subscribe to it.

16 If you received a copy of the draft EIS, paper or
17 CD, you will automatically receive a copy of the final EIS.
18 If you did not get a copy of the draft and would like to get
19 a copy of the final, please sign the attendance list and
20 provide your name and address and we'll make sure we get you
21 a copy of the final whenever it comes out. I sent five
22 boxes of the EIS to Arizona and we haven't received them.
23 They're somewhere in the Postal Service, but we do have a
24 lot of extra hard copies of the draft if anybody wants one.
25 Give me your name and address and I'll send you one.

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1 The EIS is not a decision document. It is being
2 prepared to advise the Commission and to disclose to the
3 public the environmental impact of constructing and
4 operating the proposed project. When it is completed, the
5 Commission will consider the environmental information from
6 the draft EIS, along with the non-environmental issues such
7 as engineering, markets and rates in making its decision to
8 approve or deny a certificate, which would be FERC's
9 authorization for this project.

10 There is no review of FERC's decision by the
11 President or Congress, maintaining FERC's independence as a
12 regulatory agency in providing for fair and unbiased
13 decisions. If the Commission votes to approve the project
14 and a certificate of public convenience and necessity is
15 issued to Transwestern, they will be required to meet
16 certain conditions as outlined in the certificate and some
17 of those conditions are in the draft EIS for you guys to
18 look at.

19 FERC environmental staff will monitor the project
20 through construction and restoration, performing daily on-
21 site inspections to ensure environmental compliance with the
22 conditions of the FERC certificate.

23 Our cooperating agencies will use the final EIS
24 in support of their permitting efforts. Mark Mackiewicz
25 with the BLM and Ross Reineke with PHMSA or OPS will now

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1 speak to you about their respective roles on the EIS
2 process.

3 Mark?

4 MR. MACKIEWICZ: Good evening. My name again is
5 Mark Mackiewicz. I'm a national project manager with our
6 Washington, D.C. Office. The Bureau of Land Management is
7 the lead federal agency with the responsibility of issuing
8 rights-of-way and associated permits across all federal
9 lands. This includes lands that are managed by the Bureau
10 of Land Management, Bureau of Reclamation as well as the
11 National Forest System lands managed by the United States
12 Forest Services; specifically, the Prescott National Forest
13 and the Kaibab National Forest. The project will cross
14 within the jurisdiction of ELM's Phoenix District Office,
15 including the lower Sonoran field office as well as the
16 Hassayampa field office. In addition, it will cross federal
17 lands in Farmington, New Mexico under the jurisdiction of
18 the Farmington field office. Approximately 90 miles of this
19 project will cross federal lands.

20 And as Doug has mentioned, we are a cooperating
21 agency in the preparation of the draft Environmental Impact
22 Statement. We, as an agency, have independently evaluated
23 its content and will use this document in support of our
24 decision to either approve or disapprove a right-of-way.

25 Again, the purpose of this meeting is to solicit

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1 your comments as to the adequacy of our draft Environmental
2 Impact Statement and to determine whether we, as an agency
3 or as agencies, have adequately both the physical as well as
4 the human environment. Thank you.

5 MR. REINEKE: Good evening. My name is Ross
6 Reineke. I'm with the Office of the Pipeline Safety and
7 project manager. The OPS is part of U.S. Department of
8 Transportation's Pipeline and Hazardous Materials Safety
9 Administration known as PHMSA.

10 I would like to thank Doug Sipe for inviting me
11 to this public comment meeting. OPS is participating as a
12 cooperating agency in preparing the draft EIS because our
13 mission is to ensure the safe, reliable and environmentally
14 sound operation of the nation's pipeline transportation
15 system and providing oversight for oil and natural gas
16 pipelines.

17 The Office of Pipeline Safety's programs are
18 driven by our mission. The cornerstone of OPS's programs is
19 the inspection and enforcement of pipeline safety. We have
20 inspectors located in five regional offices. OPS's
21 regulations include minimum safety requirements for all
22 pipelines and more rigorous requirements for pipelines that
23 pose a greater risk to populated and environmentally-
24 sensitive areas. My purpose at this meeting is to assure
25 you that if the Phoenix Expansion Project receives a

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1 favorable review from FERC, the Office of Pipeline Safety
2 will maintain a continual regulatory watch over the pipeline
3 from its construction to it's testing and for the entire
4 operational life of the pipeline.

5 This regulatory oversight will consist of
6 measuring the operator's performance to ensure that the
7 pipeline is constructed of suitable materials, that it is
8 welded in accordance with industry standards, that the
9 welders themselves are qualified to join the pipeline, that
10 the pipeline is installed to the proper depth, that it is
11 coated to assure effective cathodic protection from
12 corrosion, that the backfill is suitable and that the
13 pipeline is properly tested upon completion to ensure that
14 it can hold the pressures that the operator requires to
15 transport the natural gas.

16 Beyond the construction process, the Office of
17 Pipeline Safety conducts inspections periodically over all
18 aspects of the operations and maintenance of the pipeline.
19 The operator must have a written plan in place to instruct
20 their personnel and to relate to federal inspectors exactly
21 what testing or monitoring is done and the frequency.

22 So in conclusion, PHMSA's mission is pipeline
23 safety and we want to ensure the public that all federal
24 pipeline safety regulations will be met for the proposed
25 Phoenix Expansion Project. Thank you.

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1 MR. SIPE: Give me a second to see if we can
2 figure this out.

3 (Pause.)

4 MR. SIPE: I'm sorry about that. We have to
5 address that.

6 Thank you Mark and Ross. Without our cooperating
7 agencies, we would be lost. Like I always tell everyone, we
8 work with a lot of cooperating agencies. We have some folks
9 from the BLM here tonight. I appreciate that and they
10 provide us with a lot of input for our EIS. They write a
11 lot of it and without them -- they know the land a lot
12 better than we do. We cover the whole United States and
13 they're specific to their area, so they provide a lot of
14 good input. So I appreciate it.

15 I would like to point out to the audience that
16 there are TransWestern representatives in the room tonight.
17 They're all sitting in the rear. They do have maps and they
18 have a lot of expertise back there to answer anyone's
19 questions after the meeting. Usually, during the meeting
20 I'll answer most of the questions. If I get stumped, I may
21 refer to one of those guys. But normally, if I can't answer
22 it, I'll ask you to ask them after the meeting.

23 I would appreciate it if you want to talk to one
24 of those guys you do it after the formal part of this
25 meeting is over and you can look at maps. Like I said,

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1 we're going to be here for a long time, not just during the
2 formal part because of a lot of the feedback.

3 Steven Veatch, Senior Director of Certificates
4 and Tariffs, a representative of Transwestern, is now going
5 to give you a brief overview in the status of the Phoenix
6 Expansion Project.

7 MR. VEATCH: Good evening. As Doug said, my name
8 is Steven Veatch. I'm Senior Director of Certificates and
9 Tariffs representing Transwestern Pipeline. Tonight I'd
10 like to give you a brief overview of the Transwestern
11 Pipeline Company Phoenix Expansion Project and where we are
12 on that. With me tonight are representatives of the Project
13 Management, Engineering, Right-of-Way, Construction,
14 Operations and our Environmental, who will be available to
15 answer any questions you might have concerning the proposed
16 Phoenix Expansion Project at the conclusion of the meeting.

17 The overall Phoenix Expansion Project in Arizona
18 consist of the construction of approximately 95 miles of 42-
19 inch diameter natural gas pipeline and 164 miles of 36-inch
20 diameter natural gas pipeline. Transwestern will also be
21 constructing minor lateral lines and meter stations in
22 addition to various taps, valves and other auxiliary
23 facilities. The project is designed to transport 500
24 million cubic feet of natural gas per day to customers in
25 the state.

Public Meetings

1 Customers having executed binding, preceding
2 agreements to participate in the expansion are Arizona
3 Public Service Company for 150 million cubic feet per day
4 for a term of 15 years; Salt River Project Agricultural
5 Improvement and Power District for 150 million cubic feet
6 per day for a term of 15 years; Southwest Gas Corporation
7 for 32 million cubic feet per day for a term of 15 years;
8 Gila River Power LP for 25 million cubic feet per day for a
9 term of four years; and Unisource Energy, Inc. for 13
10 million cubic feet per day for a term of 15 years. That's a
11 total of 370 million cubic feet per day for a total of 74
12 percent of the overall project capacity.

13 Transwestern is currently looking to receive the
14 FERC certificate of public convenience and necessity in
15 September of this year and hoping to commence construction
16 in October. An initial in-service is scheduled for July
17 2008 with overall in-service to be October 2008.

18 At this time Transwestern has ordered the pipe
19 for the project and it is currently in production.
20 Construction contracts for the pipeline have been awarded to
21 Gregory & Cook Construction and Rockford Corporation. In
22 addition, the horizontal directional drilling will be
23 performed by Michael's Corporation.

24 As of this date, 42 percent of the private
25 easements needed for the project have been secured. This,

Public Meetings

1 coupled with the right-of-way, Transwestern has requested
2 from the Bureau of Land Management, the Prescott and Kaibab
3 National Forest, Arizona State Lands and the Navajo Nation
4 represents over 171 miles or approximately 60 percent of the
5 overall project.

6 Let me state again that Transwestern project team
7 members will be available after the meeting to answer any
8 questions you might have. Thank you.

9 MR. SIPE: Thank you, Steve.

10 I want to hit on a little bit what Steve said
11 there. The ball is rolling in their court. They have to
12 order the pipe. They have to obtain easements. They have
13 to act like they are going to get approval for this project.
14 All pipeline companies across the nation do this. It's a
15 risk that they take and they need to do that to make sure
16 their project meets their customers needs. By no way is
17 this a done deal. We get that a lot. As soon as they file
18 the application a lot of people think this is a done deal.
19 FERC is in the business of providing an infrastructure for
20 the United States of America for the pipelines for the gas
21 to people who need it, but we are also charged with
22 protecting the environment along the way. But just so
23 everyone understands that these companies need to keep going
24 with the project as we move forward with the approval
25 process.

Public Meetings

1 We will now begin the important part of the
2 meeting with your comments. When your name is called please
3 set up to the microphone and state your name for the record.
4 If your name is a little bit hard to spell, please spell it.
5 The court reporter from Ace-Federal Reporters usually likes
6 that to happen or he may ask me to do it. So make sure when
7 you come up you need to speak into the microphone. I see a
8 lot of the illustrations over here, which is good, that
9 everyone brought. But you need to stay at the microphone
10 and speak into the microphone and address us tonight.

11 A transcript of this meeting will be placed in
12 the public record at FERC so that everyone had access to
13 these information collected here tonight. That won't happen
14 for a couple of weeks. If you want a transcript immediately
15 for this project, you can talk to the court reporter after
16 the meeting and he can provide you the information on how to
17 do that.

18 Now we'll read off the first person on the
19 speaker's list. Bill is going to read your name off and
20 we'll go down through the list. Again, if you guys have --
21 a lot of times during the speakers, between speakers,
22 whatever, I will address questions or comments you guys
23 give. Appreciate it.

24 MR. HOOD: Good evening. I'm Rick Hood with the
25 firm of Gus Rosenfeld and I'm here on behalf of the Town of

Public Meetings

1 Buckeye. Also, here tonight to speak for the town are Mayor
2 Bryant; Bob Costello, who is the deputy fire chief; Scott
3 Lowe, Director of Public Works and Ruth Garcia, who is the
4 Governmental Affairs Director. Also with me tonight is my
5 partner, Marty Jones, who will speak with comments directly
6 to the EIS and Bob Esenwein of Bryant and Coldwell from
7 Houston.

PM3-1

8 What I'd like to do before turning this over to
9 the mayor is to talk about where we are in this process from
10 the perspective of the Town of Buckeye. I think we have a
11 slightly different view of how far we've come and what needs
12 to be done in order to proceed with this process to whatever
13 conclusion it's going to come to.

14 As you know, when you were speaking about the
15 timeline, in January through March of 2006 information
16 meetings were held in Arizona. I don't remember each of the
17 towns that they were in, but my recollection is Prescott
18 Valley, Sun City West, Casa Grande, but no meetings were
19 held in the Town of Buckeye.

20 In January and February of the same year, you
21 held scoping meetings -- again, Prescott Valley, Sun City
22 West, Casa Grande and I believe the nearest location was in
23 the Town of Avondale. Avondale is some 16 miles away. From
24 the records it appears that there were three people who were
25 supposedly interested parties who attended that meeting.

Public Meetings

3

PM3-1 Scoping is the term for the process for determining the scope of issues to be addressed and for identifying the significant issues related to a proposed action. The scoping process for the Phoenix Expansion Project was conducted in accordance with section 1501.7 of the Council on Environmental Quality (CEQ) regulations. The formal scoping period opened on February 6, 2006 with the FERC's issuance of the Notice of Intent (NOI). As outlined in section 1508.22 of the CEQ regulations, an NOI shall, among other things, describe the proposed action and whether any scoping meetings will be held.

The NOI provided a preliminary list of issues identified, invited written comments on the environmental issues to be addressed in the draft EIS, listed the date and location of four public scoping meetings to be held in the project area, and established a closing date for receipt of comments of March 8, 2006. The deadline for receipt of scoping comments was set in accordance with the required 30-day scoping comment period. The NOI was mailed to more than 5,800 individuals and organizations.

Many representatives of the Town of Buckeye were on the mailing list for the NOI including the Planning Director, the Mayor, and a member of the City Council. Other recipients of the NOI from the Buckeye area included the Buckeye Public Library, 37 miscellaneous individuals and organizations, 3 landowners, and 1 intervenor. In addition, several of the developers in the Buckeye master planning corridor that later filed interventions were sent the NOI. No scoping comments were received from interested parties in Buckeye and no one from Buckeye attended the closest scoping meeting, which was 16 miles away in Avondale.

For large pipeline projects, it is not possible to hold a scoping meeting at every location along the route. However, once the FERC staff became aware of the concerns regarding potential project-related impacts on approved and proposed developments in Buckeye, a special technical conference was scheduled on December 14, 2006. To address the concerns raised at the technical conference, the FERC issued an environmental information request to Transwestern that delayed the issuance of the draft EIS.

PM3-1
(cont'd)

1 The fact of the matter is none of them were from the Town of
2 Buckeye. It was not until after the town intervened in
3 October 2006 and several of the interested developers also
4 intervened that a meeting was finally held in Buckeye. That
5 meeting was not held until mid-December of this year or last
6 year actually.

7 Following that meeting, the EIS was issued
8 approximately four months later as per your timetable.
9 Since that time the town has done its best to review the
10 EIS, review the information contained, determine what other
11 information it would need to make comments, other
12 information it would need to make a reasonable decision with
13 respect to what it would say, what it would comment, whether
14 it would be able to comment.

15 Given the timeline, given the short period of
16 time that the town has had for a very important project to
17 them. You must remember that when this pipeline goes, if it
18 goes in the proposed route, it will bisect the town. It
19 will be 28 miles of pipes through this town. There will be
20 15 miles of pipe through their development corridor. Given
21 these facts, last Friday, as you probably know -- I expect
22 you know. If you don't, I have copies for you. The town
23 filed a motion asking that the draft EIS be withdrawn at
24 this time.

PM3-2

25 The reason they're asking that the draft EIS be

18

Public Meetings

3

PM3-2

The draft EIS was prepared in accordance with NEPA, CEQ guidelines, and other applicable requirements. The draft EIS is comprehensive and thorough in its identification and evaluation of the environmental impacts of the proposed project and feasible mitigation measures to reduce those effects wherever possible. The draft EIS includes sufficient detail to enable the reader to understand and consider the issues raised by the proposed project and addresses a reasonable range of alternatives.

While some information was still pending at the time of issuance of the draft EIS, the lack of this final information does not deprive the public of a meaningful opportunity to comment on a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such effect. All comments related to environmental issues received on the draft EIS within a time frame that allowed for their review are addressed in the final EIS, including those submitted outside of the comment period. The final EIS has also been revised to evaluate refined and new project plans and mitigation measures filed by Transwestern since the draft EIS. A vertical line in the margin of the final EIS identifies text that has been modified and differs from the corresponding text in the draft EIS. The majority of the plans filed by Transwestern are included as appendices of the document. Plans that are too voluminous to be included in the final EIS are available for viewing on the FERC Internet website (<http://www.ferc.gov>) under Docket Number CP06-459.

After issuance of the final EIS, the public will have additional opportunities to comment on the project. As an example, comments received by the FERC after issuance of the final EIS would be addressed in any Order approving the project and issuing the Certificate of Public Convenience and Necessary (Certificate) under section 7 of the Natural Gas Act. For the U.S. Department of the Interior, Bureau of Land Management (BLM), the date the U.S. Environmental Protection Agency's (EPA) Notice of Availability appears in the Federal Register initiates a 30-day period before a decision on the Right-of-Way Grant is made. Comments received on the final EIS during the 30-day period would be reviewed to determine whether they have merit (e.g., identify significant issues not previously addressed or introduce significant new information). These comments would be considered in the BLM's Record of Decision (ROD).

All information filed by Transwestern after issuance of the FERC Certificate and the BLM ROD would be part of the public record for the Phoenix Expansion Project and would also be available for viewing on the FERC Internet website (<http://www.ferc.gov>) under Docket Number CP06-459. The public may comment at any time on these filings and the comments would be considered.

It is noted that the Town of Buckeye filed a motion asking that the draft EIS be withdrawn (see comment letter LA1). See the responses to comments PM3-3, LA1, and LA2-1 through LA2-282.

PM3-2
(cont'd)

1 withdrawn is that the town believes that there is
 2 insufficient information contained in the draft EIS at this
 3 time for it to make an informed decision. The draft EIS
 4 itself contains a list of 16 items that FERC has asked that
 5 be supplied that is not in the draft EIS at this point in
 6 time. In order for the town to make an informed decision,
 7 in order for the town to do what is right for its citizens,
 8 it needs all information. It needs it at a time and in a
 9 fashion that allows it to make an informed judgment. To do
 10 so, technical information of this type requires that it
 11 consult with people who have special knowledge in these
 12 areas that may not be had by town officials or employees.

PM3-3

13 Alternatively, the town has asked in its motion
 14 if the draft EIS is not withdrawn that FERC grant an
 15 extension of time for them to respond. We have asked for
 16 120 days extension. But not simply 120 days, we have asked
 17 that that be coupled with a decision that the information
 18 that's missing from the EIS be supplied at least 60 days
 19 prior to the extended date for response. We think that's
 20 the minimum that they should be allowed, would need in order
 21 to review the additional information.

22 At this time the town feels that the process
 23 continues on the present schedule it has been substantially
 24 prejudiced. That the town has not had the ability and will
 25 not have the ability to do those things that are necessary

Public Meetings

3

PM3-3

Adequate notice of the proposed project was provided to Buckeye and there was ample opportunity for interested parties in the Buckeye area to submit written comments as discussed in the response to comment PM3-1. The draft EIS was comprehensive and prepared in accordance with NEPA, CEQ guidelines, and other applicable requirements. As such, the FERC did not withdraw the draft EIS or formally extend the draft EIS comment period. However, all comments related to environmental issues received on the draft EIS within a time frame that allowed for their review before the issuance of the final EIS were considered, including those submitted outside of the comment period. As discussed in the response to comment PM3-2, the public will have the opportunity to comment on the final EIS.

PM3-3
(cont'd)

1 for the good its citizens. And at some point in time
 2 tonight I would like you to address the fact of the pending
 3 motions, what FERC will do with those motions and give us
 4 some idea. Because as you know, the responses to the EIS
 5 are due June 18th. So we have approximately 11 days to file
 6 whatever comments we're going to file and we feel that we
 7 don't have adequate information to give the kind of response
 8 we would want to give so that FERC could make a review and
 9 decision about the positions taken by the town and the
 10 analysis given to the town to the proposed route and
 11 alternate analysis to the alternate route.

12 With that, I'd like to introduce Mayor Bryant and
 13 let him speak for the town and I'm sure other officials will
 14 also want to speak.

15 Mayor Bryant?

16 MAYOR BRYANT: Thank you.

17 First of all, having been without any information
 18 for quite some time on this and having the meeting in
 19 December, I really appreciate the fact that we're now having
 20 a public hearing where our citizens can actually voice their
 21 opinions. So thank you very much. I appreciate it.

22 Before I make my brief comments, I would like to
 23 introduce some of our elected officials that are here this
 24 evening on our behalf and first I would like to introduce
 25 and recognize Representative John Nelson. I would also like

20

Public Meetings

1 to introduce Kristen Combs from Congressman Franks' office
 2 and from the Town of Buckeye I would like to introduce
 3 Councilmember Elaine May, Councilmember Robert Doster and
 4 Councilmember Dave Reel. I hope I didn't miss anybody.

PM3-4

5 The Town of Buckeye has reached out to our West
 6 Valley partners and our elected officials to advise them of
 7 the Transwestern Pipeline Phoenix Expansion Project and the
 8 proposal to route a 36-inch diameter high pressure natural
 9 gas pipeline through the town. The following cities will be
 10 considering resolutions in support of the Town of Buckeye to
 11 be filed in the FERC docket and we want to thank the cities
 12 of Tolleson, Avondale, Goodyear, Litchfield Park and
 13 Surprise for their support.

14 The following state representatives are
 15 considering letters of support for the Town of Buckeye to be
 16 filed in the FERC docket and with that we want to thank
 17 Representative Judy Burgess, Representative Jerry Weiers,
 18 Representative John Nelson, Representative Emmanuel Alvarez,
 19 Representative Jennifer Burns and Senator Robert Blendu for
 20 their support.

21 In addition, Congressmen Franks and Grijalva have
 22 expressed concern of an alignment that is proposed to go
 23 through the Town of Buckeye and are considering letters of
 24 support for the Town of Buckeye to be filed in the FERC
 25 docket as well.

Public Meetings

PM3-4

It is noted that several cities, state representatives, and congressmen are considering submitting resolutions and/or letters of support for the Town of Buckeye. All resolutions and letters of support filed in response to the draft EIS are listed in the index that appears at the beginning of Volume II and included herein. The Commission responded separately to some of these letters. The Commission's responses are part of the public record for the Phoenix Expansion Project and are available for viewing on the FERC Internet website (<http://www.ferc.gov>) under Docket Number CP06-459.

PM3-5

1 The Town of Buckeye understands that energy is a
 2 significant national issue, however, we are concerned about
 3 the desire of Transwestern to place a 36-inch diameter high
 4 pressure natural gas transmission line through the heart of
 5 Buckeye. Tonight you will hear comments from the town, from
 6 the development community and from our residents. The town
 7 is committed to the safety and security of our residents, to
 8 maintain our quality of life and to promote economic
 9 development to ensure Buckeye becomes a world-class city.

10 The proposed alignment of the pipeline threatens
 11 these fundamental issues. As the mayor of Buckeye, I ask
 12 that FERC give serious consideration to the East/West
 13 alternative route and a route that was found to be a viable
 14 and feasible route for the pipeline alignment through the
 15 analysis by E&N Engineering. Thank you.

16 MR. SIPE: I appreciate it. Thank you guys. A
 17 couple of things I'd like to go over to address some of your
 18 concerns. Early on in the pre-filing process we attend the
 19 companies' open houses. The companies have their open
 20 houses. They strategically place those in areas where they
 21 think they're going to get the people -- the bang for their
 22 buck basically. They want to see where that most people
 23 will come out. They want to see where to address the areas
 24 of concerns. We attend these open houses. We look at all
 25 the open houses they have and then we base the attendance

Public Meetings

PM3-5 The Mayor's concerns regarding the potential impact of the proposed project on the Town of Buckeye are noted.

Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5, which has been revised to address comments received on the draft EIS. See also the responses to comments LA2-1 to LA2-282 that address specific concerns raised by the Town of Buckeye.

1 and the reaction of the people there on where we place our
2 scoping meetings.

3 You have to remember this is very early on in the
4 project. The company has their open houses. FERC attend
5 them and then we later on down through the pre-filing
6 process we hold our scoping meetings. We base those off
7 their open houses.

8 Now for example, tonight we changed the location
9 of this meeting from Avondale to here because of the
10 response that we had. But all over the country that happens
11 where you're not quite sure early on in the process where
12 you need to have these meetings. So that's basically how we
13 choose where we have the meetings. The meetings, at the
14 beginning, they were in Prescott Valley, Black Canyon City,
15 Avondale and Casa Grande. Since then we've only changed one
16 location. We changed it from Avondale to here. Prescott
17 Valley, when originally did the scoping meeting, we had like
18 150 people there. Last night for the comment meeting we had
19 four. You never know what response you're going to get.

20 At Black Canyon City again we had over 100. For
21 the scoping meeting last night, we had eight I think. For
22 example, like Avondale, you hit on when we came out here we
23 went to the community college or technical school over here
24 and we only did have a couple of people. Casa Grande was
25 the same way. So tonight we have a big audience here, which

Public Meetings

1 I appreciate you guys all coming out and I don't know what's
2 going to happen tomorrow night. That's how we base our
3 meetings. We're not exactly sure where to hold them early
4 on, but we try to figure it out by the time we're here at
5 the comment meeting.

6 Unlike a lot of other agencies, FERC does issue a
7 certificate to an applicant with conditions attached. It's
8 a conditional certificate. We even have to explain that to
9 a lot of the cooperating agencies that work with us. A lot
10 of the agencies out there don't do it that way, but we do
11 issue a certificate with conditions attached. The applicant
12 must meet all those conditions before they actually build
13 the project.

14 I mean, for example, I've had projects in the
15 past where the certificate was issued and months down the
16 road the company finally meets these conditions and are able
17 to go forward with construction. A lot of times they have
18 to apply for extensions because their certificate is only
19 good for one year. Sometimes it's built in for two years,
20 so they have to apply for extensions. So that's just a
21 little bit of how certificates work. The time extension is
22 put up in front of -- the Commission has to vote on that. I
23 mean make a decision on that, not vote on it. But they will
24 make a decision on whether to grant a time extension.

25 VOICE: When will we hear about this?

Public Meetings

1 MR. SIPE: The question was when will we hear
 2 about this? That's one thing. If you guys have questions
 3 tonight, we have to make sure we come to the mike because
 4 the court reporter will start throwing stuff. I can't tell
 5 you that. I don't know when they will make that decision.
 6 I can go back to FERC and find out when they will do that.
 7 If you'd like to give me a call, you have my number and then
 8 I'll let you know.

9 The next speaker on the list would be Bob
 10 Costello.

PM3-6

11 MR. COSTELLO: Good evening. Bob Costello,
 12 Assistant Fire Chief, Town of Buckeye representing some
 13 public safety concerns with the draft EIS document as
 14 presented.

15 First and foremost, please recognize the Fire
 16 Department is here to address public safety concerns. We
 17 fully realize the impact and the need for additional energy
 18 resources and utility pipeline through the communities.
 19 Upon review of the initial document our initial
 20 recommendation and the one we're going to hold with is that
 21 the review of all available information we are recommending
 22 that the pipeline be relocated in an alternative route to
 23 avoid conflict with current and future development along the
 24 proposed route.

PM3-7

25 Given that, it was very obvious. as we reviewed

Public Meetings

3

PM3-6 The comment recognizing the need for additional energy resources and utility pipeline in the community is noted.

The impact of the proposed project on existing and future developments is discussed in sections 3.4.2.5 and 4.7.3.2. Public safety and reliability are generally discussed in section 4.11, and sections 3.4.2.5, 4.11.1, and 4.11.2 address specific safety concerns raised by the Town of Buckeye and other stakeholders in the area.

PM3-7 Development plans for the Buckeye area have not been overlooked and are addressed in sections 3.4.2.5 and 4.7.3.2. Buckeye is expected to develop over the next several decades and eventually house more than one million people within an area of approximately 600 square miles.

Section 4.11.3 discusses the impact of the proposed project on public safety. Among other topics addressed in section 4.11.3, Transwestern would be required to establish and maintain liaison with the local fire department and other local agencies to coordinate a mutual response in the event of a pipeline emergency, and would invite fire companies to participate in its periodic fire demonstrations.

Consideration was given in section 3.4.2.5 of the draft EIS to existing and future utility and street crossings of the proposed Phoenix Lateral in Buckeye. Additional discussion regarding the number and location of future utility crossings has been added to this section in the final EIS. As stated in section 3.4.2.5, the proposed project would be installed below existing utilities that are within approximately 7 feet of the ground surface and Transwestern has committed to working with the Town of Buckeye and area developers to incorporate planned, but not yet constructed, utility and street crossings into the final design of the pipeline at Transwestern's expense. It is not reasonable to require Transwestern to bury its pipeline at a depth of 20 feet for the entire length through the Buckeye area to accommodate future utility crossings that have not been located or designed and could take decades to develop. Furthermore, the Salt River Project Agricultural Improvement and Power District (SRP), which operates the powerline easement in which the Phoenix Lateral would be located in the Buckeye area, states that any future crossings of its utility corridor will require the consent of SRP, and that the vast majority of future utility installations across the SRP easement will be located along planned roadways of which there will be a limited number (see comment letter CO11). As discussed in section 3.4.2.5, Transwestern would participate in the construction of future crossings of the Phoenix Lateral by accurately locating the pipeline, discussing appropriate safety measures to be implemented by the utility installation contractors, and observing the construction activities to ensure compliance with required safety measures.

PM3-7
(cont'd)

1 the document, that the growth and development, as we
 2 recognize coming to this community, that we're already
 3 seeing in this community was overlooked. We will be the
 4 first responders if there is an incident or an event and we
 5 will have to mitigate that problem. We have a great concern
 6 about this given the alignment of the preferred route as
 7 outlined in the EIS document.

8 Again, our biggest concern with this is going to
 9 be third-party damage. Through your office's statistics,
 10 approximately one third of all pipeline incidents come from
 11 third-party damage. We recognize that in our business a
 12 construction equipment or other equipment striking this
 13 pipe. This could occur instantly. It could occur sometime
 14 later at which time we have that failure.

15 One of the interesting things is looking at the
 16 developments that you have listed in the EIS document a
 17 quick review of the plans and the development that's already
 18 occurred, this pipeline is going to have conflict with at
 19 least 30 roadways, 23 water distribution mains, 29 sanitary
 20 sewer mains and these are only the developments you listed,
 21 not additional developments that are proposed or will be
 22 constructed in the future.

23 Given that, upon reviewing the information in
 24 there, the depth of burial 3 feet plus or minus a couple of
 25 inches throughout most of that area, we feel creates a very

Public Meetings

PM3-7
(cont'd)

See section 3.4.2.5 and comment letter CO19 from Southwest Gas Corporation (SWG), which indicate that, because of its central location in the Buckeye area, the proposed alignment of the Phoenix Lateral would require the construction of less natural gas distribution infrastructure in the Buckeye area than would the Buckeye Alternatives, which extend as much as 21 miles to the west of the proposed route and 15 miles to the west of the Buckeye planning area.

PM3-7
(cont'd)

1 vulnerable pipeline. We've identified that there's going to
2 be numerous other utility crossings that this may have a
3 conflict with. I know that it's marked. I know all the
4 rules. And if they all worked, we wouldn't respond to gas
5 leaks on a daily basis. Okay. On a daily basis, we go to
6 these incidents through distribution lines. Fortunately, we
7 have very little development around the current transmission
8 lines. We've not had those incidents.

9 The Fire Department feels that pipeline such as
10 this in the hierarchy of utility lines should be the lowest
11 or one of the lowest in that process because we know that
12 some of the dry utilities and other wet utilities are
13 routinely excavated for repairs, additions or whatever,
14 again, making that pipeline more vulnerable. And as we look
15 at the growth and development there, this is not something
16 that may happen. This is something that will happen.

PM3-8

17 The draft EIS calls for the town's area to be a
18 class location II. Upon reviewing that, and my background
19 tells me that that's basically a rural application. We
20 would like the folks to consider upping its requirements to
21 a location class III. We feel that that fits the areas
22 better given the amount of growth that we know that's going
23 to occur in this area. Again, for the people behind me that
24 don't under that, this increases the material thickness of
25 that and also the testing process that's involved with it is

Public Meetings

3

PM3-8

Transwestern has determined the pipe class in accordance with the DOT Minimum Federal Safety Standards in Title 49 Code of Federal Regulations (CFR) Part 192 based on current population density. The Town of Buckeye would be crossed by the Phoenix Lateral between approximate mileposts (MPs) 134.5 and 155.2, an approximate distance of 20.7 miles. As indicated in table 4.11.1-1, two areas within the town comprising a total of 3.8 miles (that include the Tartesso and Sun City Festival developments) would be considered Class 3 locations. The remaining, undeveloped areas of Buckeye comprising about 16.9 miles could technically be constructed to Class 1 standards; however, Transwestern proposes to construct the Phoenix Lateral to Class 2 standards. However, if the population density adjacent to specific class locations increases sufficiently for the areas to qualify as a Class 3 or Class 4 location, Transwestern would be required to reduce the maximum allowable operating pressure or replace the segment with pipe of sufficient grade and wall thickness to comply with the DOT code of regulations for the new class location unless the grade and wall thickness installed already meets the requirements for the increased population density. The spacing between the valves proposed for the Phoenix Expansion Project would meet or exceed the DOT requirements for the appropriate class location. In addition, Transwestern identified a 1.8-mile-long stretch through the Town of Buckeye as a high consequence area (HCA) in accordance with DOT definitions. Transwestern would be required to assess the pipeline route for the presence of HCAs annually.

The Assistant Fire Chief's comments expressing a desire to have the proposed project inspected and encouraging the participation of the OPS to create the safest pipeline possible are noted.

PM3-8
(cont'd)

1 my understanding.
2 In addition to that we'd like to request
3 additional shutoff valves be included if this is routed in
4 the preferred route as listed by Transwestern. Our concern
5 with this is that if we do have an incident or leak the less
6 gas we have mitigating into the neighborhood the easier it
7 will be to deal with. The Fire Department would also like
8 to see the entire area of Buckeye classified as a high
9 consequence area. And again, this will increase the
10 frequency of inspections and also the requirements that may
11 be placed on this.

12 I truly feel from my heart that this poses a
13 hazard to the residents of Buckeye and I want it inspected.
14 I want to make sure that the gentleman from Pipeline Safety,
15 they do their job and that we create the safest utility
16 pipeline possible.

PM3-9

17 Again, our preference would be that the pipeline
18 seek an alternative route, a route that does not transfer
19 through the middle of a rapidly developing area, an area
20 that's going to be ripe with infrastructure and lots of
21 construction work. It's not going to be in an area that
22 passes by numerous residents. It doesn't pass by schools.
23 It does not pass by commercial facilities. It does not pass
24 by my fire stations where my first responders are going to
25 be located that would be needed to mitigate these incidents

Public Meetings

3

PM3-9 The analysis of the Buckeye Alternatives considered the relative degree of development that is proposed to occur in proximity to the alternatives and the proposed route. Section 3.4.2.5 has been revised to include additional information regarding the future development of the Tonopah Valley planning area that the Buckeye Alternatives would cross.

PM3-9
(cont'd)

1 if they do occur.
 2 Again, we're hoping you'll take that into
 3 consideration, recognize that some of the information in
 4 there did not really paint the picture as we know it in the
 5 Town of Buckeye and that we feel that there's a much greater
 6 hazard presented than what was drafted in the draft
 7 document. Thank you.

8 MR. SIPE: Thank you.
 9 The next speaker on the list is Scott Lowe.

10 MR. LOWE: Good evening. My name is Scott Lowe.
 11 I'm the Public Works Director for the Town of Buckeye.

PM3-10

12 First of all, I'd like to also echo what Chief
 13 Costello had said that we also recognize that the utility is
 14 an important commodity and natural gas is important for our
 15 future energy needs. I would also like to comment on the
 16 gentleman who spoke about the construction of the pipeline.
 17 I have no doubt that the construction is going to go in
 18 accordance with industry standards, appropriate
 19 specifications and standards. There is no worries as far as
 20 I'm concerned about the trenching, depth of construction,
 21 backfill, cathodic protection -- those types of things. I'm
 22 sure that they will be all installed in accordance with the
 23 plans and specifications.

24 The problems that we do potentially see are not
 25 with the construction. It's with what happens afterwards.

Public Meetings

PM3-10 See the response to comment PM3-7.

PM3-10
(cont'd)

1 Our problems with a 40-inch depth of pipe as the EIS states,
2 anywhere from 36 to 40 inches, as the Chief had mentioned,
3 does cause problems with the many utility crossings that
4 will occur, that are occurring across the proposed route.
5 The alternative route, on the other hand, is not forecast to
6 be as developed as it is in downtown Buckeye. Our utilities
7 are anywhere from 3 feet to 25 feet deep, considering that
8 sewer is pretty much gravity fed and even a lot of our water
9 transmission is gravity fed.

10 We also -- the existing pipeline is going to be
11 in close proximity to two existing wastewater treatment
12 plants. One within almost 100 feet of the proposed site in
13 the southern region known as the Tartesso Wastewater
14 Treatment Plant, which could be in excess of 26 million
15 gallons per day as we approach build out in the Town of
16 Buckeye. The other wastewater treatment plant is located in
17 the northern reaches of our planning area and very close
18 proximity to the proposed route, which is the Festival Ranch
19 Wastewater Treatment Plant, which too could be at our future
20 build out of 27 million gallons a day.

21 So you can see the proposed build out of the
22 Town of Buckeye representing at least 54 million gallons per
23 day in sewage treatment indicates that there's going to be
24 quite a few homes in this area, not to mention the fact that
25 we have three other wastewater treatment plants that are

Public Meetings

PM3-10
(cont'd)

1 planned in close proximity in the future.
2 The reason why I say this Public Works is also a
3 utility and the Chief had mentioned that the fact that the
4 pipe is going into the ground and it's going into the ground
5 40 inches deep is not so much a concern in that it should be
6 the deepest utility. There will likely be not very many
7 opportunities to dig and do what required maintenance is
8 required for this pipeline will not probably as much as the
9 opportunities to dig for other utilities, dry utilities such
10 as cable and that type of thing -- cable TV, telephone.
11 That type of thing. The opportunities for our utility crews
12 to be digging for water lines, repairs of water lines as
13 well as sewer lines is probably greater than your
14 opportunities to dig for repairs to your gas lines. I would
15 hope so anyway.
16 So that our preference also would be that this
17 would be the deepest utility. Water being closer to the
18 surface -- the dry utilities being closest to the surface.
19 Water being the next, sewer being the next and then, of
20 course, natural gas being at the lowest point and that's
21 just because of the opportunities to need to access those
22 particular utilities in that particular order. That's all I
23 have tonight.
24 MR. SIPE: Thanks, Scott.
25 The next speaker on the list is Ruth Garcia.

31

Public Meetings

3

1 MS. GARCIA: Good evening. My name is Ruth
 2 Garcia. I'm the Director of Intergovernmental Affairs for
 3 the Town of Buckeye. Thank you for this opportunity to make
 4 a few comments related to the Transwestern Pipeline Phoenix
 5 Expansion Project.

PM3-11

6 The Town of Buckeye understands the need for
 7 sufficient energy capacity, understands that the Phoenix
 8 Expansion Project is seen as a project of national
 9 significance and understands that competition to bring about
 10 price adjustments in the market is an appropriate business
 11 model. The Town of Buckeye is not trying to stop the
 12 Phoenix Expansion Project. The Town of Buckeye is, however,
 13 asking for honest dialogue, complete information, adherence
 14 to required processes in the Environmental Impact Statement
 15 and adequate and safe pipeline design and a willingness on
 16 the part of Transwestern to come to the table to respond to
 17 the town's concerns regarding safety, security, quality of
 18 life and economic development.

19 The town also understands the relationship of
 20 FERC, APS and SRP to Transwestern and the pipeline project
 21 and ask them to share in the responsibility of making the
 22 Phoenix Expansion Project a successful project. The success
 23 of the project being on time and near cost will require
 24 Transwestern to work with the town, to work with the
 25 development community and to work with the residents of

Public Meetings

PM3-11 See the response to comment PM3-1 regarding the public notification process for the project that included notice to Town of Buckeye representatives and compliance of the EIS with the requirements of NEPA and CEQ guidelines. See also the response to comment PM3-2 regarding the completeness of the draft EIS.

The pipeline would be designed, constructed, and operated in accordance with applicable regulations that are protective of the public. These regulations take into consideration the proximity of transmission pipelines to human populations that exist at the time of construction or that develop in the future.

Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5.

PM3-11
(cont'd)

1 Buckeye in the development of an appropriate alignment and
2 design of the proposed pipeline.
3 The town knows that the proposed route is a
4 decisions that was made without the involvement of our
5 community and involved two major considerations -- placing
6 the pipeline in an established utility corridor and
7 construction costs. No matter how the spokeswoman for
8 Energy Transfer Partners tried to spin the facts in the
9 media, Transwestern, FERC, APS and SRP know the facts of the
10 matter. This is an inadequately designed pipeline in which
11 class design improvements when called for by the code may
12 not be enacted due to safety standards allowed by the
13 Department of Transportation and it also will place a
14 pipeline through the heart and center of a town that has
15 worked hard to become a world-class city with a population
16 in excess of one million.
17 There is a viable and feasible alternative route.
18 We would ask to have careful consideration of our request.
19 The town's advocacy does not end with tonight's meeting nor
20 with the filing of the letters and resolutions of support
21 from the many elected officials. The town will continue and
22 will work to bring about meaningful energy policies and
23 safety standards at the local, state and national level.
24 Conversations will begin with the Department of Energy and
25 the Department of Transportation and the board members of

PM3-11
(cont'd)

1 Energy Transfer Partners, Transwestern Pipeline, Pinnacle
2 West and Arizona Public Service. Thank you.

3 MR. SIPE: Thank you, Ruth.

4 The next speaker on the list is Marty Jones.

5 MR. JONES: Thank you. I'm Marty Jones. I'm an
6 environmental attorney with Gus Rosenfeld as Rick indicated
7 to you earlier. We represent the Town of Buckeye.

PM3-12

8 My role tonight is to comment on the legal
9 requirements related to the draft EIS. I would suggest to
10 you that if all the conclusionary statements unsupported by
11 facts and all the self-serving and unsupported analysis had
12 been taken out of the several hundred pages of the draft EIS
13 that I read, you really could have produced this document on
14 one page with five bullet points and the bullet points are
15 these.

16 FERC wants a gas transmission line built. FERC
17 wants the transmission line built in an existing utility
18 corridor. There are two utility corridors in the general
19 area. Gas transmission lines are inherently safe, so FERC
20 does not need to consider the health and welfare of the
21 people living near the proposed line and the proposed line
22 will cost less to build than the alternative route.
23 Therefore, the proposed route is the preferred route.

24 That analysis falls far short of the legal
25 requirements for preparing an environmental impact

Public Meetings

PM3-12 As discussed in the response to comment PM3-2, the draft EIS was prepared in accordance with NEPA, CEQ guidelines, and other applicable requirements. The draft EIS is comprehensive and thorough in its identification and evaluation of the environmental impacts of the proposed project and feasible mitigation measures to reduce those effects wherever possible. The draft EIS includes sufficient detail to enable the reader to understand and consider the issues raised by the proposed project and addresses a reasonable range of alternatives. Furthermore, the analysis in the draft EIS contains sufficient information to allow the Agency Staffs to conclude that neither the North nor South Buckeye Alternative represents an environmentally preferable or economically viable alternative to the proposed route through the Buckeye area. In its comments on the draft EIS (see comment letter FA4,) the EPA supported the Agency Staffs' conclusion that the proposed route through the Buckeye area would result in fewer adverse environmental impacts than the North and South Buckeye Alternatives. Nevertheless, in response to other comments on the draft EIS, section 3.4.2.5 has been revised to include additional analysis of the Buckeye Alternatives in comparison with the corresponding segment of the proposed route. The Agency Staffs' conclusion remains unchanged in the final EIS.

While the Agency Staffs were assisted in the preparation of the EIS by a third-party contractor, Natural Resource Group, LLC (NRG), NRG worked under the direct supervision of the Agency Staffs, and the Agency Staffs reviewed, edited, and approved all work products to ensure that the EIS reflects the independent review, analysis, and judgment of the FERC and the cooperating agencies.

PM3-12
(cont'd)

1 statement. There have been over 1500 reported court
 2 decisions dealing with NEPA and its interpretation. And
 3 while not all of the courts agree on every aspect of that,
 4 they do pretty unanimously agree that an environmental
 5 impact statement must encompass a thorough investigation
 6 into the environmental impacts of an agency's action and a
 7 candid acknowledgement of the risks that those impacts
 8 entail. That's what courts have come to call the "hard look
 9 standard."

10 To comply with the hard look standard, the EIS
 11 has to be prepared in sufficient detail to allow those who
 12 did not participate in its preparation to understand and
 13 consider the pertinent environmental influences involved and
 14 the EIS must contain an adequate compilation of relevant
 15 information to make that determination.

16 It's also clear from the court decisions that the
 17 agency preparing the EIS cannot pre-judge an application.
 18 The analysis of the environmental effects in an EIS must
 19 show a good faith objectivity on the part of the agency.
 20 And it's also clear that the agency has to take ownership of
 21 the EIS. It's not enough that the agency allows a
 22 consultant to prepare the draft EIS and then kind of act as
 23 a referee to settle disputes between different parties that
 24 have questions about that EIS. The agency has to take a
 25 more active role than that.

Public Meetings

PM3-12
(cont'd)

1 It would take me literally hours to go through
2 each of the shortcomings evident in this draft EIS. You
3 don't want to spend that much time tonight and neither do I,

PM3-13

4 so I'm only going to touch on a couple of high points. The
5 first one is failure to consult. Section 102(C) of NEPA
6 requires the lead agency to consult with and obtain the
7 comments of any federal agency with jurisdiction with
8 respect to the environmental impact.

9 Now in the draft EIS, as Rick mentioned, FERC
10 list 16 different analyses of areas that were not completed
11 or acceptable enough for the draft EIS review by public
12 stakeholders. Those items are directed by FERC in the draft
13 EIS to be completed and filed during the comment period for
14 analysis in the final EIS. Now the problem with that
15 process is that if the information isn't in the draft EIS,
16 it's impossible for the Town of Buckeye, the citizens, the
17 developers, anyone else to comment on those things.

18 It also is impossible for the cooperating
19 agencies to comment on things that are important to them,
20 but are not in the draft EIS. Some of those areas that were
21 left for future investigation include the post-construction
22 restoration plans to meet the U.S. Department of
23 Agriculture, U.S. Forest Service and Bureau of Land
24 Management requirements on public land. That's not in
25 there.

Public Meetings

PM3-13 The agency consultations and meetings discussed in the Public Review and Comment section (section 1.3) were only a small portion of the consultation that occurred between the FERC, the cooperating agencies, and other jurisdictional agencies during the environmental review process. All of the cooperating agencies, including the U.S. Department of Agriculture, Forest Service (FS), and the BLM, were heavily involved in the preparation and review of the EIS. These agencies also continued to work with Transwestern on an ongoing basis to refine the plans that had not yet been finalized in time to be presented in the draft EIS. The lack of this final information does not deprive the public of a meaningful opportunity to comment on a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such effect. As noted in the response to comment PM3-2, the public will have additional opportunities to comment on the project after issuance of the final EIS.

PM3-13
(cont'd)

1 Directional drilling plan revisions and
2 preparation of additional documentation on analysis
3 concerning the means of crossing the San Juan River, the
4 Verde River and other rivers all under the jurisdiction of
5 the U.S. Army Corps of Engineers. That's not in the draft
6 EIS. FERC says the more detailed analysis of migratory bird
7 impacts need to be completed. FERC says development of an
8 adequate visual resources study and site-specific visual
9 mitigation measures for BLM-managed public lands was
10 incomplete and needs to be updated.

11 Preparation of cultural resource studies needed
12 for all areas for proposed constructions are not in this
13 draft EIS. You're talking about over 250 miles of this
14 transmission line, but cultural surveys haven't been
15 completed for that. I don't know how the agencies could
16 possibly comment on whether or not there are cultural
17 resources, historical artifacts that need to be preserved
18 and protected when the surveys haven't even been completed.

19 Preparation of maps, alignment sheets and other
20 information for all route alignments, facility relocations,
21 construction staging areas, pipe storage yards, new
22 construction and facility access roads are incomplete. FERC
23 asks that there be more information provided on each of
24 those. I counted 11 roads that are identified throughout
25 the EIS with no indicate of the proposed routes or their

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PM3-13
(cont'd)

1 predicted impact upon the physical and biological
2 environments. I don't see how you can do a proper
3 consultation without that information.

4 Analysis of water resources that would be used
5 for construction and facility operations was identified by
6 FERC as being a shortcoming. That there's insufficient
7 information at this point. Again, I won't keep going on,
8 but the EIS is full of statements, not by me, not by the
9 Town of Buckeye, but by FERC saying that there's incomplete
10 information to proceed.

PM3-14

11 The next point I want to make is that in spite of
12 Ruth and everyone coming up and very generously saying to
13 you we know that these transmission lines are important to
14 the economy. We don't want to stand in the way. The fact
15 of the matter is the law requires a need determination to be
16 made. One of the things that FERC is required to do in the
17 EIS is to look at the no-action alternative and if the
18 project is not needed then the no-action alternative is the
19 appropriate alternative.

20 In this particular instance, the draft EIS makes
21 conclusionary statements that the project is needed, but
22 without any facts to back it up. For example, it says, and
23 I'm quoting, "Transwestern would be unable to meet its goals
24 of delivering up to 50 million cubic feet per day of natural
25 gas to Arizona markets." Now that's an unsupported

Public Meetings

PM3-14 As discussed in section 1.1 and supported by policy statements of the Arizona Corporation Commission (ACC), there is a strong need for competitive natural gas transportation infrastructure in central and southern Arizona. While some commentors have suggested that the natural gas transported by the proposed project would benefit other markets outside of Arizona, all of Transwestern's shippers have stated that the proposed project would benefit their Arizona customers directly by meeting the growing demand for natural gas in Arizona, by providing pipeline-on-pipeline competition to areas historically served by only one provider (El Paso Natural Gas Company (EPNG)), and by increasing natural gas supply reliability. The EIS fully evaluated alternatives that could potentially meet these needs and found none preferable to the proposed project. See also the response to comment PM3-2 regarding the completeness of the draft EIS.

It is not unreasonable to anticipate that one of the outcomes of introducing a competitive supply of natural gas to an area that has historically been served by only one provider would be downward pressure on natural gas prices.

The Phoenix Expansion Project could deliver up to 500 million cubic feet of natural gas per day (MMcfd) to its Arizona customers. Assuming that the project operates at full capacity, it would deliver 182.5 billion cubic feet (bcf) of natural gas in 1 year. The Natural Gas Annual 2005 indicates that Arizonans consumed 321 bcf in 2005. Therefore, the Phoenix Expansion Project would provide 43.2 percent less than Arizona consumed in 2005, not more as suggested by the commentor.

A potential EPNG natural gas storage facility referred to by the commentor would not be a viable alternative to the proposed project because it would not meet one of the principal objectives of the Phoenix Expansion Project, which is to provide a competitive source of natural gas to the project area (i.e., competition to the EPNG system).

PM3-14
(cont'd)

1 allegation. It talks about what Transwestern wants, but
 2 there isn't any information, any analysis in the draft EIS
 3 to show that that additional gas really is important to
 4 Arizona. There's one other unsupported conclusion that I
 5 remember. Something to the effect that it would have a
 6 positive impact on the prices of natural gas in Arizona.
 7 But again, I didn't see any detail, any information.

8 For example, the draft EIS does not state that
 9 operated at maximum capacity the line that's being proposed
 10 by Transwestern would provide significantly more natural gas
 11 to the State of Arizona than the entire state used in 2005.
 12 I would tell you about 2006, but frankly I wasn't able to
 13 find those figures. But we're talking about a lot more,
 14 would more than double the capacity. The draft EIS does not
 15 talk about the El Paso Natural Gas plan to build a natural
 16 gas storage facility down near Eloy.

17 Now I don't know the details of that. That's
 18 part of what we need to investigate, part of why Rick was
 19 asking you for more time. But certainly, when you're trying
 20 to analyze the need for this kind of line, you need to take
 21 into consideration what the competitors are doing, what the
 22 demand is and that kind of information is just not in this
 23 draft EIS.

PM3-15

24 The next thing that I want to touch on is, if
 25 FERC completes that need analysis and determines that, in

Public Meetings

3

PM3-15 Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5.

The draft EIS concluded that the project would result in limited environmental impacts and that if the project is constructed in accordance with applicable laws and regulations, Transwestern's proposed mitigation, and the Agency Staffs' additional mitigation measures, it would be an environmentally acceptable action.

The draft EIS did not ignore public safety; sections 3.4.2.5, 4.11.1, and 4.11.2 addressed specific safety concerns raised by the Town of Buckeye and others stakeholders in the area. See also the response to comment PM3-7 that addresses the safety concerns expressed by the Assistant Fire Chief of the Town of Buckeye.

See the response to comment PM3-7 regarding planned development in the Buckeye area, including future utility crossings.

The Agency Staffs concluded that the proposed alignment would result in fewer environmental impacts than the Buckeye Alternatives, primarily because the alternatives would require the construction and operation of an additional 19 miles of 36-inch-diameter pipeline through a sensitive desert environment and the construction of a new compressor station. In its comments on the draft EIS, the EPA independently supported this conclusion and specifically noted that the additional construction emissions associated with the longer Buckeye Alternatives would be a "significant adverse impact, especially in Maricopa County which is in nonattainment of national air quality standards for ozone and particulate matter" (see comment letter FA4).

In addition to the greater environmental impacts associated with the Buckeye Alternatives, the Buckeye Alternatives would cost significantly more than the proposed alignment through Buckeye, primarily due to the additional 19 miles of 36-inch-diameter pipeline and new compressor station that would be required. Transwestern has stated in various filings that the additional capital costs associated with the Buckeye Alternatives would render the project uneconomic.

Some comments were received that the cost of right-of-way acquisition would be significantly higher along the proposed alignment than along the Buckeye Alternatives and would at least partially offset the higher construction-related costs of the Buckeye Alternatives. In estimating right-of-way acquisition costs, one commentor incorrectly concluded that the proposed alignment would require 10 feet of new permanent right-of-way outside and adjacent to the SRP right-of-way in which the Phoenix Lateral would be located and would thus directly impact land that has been or would be developed (see the response to comment CO16-14).

PM3-15
(cont'd)

1 fact, the need is there -- and you may well -- then the next
 2 step is to take that hard look that the courts talk about
 3 and the hard look has to not only be at the proposed route,
 4 but also at the alternative routes. The draft EIS all but
 5 ignores the alternative proposed by the town. Again, I'm
 6 going to quote to you from the draft EIS. It says, "The BLM
 7 examined the north and south Buckeye alternatives and
 8 concluded that the alternatives did not warrant detailed
 9 analysis because each would impact approximately 220 more
 10 acres than the proposed route and because of the detailed
 11 analysis of the proposed route did not identify any
 12 competing or conflicting environmental resource issues."

13 Gentlemen, that's an amazing statement. We're
 14 not even going to look at the alternative route. Number
 15 one, it's curious because this whole draft EIS basically
 16 says this project is not going to have any negative
 17 environmental impact on any of the more 250 miles that it's
 18 going to traverse. So I'm challenged to figure out why this
 19 other 220 acres is going to be so important. It's going to
 20 be so significantly impacted. That seems inconsistent. But
 21 what it totally ignores is the human health and safety
 22 issues that Bob Costello and Scott Lowe have been talking to
 23 you about. The single biggest advantage, the reason the
 24 town wants you to take a hard look at this alternative is
 25 because it's safer and that's incontestable.

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Public Meetings

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PM3-15
(cont'd)

As proposed, the construction work area and the 50-foot-wide permanent right-of-way for the Phoenix Lateral would be entirely within the existing SRP powerline easement for nearly the entire length of the route through the Buckeye area. The existing powerline easement is not available for residential development and thus, the cost of right-of-way for the Phoenix Lateral should not compare to the cost of residential land. Also, in estimating the impact of the project on land costs, some developers asserted that the value of all lands within a 600-foot-wide setback should be included in the cost comparison. We disagree that a 600-foot-wide setback from the pipeline is necessary as discussed in the response to comment PM3-45. In conclusion, while the cost of right-of-way acquisition is a matter of negotiation between Transwestern and the landowner that is outside the scope of the EIS, the cost to acquire right-of-way within the existing SRP powerline easement should be generally comparable to the cost to acquire right-of-way within the approved Arizona Public Service Company (APS) Palo Verde Hub to TS-5 500 kV transmission line corridor in which the Buckeye Alternatives would be sited. Furthermore, additional costs that may be incurred to acquire right-of-way along the proposed alignment would be at least partially offset by the additional cost of acquiring 19 miles more of right-of-way along the Buckeye Alternatives.

PM3-15
(cont'd)

1 Now we're not going to stand up here tonight and
2 try to tell you -- we're not going to tell scare stories
3 about transmission lines. But the draft EIS says right
4 there in the EIS that the most frequent reason for problems
5 with pipelines is the encroachment of construction and
6 development and you've already heard tonight that with the
7 already approved developments out there. We're not talking
8 about speculative development. We're talking about things
9 that are on the map, have been approved by the Town of
10 Buckeye that have development agreements in place. In some
11 instances the construction has already begun. We know that
12 there's going to be over a hundred locations where there is
13 going to be conflicts between this gas pipeline and where
14 the dry utilities, the wet utilities, the roads, the various
15 things that those developers are going to be putting in that
16 they have an absolute right, a vested right to do.

17 Given that, by FERC's own admission in the draft
18 EIS, that the biggest potential problem we have is those
19 kinds of encroachments when the development runs into where
20 the line is located, and given that there's going to be over
21 a hundred of those locations you can't assume there is going
22 to be one item at each one. I mean we're literally talking
23 about the potential for many hundreds of conflicts along the
24 proposed route and virtually none on the alternative route.
25 There are no approved plans for development over most of

Public Meetings

PM3-15
(cont'd)

1 that alternative route. Now there is a little bit up there
2 at the northern end of it, but considerably less potential
3 encroachments and impacts.

4 When you look at that, you say, okay, there are
5 two excuses -- and I'll use that term in the draft EIS for
6 not considering the alternative route. One is the impact on
7 this additional 220 acres, although nobody's done a survey
8 of that route so we don't really know if there's any
9 impacts. The second one is cost. It would cost more. Now
10 the only cost numbers that I see in the draft EIS are
11 numbers that have been presented by Transwestern. There is
12 no backup documentation that I could find associated with
13 it. I didn't see any spreadsheets or analysis. I mean it
14 was just a very general costs so many dollars per mile and
15 there is more miles and therefore that one is going to cost
16 more. That's about how sophisticated the analysis is.

17 Even if cost were the primary consideration,
18 which it should not be, that would be an insufficient
19 analysis. What's incontestable here is that in unlikely
20 event of a catastrophic occurrence along the proposed route
21 and that exact same catastrophic occurrence along the
22 alternate route there are far more human lives, far more
23 developed property that's at risk along the proposed route
24 than there would be along the alternate route. We think
25 that that demands that the EIS take a hard look at the

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Public Meetings

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PM3-15
(cont'd)

1 alternat route. Go out and see what's there. Don't just
2 blow it off based upon the statements that I read to you.

PM3-16

3 The draft EIS says that they're not -- I'm going
4 to paraphrase here and I'm not entirely objective, as you
5 can tell, so bear with me. But the way I read the draft EIS
6 is that it says we don't really need to be concerned about
7 safety because the good offices of Pipeline Safety are going
8 to protect you. They're going to make sure that this is
9 built to the minimum government standards. You gentlemen
10 need to realize that you're talking to a community that just
11 two years ago lived through the Kinder-Morgan gasoline
12 pipeline break a little bit south of here when over 500,000
13 gallons of gasoline were spewed into the community. The
14 Kinder-Morgan line was regulated. The Kinder-Morgan line
15 was inspected. The point is that no matter how good you
16 are, and you're good. I'm not going to contest that. But
17 you're not perfect. Events can occur and to say that it
18 costs too much. We're going to subject the citizens of
19 Buckeye to this risk because we don't want to spend the
20 extra money seems inappropriate to us.

21 The example I would use is airports. Prior to
22 September 11, 2001, there had never been a terrorist event
23 related to commercial aviation in the United States. It's
24 happened one time. However, that event was so catastrophic
25 -- much like a gas line explosion could be -- that the

Public Meetings

PM3-16 While natural gas transmission is not without risks, the historical pipeline incident data presented in section 4.11, which includes data from the nation's entire natural gas transmission system including pipelines located in urban areas, indicates that the Phoenix Lateral would not pose a significant public safety risk. Public safety, environmental impacts, costs, and other factors were considered in the Buckeye Alternatives analysis and the Agency Staffs concluded that the Buckeye Alternatives were not preferable to the proposed route.

PM3-16
(cont'd)

1 federal government said we have to prevent these kind of
 2 occurrences in the future and so we spend billions of
 3 dollars every year to make sure that those things don't
 4 happen because the government has determined, at least in
 5 that instance, it's worth it to spend the money to protect
 6 the people.

7 In this instance, we think if an accurate cost
 8 comparison, cost analysis of the two lines is completed the
 9 difference is going to be small enough that you're also
 10 going to conclude that in this instance, even though the
 11 risk is low, even though the probability is low, that the
 12 catastrophic results are so great that we should not take
 13 that risk.

PM3-17

14 I'm going to move on. Cumulative impacts are not
 15 investigated anywhere near the depth in the draft EIS that's
 16 required by law. I mentioned before the El Paso Natural Gas
 17 plans. There may be other plans on the drawing board that
 18 hopefully you know about, but we don't. None of those are
 19 addressed in the draft EIS. You need to tell us what is the

PM3-18

20 competition? Why is the need for this thing out there?

PM3-19

21 There is little or no discussion of the potential for a
 22 terrorist attack on the pipeline and no comparison of what
 23 would happen to the -- the likelihood and the outcome on the
 24 proposed route versus the alternate route.

25 Now is there going to be a terrorist attack? We

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3

PM3-17 Section 4.12 has been updated to include EPNG's proposed gas storage facility as part of the cumulative impacts analysis. See also the response to comment PM3-2.

PM3-18 The Agency Staffs are not aware of any planned or proposed projects that would be a viable alternative to the Phoenix Expansion Project.

PM3-19 The Agency Staffs did not consider the relative potential for a terrorist attack to occur along either the proposed route or the Buckeye Alternatives because the likelihood of a terrorist attack on any facility is unpredictable due to the disparate motives and abilities of terrorist groups.

		45
PM3-19 (cont'd)	1 all certainly hope not. What we do know is that terrorists 2 don't attack out in the middle of nowhere where they don't 3 get any publicity. If there ever was going to be one, it 4 would be far more likely to be on a line that runs to the 5 center of an urban area than it would be on one that runs 6 out in the middle of the desert. That analysis needs to 7 take place in this draft EIS.	
PM3-20	8 There is no discussion of global climate change 9 in this draft EIS, which the courts have recently required. 10 Natural gas is a fossil fuel. It's going to produce carbon 11 when it's used. I think that's something that I think the 12 courts require you to look at. I've seen letters, at least 13 four letters from the Arizona Game and Fish Department 14 that's been sent to Transwestern expressing concerns and 15 recommendations, which for the most part have been totally 16 ignored in this draft EIS. I don't see responses that 17 Arizona Game and Fish asked for.	
PM3-21	18 There is no meaningful investigation of 19 environmental justice impacts. And again, that's something 20 that a draft EIS is required to take a look at.	
PM3-22	21 So let's assume you do all that. Now you go back 22 and you fix all that and all those issues are addressed and 23 you still, FERC still concludes that the proposed 24 alternative is the right place for this, okay. It could 25 happen. Even if you reach that conclusion, the next step	

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- PM3-20 Sections 4.10.1.2 and 4.10.1.3 have been revised to include information regarding regulation of greenhouse gas (GHG) emissions, their impact on global climate change, and the direct contribution of GHG emissions as a result of the construction and operation of the Phoenix Expansion Project. As discussed in these sections, the direct contribution of GHG emissions from the construction and operation of the project would be negligible. The issue of GHG emissions and global climate change as it relates to the end users of the natural gas that would be supplied by the Phoenix Expansion Project is not within the scope of the EIS.
- The purpose and need for the proposed project are discussed in section 1.1. As discussed in section 3.2, the use of alternative fuel sources would result in increased highway traffic. Highway transportation has much poorer safety and reliability records, more associated risks, and greater air quality impacts than transportation via natural gas pipelines. Furthermore, the increased use of alternative fuels would result in higher emission rates of nitrogen oxides (NO_x) and sulfur dioxide, which have the potential to adversely affect air quality.
- PM3-21 Comments from the Arizona Game and Fish Department (AGFD) were reviewed and considered during development of the EIS. Although comments expressed by the AGFD may not be specifically acknowledged as AGFD comments within the EIS, those comments were addressed. In its comments on the draft EIS, the AGFD acknowledges that the EIS includes all previous discussions leading up to publication of the EIS (see comment letter SA6).
- PM3-22 Section 4.8.7 addresses disproportionately high and adverse human health or environmental impacts of the FERC's programs, policies, and activities on minority and low-income populations. See also the response to comment PM3-2.
- PM3-23 See the responses to comments PM3-7 and PM3-10 regarding the depth of the pipeline in the Buckeye area and the impact of the project on existing and future utility crossings.
- The Town of Buckeye's fire department and other public services would be expected to grow as the population in the area increases from 40,000 today to over one million in the next several decades. The projected growth of Buckeye would require the expansion of natural gas distribution infrastructure in the area. As discussed in section 3.4.2.5 of the draft EIS and comment letter CO19 from SWG, because of its central location in the Buckeye area, the proposed alignment of the Phoenix Lateral would result in less natural gas distribution infrastructure in the Buckeye area than would the Buckeye Alternatives. Therefore, it is not unreasonable to conclude that the proposed alignment would result in fewer conflicts between natural gas distribution infrastructure and planned development than the Buckeye Alternatives.

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PM3-23
(cont'd)

1 hasn't been taken and that's talking about mitigation.
 2 There is a little bit of mitigation discussion in the draft
 3 EIS. It's a little better than some of these other things
 4 that I've talked about, but there's not much. There hasn't
 5 been a hard, in depth look. There hasn't certainly been
 6 anybody sit down with the Town of Buckeye and say, if FERC
 7 decides it goes here, what do you need? Do you need to have
 8 it 25-foot deep or whatever Scott and Bob were talking
 9 about? That hasn't been addressed and it needs to be
 10 addressed.

11 The cost to the town of having this pipeline run
 12 where it's proposed is not addressed in this EIS. Bob
 13 Costello told you that he's going to have to hire additional
 14 staff. He's going to have people on call as an emergency
 15 response team something that he doesn't have to do right
 16 now, but with the potential danger created by that thing
 17 it's going to cost him more. That's just one example, but
 18 there's going be impacts on the town that are not addressed
 19 in this draft EIS and in all fairness should be and I think
 20 is legally required.

21 I could go on and on. My time is limited. I
 22 don't want to -- you're going to get tired of hearing me.

PM3-24

23 Let me just finish by telling you three things. Number one
 24 is that there is no benefit to the citizens of the Town of
 25 Buckeye to this pipeline. The developers out there, all up

PM3-24 See the response to comment PM3-14.

	47
PM3-24 (cont'd)	<p>1 and down the Sun Valley Parkway already have commitments</p> <p>2 from Southwest Gas to provide gas service to the homes and</p> <p>3 the schools and the businesses they're building out there.</p> <p>4 There's nothing that Transwestern is going to do that's</p> <p>5 going to benefit the citizens of the Town of Buckeye and yet</p> <p>6 they're ones that are being expected to bear the burden and</p> <p>7 the cost associated with this pipeline.</p>
PM3-25	<p>8 Secondly, and this is really important, is that</p> <p>9 it's impossible for the Town of Buckeye or the citizenry out</p> <p>10 here to make any kind of a rational, reasonable response to</p> <p>11 this draft EIS when so little useable information has been</p> <p>12 provided to us. I've been practicing law for 29 years.</p> <p>13 I've read a lot of EISs and I've never seen one with so</p> <p>14 little information in it. It's all conclusionary. There's</p> <p>15 just not much facts.</p>
PM3-26	<p>16 The last point and this is the one I would really</p> <p>17 like you to think about because this is the one that's near</p> <p>18 and dear to the Town of Buckeye is it's stated in the</p> <p>19 simplest terms what this appears to the town to be, rightly</p> <p>20 or wrongly, and sometimes perception is more important than</p> <p>21 reality. But the appearance is that this is a done deal. I</p> <p>22 know you hear it, Mr. Sipe, every hearing you go to, but</p> <p>23 that's the way it looks and the trade off that is being made</p> <p>24 is that FERC is willing to risk lives and risk property in</p> <p>25 the Town of Buckeye to save Transwestern a few bucks.</p>

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PM3-25 See the response to comment PM3-2.

PM3-26 See the response to comment PM3-12.

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PM3-26
(cont'd)

1 That's what this really feels like. Thanks very much for
2 giving me the opportunity to address you.

3 MR. SIPE: Thank you.

4 The next speaker on the list -- I may need a
5 little help with the pronunciation. Bob Esenwein.

6 MR. ESENWEIN: I want to make some specific
7 comments on the Environmental Impact Statement, the draft
8 Environmental Impact Statement. My name is Robert Esenwein,
9 E-S-E-N-W-E-I-N. I'm the project manager with Brown &
10 Coldwell, a California corporation. I'm an environmental
11 consultant. I'm a certified environmental professional.
12 I've been a NEPA practitioner for 29 years. I've been asked
13 to provide a third-party review of the EIS, provide an
14 extensive review, which you received part of in your motion.
15 You'll get some additional comments tonight and additional
16 written comments following with references.

PM3-27

17 Thank you for the opportunity to comment. The
18 purpose and need for the proposed action, it's my view that
19 the applicant's project need is not identified in the EIS.
20 Independent information indicates that additional natural
21 gas capacity may be available through other projects,
22 therefore, affecting the pipeline capacity proposed by
23 Transwestern. A statewide consensus in 2006, Arizona
24 statewide consensus, does not support the major capacity
25 increase proposed in this application.

PM3-27 Project objectives are not advanced as project needs. See the response to comment PM3-14 regarding the purpose and need for the project.

PM3-27
(cont'd)

1 Project objectives in this EIS are advanced as
 2 project need and that allows them to delimit alternatives.
 3 Alternatives such as load management, conservation,
 4 renewable energy, plus others need to be evaluated more
 5 rigorously once the project need is defined. The
 6 applicant's rationale of proposed capacity creating downward
 7 pressure on gas prices is a complex idea. Is there a need
 8 for more natural gas to prevent price gouging during peak
 9 demand periods which could be avoided by regulation? The
 10 whole area of project need requires more analysis and
 11 transparency concerning the economics of natural gas supply
 12 and demand. Will there be, for example, excess natural gas
 13 available for sale to other interstate customers?

PM3-28

14 Routing alternatives. Routes that avoid
 15 residential, schools and other sensitive land uses in the
 16 Town of Buckeye are not evaluated rigorously and appear to
 17 have been provided desktop evaluation. The five criteria
 18 used to assess the routes really devolve to a single cost to
 19 construct standard. No detail consideration was given to
 20 the potential effects to the pipeline itself from the many
 21 proposed roadways, buried water and sewer infrastructure and
 22 other potential threats as you've heard here tonight as a
 23 result of its proposed location near active urban land uses.

PM3-29

24 The cost to protect the pipeline from third-party
 25 impacts is not evaluated. No assessment is made concerning

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PM3-28

Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5, which has been revised to incorporate additional information in response to comments. The analysis of the Buckeye Alternatives considered the relative degree of development that is proposed to occur in proximity to the alternatives and the proposed route.

The evaluation of the Buckeye Alternatives has not devolved to a "cost to construct" standard. This conclusion ignores the increased environmental impacts that would be associated with constructing an additional 19 miles of 36-inch-diameter pipeline through a sensitive desert environment and the impact that construction and operation of additional compression would have, primarily on air quality. In its comments on the draft EIS, the EPA supported the conclusion that the proposed route would result in fewer adverse environmental impacts than the Buckeye Alternatives, and specifically noted that the additional construction emissions associated with the longer Buckeye Alternatives would be a "significant adverse impact, especially in Maricopa County which is in nonattainment of national air quality standards for ozone and particulate matter" (see comment letter FA4). The BLM, which was the lead federal agency in conducting the NEPA review of the APS Palo Verde Hub to TS-5 500 kV transmission project that the Buckeye Alternatives would parallel, also found no competing or conflicting environmental issues with the proposed alignment through Buckeye when compared to the Buckeye Alternatives.

See the responses to comments PM3-7 and PM3-10 regarding the depth of the pipeline in the Buckeye area and the impact of the project on existing and future utility crossings.

PM3-29

The safety controls and procedures necessary to ensure the safety and reliability of pipelines are required by the PHMSA/OPS regardless of cost. The risks to public safety are described in section 4.11.3. While there is a potential for a pipeline incident to affect the operation of adjacent overhead electric utility lines, in the case of such an event, the electrical utility operator would implement its contingency procedures developed to account for service interruptions. SRP, which operates the powerline easement in which the Phoenix Lateral would be located in the Buckeye area, has issued comments in support of the project (see comment letter CO11). The routing of pipelines adjacent to or within existing utility corridors is considered preferable to new (greenfield) rights-of-way because of the reduced potential for adverse environmental impacts.

PM3-29
(cont'd)

1 the potential risk a pipeline poses to public safety and
2 welfare is made either in this section of the EIS or in the
3 sections devoted to safety and reliability. The proposed
4 route is literally under major electrical transmission
5 infrastructure whose temporary interruption or long-term
6 loss due to pipeline rupture and ignition should be subject
7 to detailed analysis. It is likely that this part of the
8 electrical system must survive the worst disturbance which
9 could occur as the result of a single cause. In any case
10 there Reasonable Reliable Council for this area should be
11 consulted for this analysis.

PM3-30

12 A few comments now about pipeline reliability and
13 safety. No analysis of the risk of the proposed facility --
14 that the proposed facility poses to the residents near the
15 proposed route is evident in the EIS, despite the fact that
16 between 1986 and 2004, some 100 natural gas transmission
17 pipeline incidents occurred annually and are associated with
18 a higher number of fatalities than other types of pipeline
19 releases. In addition, between 1999 and 2001, an annual
20 average of 73 natural gas transmission pipeline incidents
21 occurred causing 6 deaths, 10 injuries and \$20 million in
22 damages. These risks are correlated with proximity to high
23 impact areas or HCAs as you call them.

24 The EIS offers instead compliance with the
25 minimum federal regulations as a unflinching cloak of

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PM3-30

Section 4.11.3 includes a discussion of the potential safety risk the pipeline facilities would pose to nearby residents and concludes that the Phoenix Expansion Project would represent a slight increase in risk to the nearby public. Section 4.11.2 specifically discusses the potential safety risks as they pertain to the Town of Buckeye. A discussion of the potential external and internal forces that could affect the integrity of the pipeline and the measures and controls that would be implemented to mitigate those effects is included in section 4.11.1. Section 4.11 acknowledges the potential for a catastrophic event to occur; the potential for such an event to occur is very low. Section 4.11.1 includes a description of additional safety measures and controls required for areas with higher population densities and areas determined to be HCAs.

PM3-30
(cont'd)

1 protection for those living adjacent to the proposed
2 pipeline corridor. No pipeline is invincible and only brief
3 review of the potential consequences of a full bore release
4 of gas igniting and burning itself out as thousands of
5 pounds of gas that inventories the line, is enough to
6 demonstrate that such rupture could have devastating
7 consequences on lives and property.

8 The use of probability standards such as one
9 fatality every 311 years does not distinguish between high
10 consequence, low probability events from low consequence,
11 high probability events. The loss of 10 lives every 100
12 years is not the same as 100 lives every 1000 years, but yet
13 the product of both factors gives one tenth of a life per
14 year. The fact is tons of natural gas moving at some
15 velocity will be moving through the facility on a virtually
16 constant basis 365 days a year for decades. Many external
17 and internal forces are at work potentially affecting the
18 pipeline during this long period. First party, second party
19 and third parties may contribute to these potential effects.
20 The fact that you might be using thicker wall pipe in HCAs
21 will mean the clandestine backhoe, some clandestine backhoe
22 working near the pipe may accidentally hit it and instead of
23 breaking the pipe surface it may dent it in a way that by
24 itself or because of internal corrosion later on could cause
25 a rupture at some unknown future time.

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PM3-30
(cont'd)

1 You may contract for gas or the applicant may
2 contract for gas and expect a certain quality, but the gas
3 that may be gotten may contain corrosive substances not
4 expected, including water, and you may not find out about it
5 until it's too late to stop a rupture. The applicant may be
6 acquired by another company as Duke Energy acquired Texas
7 Eastern Transmission Corporation and operating and
8 maintenance standards may undergo enough of a change in
9 policy approach and leadership that the safety of this
10 pipeline could be compromised even if only temporarily.

11 The regulatory environment may also change, such
12 as response to change or new regulations can cause a
13 dramatic revision of O&M standards, which in turn creates a
14 transition period of skilled and trained personnel which can
15 also affect safety adversely. The fact is, even if
16 everything is operating correctly and maintained and
17 properly regulated, a catastrophic accident occur. The
18 public has a right to know what can happen, how likely it is
19 to happen and what mitigating steps can be made to eliminate
20 the likelihood of a catastrophic release near schools,
21 neighborhoods, hospitals, clinics, churches, parks and other
22 gathering places for members of the community. The answer
23 can not be to make this community become pipeline watchers
24 for generations. The answer may be to put significant
25 distance between such a facility and the community.

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PM3-31

1 One more comment about the electrical
 2 transmission line. Since the Northeast power blackout of
 3 1965, national reliability criteria recognized extreme
 4 contingencies for those disturbances which can occur which
 5 are more severe than the normal failure modes. While the
 6 probability of the extreme events is very low, and we all
 7 concur with this, they represents a test of system strength.
 8 A well-planned and well-operated system should be able to
 9 survive them without a major loss of load or system break
 10 under reasonable power transfer conditions.

11 In the event of a pipeline rupture, there is the
 12 potential for a threat to the electric power transmission.
 13 Do we know the importance and criticality of the power
 14 transmitted through this corridor now? What would a sudden
 15 loss of this power mean to electric consumers in Arizona?
 16 Is the corridor also the source of emergency backup power
 17 supply to other electrical generating units? Depending upon
 18 the criticality of the power transmission line, there may be
 19 additional rationale for relocating the gas transmission
 20 line as proposed.

PM3-32

21 While a brief reference, moving on to the public
 22 scoping notices references to compliance to the
 23 Environmental Justice Executive Order, the EIS concludes its
 24 EJ discussion with the assertion that no disproportionately
 25 high and adverse human health or environmental effects on

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PM3-31

See the response to comment PM3-29. In addition, we note that the Buckeye Alternatives would be located in existing and planned high voltage powerline corridors for a significantly greater length than would the proposed alignment through the Buckeye area.

PM3-32

Section 4.8.7 addresses disproportionately high and adverse human health or environmental impacts of the FERC's programs, policies, and activities on minority and low-income populations. Although the percentage of minorities and poverty rates for the Phoenix Expansion would be well above the state average in some of these areas, the pipeline once buried would have minimal impact on the environment and surrounding population of these areas. In addition, the pipeline facilities would bring economic benefits to the areas where they are located via added tax revenues and jobs associated with construction and operation of the pipeline. Therefore, implementation of the Phoenix Expansion Project would not result in any disproportionately high or adverse environmental and human health impacts on minority and low-income populations. See also the response to comment PM3-2.

PM3-32
(cont'd)

1 minority and low-income communities have been identified.
2 Again, as with other parts of this EIS, there is a severe
3 gap between the facts found and the conclusions reached. As
4 a result, there is little information to indicate that the
5 requisite hard look was taken for these populations.

6 My rationale for these conclusions is as follows.
7 There is no assessment of the potential for environmental
8 harm to minority communities in the EIS. There was no
9 determination whether populations having lower levels of
10 education may encounter difficulties in the ability to
11 understand technically complex documents or in the ability
12 to sufficiently identify and interpret risks and other
13 potentially adverse or beneficial impacts with the proposed
14 projects.

15 There is no assessment as to whether proposed
16 influx of temporary construction activity and personnel
17 could affect local services in an infrastructure serving
18 minority and low-income populations. There is no assessment
19 as to whether proposed construction may physically effect
20 infrastructure serving low-income and minority populations
21 through utility relocation, service interruptions or changes
22 to levels of service. There is no analysis in the EIS of
23 whether adverse temporary or permanent impacts caused by the
24 proposed construction and operation of the project will
25 effect populations who depended upon subsistence living from

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PM3-32
(cont'd)

1 hunting, gathering, farming, fishing or on the consumption
2 of other natural resources.
3
4 There is no determination of whether populations
5 who rely on natural resources for economic base -- tourism,
6 crops, use of natural resources to create saleable items,
7 fisheries, et cetera, will be affected. There is no
8 analysis of the indirect effects of the proposed project
9 that low-income and minority populations will not be able to
10 avoid, including vehicle pollution, the existence of
11 polluted sites secondary to construction activity,
12 degradation of local air quality due to construction and
13 other effects. The direct, indirect and cumulative effects
14 of each of these factors is missing from this EIS.

PM3-33

14 As Marty mentioned earlier, there are 16
15 different analysis areas that are asked for by FERC to be
16 remediated and provided during the EIS comment period. All
17 these impact areas are significant to the public's interest
18 and should be part of the informed discussion of the
19 impacts, beneficial and adverse, to this expansion project
20 and most, if not all, of this information or summaries of it
21 belong in a draft EIS.

22 A final EIS is the place to discuss public and
23 agency comment on the draft. A final EIS is not the place
24 to present substantial new information much of which
25 depending on facts uncovered and conclusions reached could

PM3-33 See the response to comment PM3-2.

PM3-33
(cont'd)

1 dramatically alter the alignment and configuration of the
 2 project. By misapplying the intent of the final EIS, FERC
 3 is burdening the public with the responsibility to review
 4 significant new information in addition to valuable time
 5 spent reviewing the draft. This risk confusion, loss of
 6 interest and confidence in the NEPA process and prepares the
 7 way for major decisions to be made outside the view of
 8 public stakeholders.

PM3-34

9 Apart from the foregoing, the Phoenix Expansion
 10 in the EIS also lacks information central to the public's
 11 interest in the preservation of threatened and endangered
 12 plant and animal species in their critical habitat.
 13 Multiple aquatic and terrestrial species are identified as
 14 potentially adversely affected by proposed construction in
 15 our operation of the project. If the required Endangered
 16 Species Act, Section 7 consultations, the biological
 17 assessments to be performed by FERC and its consultants for
 18 these species are still in preparation with the Fish and
 19 Wildlife Service yet to review any of them.

PM3-35

20 Again, the lack of substantive scientific
 21 information in the EIS does not contribute to the cause of
 22 NEPA's requirement for a hard look. Even summaries of such
 23 assessments properly developed would at least meet minimal
 24 information needs for a project of this magnitude. The
 25 affected environment requirements, 40 C.F.R. 1502.15, and I

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PM3-34 The U.S. Fish and Wildlife Service (FWS) specifically requested that the Biological Assessment (BA) be submitted separately from the draft EIS. On May 4, 2007, the FERC submitted the BA to the FWS with a request for concurrence with the determinations of effect and to initiate formal consultation. The information in the BA, including the FERC's determinations of effect, is almost identical to the information in the draft EIS and incorporates the draft EIS by reference. Subsequent to the issuance of the draft EIS and submittal of the BA and in response to a conversation with the FWS, the FERC changed its determination of effect for critical habitat for the spokedace to "may affect, likely to adversely affect." This change was documented in a May 29, 2007 e-mail from the FERC to the FWS. In a letter dated June 7, 2007 (see comment letter FA6), the FWS concurred with the FERC's determinations of effect as modified via e-mail correspondence on May 29, 2007 and noted that formal consultation was initiated on May 9, 2007. Section 4.6 has been revised to include this information.

The FWS has not yet issued the Biological Opinion (BO) for the Phoenix Expansion Project. When the BO is received, it will be available for viewing on the FERC Internet website (<http://www.ferc.gov>) under Docket Number CP06-459.

PM3-35 See the response to comment PM3-2.

PM3-35
(cont'd)

1 have a number of C.F.R. references in my comments, which
 2 I'll be passing on to you, are not met by the EIS because of
 3 the numerous requests by FERC to supplement that
 4 administrative record correlatively impact assessment or
 5 description of the environment consequences of the proposed
 6 project in all of those areas that you mentioned that you
 7 don't have in the EIS -- all of that is missing and
 8 therefore all of the compliance for an EIS are not met.

PM3-36

9 Cumulative impacts, finally. The Phoenix
 10 Expansion EIS section on cumulative effects is organized to
 11 account for the past, present and reasonably foreseeable
 12 projects that occur in the watersheds to be affected by the
 13 proposed pipeline work. However, it falls short,
 14 significantly short of meeting the requirement that the
 15 predicted direct and indirect effects of the pipeline
 16 project be added to the direct and indirect effects listed
 17 as the universe of past, present and reasonably foreseeable
 18 projects.

19 While there may be factual errors in what
 20 projects are included, the requirement for this is to
 21 identify the impacts of the other projects and to add the
 22 effects of the Phoenix Project to these. The EIS prepared
 23 over-focus on proposed projects and do not analyze the
 24 effects past and present projects have had on, for example,
 25 water bodies. The effects of these classes of projects

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PM3-36 The effects that past projects have had on the project area are discussed in section 4.12 while table 4.12-1 includes both present and future projects. The majority of impacts associated with the proposed project would be either minor or short term in nature and, therefore, would not result in cumulative impacts if considered in conjunction with other planned projects. However, the proposed project would result in cumulative impacts on vegetation, wildlife habitat, and special status species. See also the response to comment PM3-2.

PM3-36
(cont'd)

1 appear not to have been investigated, but it's concluded
 2 that the geographic extend and duration of disturbances
 3 caused by the pipeline construction would be minimal. It's
 4 further implied that since other future water crossing by
 5 others would be required to obtain permits and the overall
 6 additive impact would be minimal as well. Similar
 7 conclusionary arguments are used throughout this section for
 8 other resource areas.

9 There is little discussion of the harm other
 10 projects have caused to the physical, biological and
 11 socioeconomic environments and there is correspondingly
 12 little information on how much additional impact from the
 13 proposed project would further affect the resource.
 14 Instead, the EIS focuses upon the small size of the project
 15 footprint, the relatively short duration of construction and
 16 other means of discounting the potential for cumulative
 17 adverse effects that may require additional mitigation.

PM3-37

18 As for other impact, there is a cumulative
 19 effects requirement that also must meet the heart of the
 20 standard required by NEPA regulations. The EIS completely
 21 discounts the fact that project routing would locate the
 22 pipeline corridor near significant areas, both existing and
 23 planned residential and other sensitive land uses, despite
 24 the fact there are already existing and proposed and varying
 25 risks to public welfare posed by other land uses and

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PM3-37 Section 4.11 discusses the potential impacts on public safety. The Agency Staffs concluded that, with the implementation of the PHMSA/OPS safety standards and the security plans based on the Interstate Natural Gas Association of America (INGAA) security guidelines and practices, the public would not face a significant increased safety risk. Therefore, the project would not result in a cumulative impact on safety.

PM3-37
(cont'd)

1 facilities this EIS fully expects there to be no additional
2 impact to public safety.

3 As evidence for this it's argued that the minimum
4 federal safety standards, which are intended to protect the
5 public and prevent natural gas facilities accidents and
6 failures is adequate mitigation for any impact on
7 reliability and public safety. This assertion effectively
8 denies that there can or will be any potential consequences
9 from an incident that could involve the type of large,
10 diameter high pressure transmission pipeline proposed.

11 Quote -- and I'm quoting from Transportation Research Board
12 Special Report 281. "Pipeline incidents have potential for
13 significant impact on life, property and the environment."

14 Because to its inherence to minimum federal
15 standards for safety, the EIS is silent on the cumulative
16 effects this additional risk poses to public safety and the
17 environment and in addition to its discounting this major
18 risk the cumulative effects sections omits any analysis for
19 the potential for terrorist attack. The recent ruling from
20 Ninth Circuit ruled that risks such as this is subject to
21 the requirements of environmental review under NEPA.

22 Thanks.

23 MR. SIPE: Thank you.

24 The next speaker on the list Lorie Ramsey.

25 MS. RAMSEY: Hi. I guess we're done with the

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1 elected officials and staff. I'm a landowner and homeowner.
 2 I own some property right on the Sun Valley Parkway just
 3 south of this project and I just -- I'm not going to address
 4 the areas that have been so well covered. I'm just going to
 5 address my concerns.

PM3-38

6 I came to this meeting hoping that my concerns
 7 would be addressed and instead they've been compounded. I'm
 8 hearing some things that I hadn't even considered with
 9 regard to this project. I did go talk to the gentleman in
 10 the back of the room from Transwestern. The only question
 11 that they were willing to answer directly to respond to my
 12 concerns was how far is my property from the pipeline.
 13 Other than that I asked about what the worst case scenario
 14 would be? What would the impact if there was a catastrophic
 15 incident and just told that that wasn't likely.

PM3-39

16 I told them I was concerned about my property
 17 value with the proximity of the pipeline and I was told that
 18 they think that buyers are intelligent enough to know that
 19 there would be no impact and I consider myself of moderately
 20 high intelligence and I'm concerned and I think that anybody

PM3-40

21 buying property in this area is going to be concerned. I'm
 22 concerned that all of this planned development was already
 23 in place and approved before this project came through your
 24 agencies and I'm just flabbergasted that we're not giving
 25 more consideration to the alternate route. I'm very

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PM3-38 The potential impacts associated with a "worst case scenario" event are discussed in section 4.11.

PM3-39 Impacts on property values associated with the Phoenix Expansion Project are discussed in section 4.8.5. Based on a study conducted by INGAA, the property value or sale price of a property is not expected to have a significant change as a result of the presence of a natural gas pipeline. The study further concluded that neither the size of the pipeline (diameter) nor the product carried by a pipeline has a significant impact on sale price.

If a landowner believes that the presence of a pipeline easement reduces the value of his or her land, he or she may appeal the issue of the assessment and subsequent property taxation to the local property tax agency.

PM3-40 Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5, which has been revised to include additional information in response to comments on the draft EIS. The analysis of the Buckeye Alternatives considered the relative degree of development that is proposed to occur in proximity to the alternatives and the proposed route.

PM3-41

1 disappointed in the federal government at this point. I'm
 2 disappointed that my elected officials and the staff of my
 3 community were brought into this so late in the game. I am
 4 concerned that a scoping meeting -- the locations of our
 5 scoping meetings are set by the company that's proposing
 6 this project. Look at all the people that are going to be
 7 impacted in our community. This community is going to be
 8 one of the highest areas of impact and we were left until
 9 this point. I think that's inexcusable and I think the
 10 federal government should have driven that process in some
 11 sense.

PM3-42

12 I have a lot of concerns. Like our assistant
 13 fire chief stated, in a perfect world maybe nothing will
 14 happen. I, too, have the utmost confidence that this
 15 project will be built to standards and I think it will be
 16 built well and I have no concerns in that area, but there is
 17 human error and if there's a possibility of catastrophic
 18 incident and catastrophic impact, then the people of this
 19 community deserve some disclosure. We deserve to know what
 20 the worst case scenario is going to be and we deserve not to
 21 just get a pat on the head from our federal agencies, from
 22 the company that's proposing this project and be told that
 23 even anybody with intelligence wouldn't be concerned.

24 I asked about easements and I was told that this
 25 is a 50-foot easement. I said just 25 feet on each side and

Public Meetings

PM3-41 See the response to comment PM3-1. The locations of the scoping meetings were determined by the FERC in consultation with the cooperating agencies.

PM3-42 See the responses to comments PM3-38 and PM3-30 regarding a "worst case scenario" event and the potential safety risk for residents living near pipeline facilities, respectively.

PM3-42
(cont'd)

1 they said, well, no, 15 on one side, 35 on the other. So
 2 this is going to run behind somebody's home, 15 feet behind
 3 the yard where my children play and I'm not supposed to be
 4 concerned because all over America there are people living
 5 in that kind of proximity to pipelines of this nature.

PM3-43

6 I would strongly urge that the concerns of the
 7 Town of Buckeye, our officials and our staff, are
 8 considered. I would strongly urge that we look at this
 9 alternative route. Anything with this kind of possible
 10 impact, no matter how remote the possibility of such an
 11 incident might be, should be put in an area of the least
 12 population possible. This shouldn't be running through
 13 development down the Sun Valley Parkway. It would be
 14 inexcusable not to consider every possible alternative.
 15 Thank you.

16 MR. SIPE: Thank you, Lorie.

17 To clarify again with the scoping meeting
 18 locations, not to correct you, but they were not picked by
 19 the company. The open houses were picked by the company.
 20 We attended those open houses to make outreach to everyone
 21 as much as we possibly can. The scoping meetings are picked
 22 by FERC. They are based off of where the open houses are
 23 and like I said, most attendance.

24 VOICE: Which the company picked.

25 MR. SIPE: The company did pick the open houses.

Public Meetings

PM3-43 Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5.

1 We picked the scoping meetings.

2 I can't have cross talk. If you want to speak,

3 you have to come to the microphone. We did go back through

4 and we constantly go back through our mailing lists. Our

5 mailing list on this project is under constant revision.

6 The way that the company does it, first of all, they go to

7 the local towns and get the local tax records and that's how

8 they develop the addresses. That's the reason why on this

9 whole entire project with the amount of development that's

10 going on that's constantly changing. We're constantly

11 updating that. But the area for this project a lot of the

12 town officials in Buckeye did receive the NOI. They

13 received the initial NOI and they received a lot of the

14 information.

15 We didn't hear much from, not only Buckeye, but a

16 lot of other areas early on in the project and that's how we

17 somewhat based where our meetings are going to be held.

18 We're not perfect. We cannot have 20 meetings, 20 scoping

19 meetings. We don't have the staff that can do that, but we

20 try to reach out as well as we can. So I apologize for if a

21 scoping meeting was not held here and there was one held in

22 Avandale, but it's in close proximity and we apologize for

23 that.

PM3-44 | 24 The next speaker on the list is Pike Oliver.

25 MR. OLIVER: Good evening. I'm Pike Oliver. I

Public Meetings

PM3-44 Planned and proposed developments are discussed in section 4.7.3.2. See also the response to comment CO7-3 regarding the Midway Planned Area Development (Midway) project and the response to comment CO7-4 regarding the Elaine Farms project.

PM3-44
(cont'd)

1 represent the ownership of four properties affected by the
 2 proposed Phoenix Expansion Project and they are the Sun
 3 Valley property, which is an approximately 13,000 acre
 4 master plan community in the town of Buckeye along the Sun
 5 Valley Parkway. The 39-acre enterprise ranch in Maricopa
 6 County south of the town of Buckeye. The 5000-acre Midway
 7 planned area development south of the city of Maricopa in
 8 Pinal County and the Elaine Farm Subdivision in the city of
 9 Casa Grande. I've provided a map of these properties as
 10 Attachment A to the comments that I've submitted this
 11 evening.

12 Let me just overall that our review of the draft
 13 Environmental Impact Statement reveals substantial impacts
 14 on these properties as well as the planned growth and
 15 economic development of the surrounding communities and at
 16 the outset let me just say that the alternative endorsed by
 17 the Town of Buckeye would resolve most of the impacts on the
 18 Sun Valley properties. But unfortunately, as has been
 19 stated by others, this option has been summarily dismissed
 20 in the draft EIS with almost no analysis of the
 21 socioeconomic, land use, safety implications and relative
 22 land cost.

PM3-45

23 I'm also submitting as Attachment B a copy of the
 24 2004 Transportation Research Board report entitled
 25 Transmission Pipelines and Land Use: A Risk Informed

Public Meetings

PM3-45 The Transportation Research Board (TRB) report arose from the recognition that more people are living and working closer to transmission pipelines and that new transmission pipelines will be constructed in densely populated areas (p. 12). The purpose of the report is "to consider the feasibility of developing risk-informed guidance that could be used in making land use-related decisions as one means of minimizing or mitigating hazards and risks to the public, pipeline workers, and the environment near existing and future hazardous liquids and natural gas transmission pipelines" (p. 2). The TRB report, therefore, provides a framework for the continued study of pipeline safety which, upon completion, could be used to formulate new regulatory policies and to make land use decisions near pipelines. It is in the context of establishing this framework for future study that the TRB report discusses specific land use measures such as setbacks from existing and future pipelines. The TRB report does not recommend setbacks from pipelines as suggested by some commentors. In fact, the TRB report recognizes that there are many practical and cost implications of introducing significant setbacks (p. 39) and is critical of mandating setbacks without accounting for the probability of a catastrophic event (p. 71). The TRB report establishes a framework for beginning to quantify the probabilities of a catastrophic event occurring on various pipeline infrastructure, but notes that such an estimate will be a challenge to develop (p. 38).

The TRB report concluded that it is feasible to develop a risk-informed approach to establish land use guidelines and recommended that the DOT's PHMSA/OPS develop risk-informed land use guidance for application by stakeholders. In the fall of 2007, the PHMSA/OPS, in conjunction with other federal agencies, will convene the Pipelines and Informed Planning Alliance to begin to develop this land use guidance (DOT, 2007. <http://www.phmsa.dot.gov/news/focus/PHMSAFocusSpringSpecial07.pdf>). The PHMSA/OPS is also developing a long-term Risk Assessment Research and Development Program that will supplement its current data collection and risk management programs, develop more detailed risk analyses, and help identify improved risk prevention and mitigative options.

The FERC and the other federal agencies cooperating in the preparation of the Phoenix Expansion Project EIS support efforts to improve pipeline safety. However, the historical pipeline incident data summarized in the TRB report and sections 4.11.2 and 4.11.3 of the EIS demonstrate that natural gas pipelines continue to be a safe, reliable means of energy transportation. These results encompass data from the entire U.S. natural gas transmission system, including from pipelines located in heavily urbanized settings. We also reiterate that current federal regulations require more stringent pipeline design and safety protocols in proximity to developed areas as discussed in section 4.11.1.

PM3-45
(cont'd)

1 Approach and I believe FERC participated in this study.
2 Just quickly, I think there's two key conclusions
3 in that report. One is that more extensive efforts are
4 required to locate major gas pipelines away from population
5 centers to avoid safety risks and secondly, greater
6 setbacks, protective measures and creative monitoring are
7 necessary to assure safety to adjoining developments. I
8 think essentially the report makes the case that pipelines
9 and densely populated areas don't mix that well.

10 Surprisingly to us, the draft Environmental
11 Impact Statement did not address, as least as far as we
12 could tell, or even refer to the findings of this report.
13 In fact, everything about the proposed routing I think is
14 really contrary to the best practices the TRB study
15 recommends. Therefore, we would suggest that it's essential
16 that consideration be given to the findings and conclusions
17 of the TRB report.

18 So with that, let me just summarize the four
19 major areas that we feel the DEIS is sufficient. I'll be
20 brief, given that some of these topics have been addressed
21 by others and the details are included in the written text
22 that I've submitted and then I'll turn to reviewing briefly
23 the impacts to two of the properties. Tomorrow evening my
24 colleague, Jerry Witt, will review impacts to the other two
25 properties at the session that's planned in Casa Grande.

Public Meetings

PM3-46

1 As to the DEIS, overall our four major concerns
 2 relate to the, I guess, first of all, the inadequate and
 3 superficial analysis and treatment of alternatives, and
 4 given that others have commented on this I'll leave it at
 5 that. But I think the key issue there is that the proximity
 6 of the proposed pipeline routing through the planned
 7 developments has been minimized and poorly evaluated in the
 8 alternatives analysis and there are likely millions of
 9 dollars of unaccounted for land severance and construction
 10 costs that would be required to minimize risks and assure
 11 safety.

PM3-47

12 Secondary of concern is the lack of sufficient
 13 socioeconomic data and analysis. In particular, the
 14 comparisons contained in the DEIS are unreasonable and
 15 they're not really credible as they pertain to the Buckeye
 16 route and the alternatives in the Town of Buckeye. At the
 17 end of the day, we believe that the incremental cost of the
 18 alternative is unlikely to exceed the \$42 million
 19 contingency that Transwestern has assumed for the Phoenix
 20 Project to account for, among other things, uncertainties in
 21 the project scope such as route revisions. So such
 22 incremental costs would be a small fraction of the total
 23 estimate cost of the project, which we understand to be in
 24 excess of a half billion dollars.

PM3-48

25 The third area of concern relates to superficial

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PM3-46 See the response to comment PM3-12 regarding the adequacy of the Buckeye Alternatives analysis and the response to comment PM3-15 regarding land acquisition costs.

PM3-47 See the response to comment PM3-12 regarding the adequacy of the Buckeye Alternatives analysis and the response to comment PM3-15 regarding land acquisition costs.

PM3-48 Section 4.12 has been revised to acknowledge the broad landscape level change occurring in the region and include additional information regarding projected growth rates of the areas that would be affected by the project.

PM3-48
(cont'd)

1 treatment of cumulative impacts. Examples there -- there's
 2 only a cursory description of the affected geographic areas
 3 -- the Town of Buckeye, the City of Casa Grande, and for
 4 that matter, central Arizona in general. There is no
 5 consideration of the cumulative impacts of growth forecast
 6 for the Phoenix metropolitan area available from agencies
 7 such as the Maricopa County Association of Governments --
 8 and these were based on socioeconomic analysis -- the region
 9 and policy input from the Town of Buckeye, Maricopa County
 10 as well as other jurisdictions in the broader region.

PM3-49

11 The fourth concern has to do with pipeline
 12 construction standards. The depths of construction that's
 13 been met by others, the 40 inches below the surface is just
 14 unacceptable. The standard may work for rural areas, but it
 15 really doesn't work for developed or populated areas.
 16 Failure to consider measures such as quarterly integrity
 17 checks using the so-called Smart Pig technology and similar
 18 methods; failure to incorporate, as recommended by some of
 19 the other developers, a standard that would require a
 20 portion of the pipeline to be at least 14 to 20 feet deep.
 21 I think this has also been addressed by the Public Works
 22 director for the town.

PM3-50

23 And then finally, let me just conclude with a
 24 review of impacts to the properties specifically. Again, I
 25 think the DEIS assumes that the area is unpopulated and open

Public Meetings

PM3-49 As described in section 4.11.1, the proposed pipeline depths and frequency of integrity inspections meet the PHMSA/OPS safety standards, which take into consideration the adjacent population densities. See also the response to PM3-7.

PM3-50 Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5. The analysis of the Buckeye Alternatives considered the relative degree of development that is proposed to occur in proximity to the alternatives and the proposed route.

See the response to comment PM3-12 regarding the adequacy of the Buckeye Alternatives analysis and the response to comment PM3-15 regarding land acquisition costs.

PM3-50
(cont'd)

1 desert essentially and that's just not the case. It is, in
 2 fact, just one -- our property is just one of an emerging
 3 community of master plan developments that have been in the
 4 works for many years really. The DEIS also fails to
 5 estimate land acquisition and severance damages along the 7
 6 miles that would be traversed in the Sun Valley property and
 7 I think that alone could render the proposed alignment
 8 untenable on a cost basis.

9 For example, if the safety buffer suggested by
 10 the Transportation Research Board were to be implemented in
 11 the absence of other measures as much as 750 acres within
 12 the Sun Valley property would be affected. At \$30,000 per
 13 acre land acquisition alone would exceed \$22 million in that
 14 one property and then you'd have severance cost associated
 15 with impacts on the viability and integrity of development
 16 plans and land use entitlements, which are subject to
 17 development agreements or vested rights as the previous
 18 commentor indicated. So the resulting development delays
 19 could add additional millions of dollars to the cost of the
 20 preferred or Transwestern's preferred alternative and if you
 21 look at the Sun Valley properties, they represent about 26
 22 percent of the preferred route through the area west of the
 23 White Tank Mountains. So using similar cost factors by
 24 extension the cost of the Transwestern preferred alignment
 25 could be under estimated by perhaps \$100 million.

PM3-51

1 At our Enterprise Ranch property, the potential
 2 impacts are substantially less, but still significant. The
 3 proposed route would cross through and isolate an 82-acre
 4 parcel in the north end of the property, rendering that
 5 property essentially an economic remnant and the potential
 6 cost of acquiring that parcel is not included in the DEIS.
 7 We'd estimate that to be in the realm of 2.4 million.

8 In any case, I thank you for the opportunity to
 9 comment and as I indicated earlier, the impacts on the other
 10 two properties that I mentioned will be addressed at
 11 tomorrow evening's meeting and I'm submitting a more
 12 detailed comment for the record. Of course, I'm available
 13 to answer any questions you might have. Thanks very much.

14 MR. SIPE: Mr. Oliver, everything you've provided
 15 to FERC on the record, did you file with FERC?

16 MR. OLIVER: There are portions of those comments
 17 that have been previously filed on the record. The
 18 statement submitted this evening is not yet there, but we're
 19 quite familiar with the electronic filing process and we'll
 20 make sure to file that tomorrow.

21 MR. SIPE: The next speaker is Chris Heater.

PM3-52

22 MR. HEATER: My name is Chris Heater. I'm the
 23 president of Star Dust Development and we are the owners and
 24 developers of the 12,400-acre Tartesso master plan that's
 25 near the south end of the proposed Transwestern alignment.

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PM3-51 Section 3.6 has been revised to include information regarding the proposed Enterprise Ranch project.

PM3-52 The proximity of the proposed route to existing residences in Tartesso and other communities that would be crossed by the project was considered in the analysis of the proposed route and alternatives. HCAs along the proposed route have been defined in accordance with applicable federal regulations and are based on existing structures.

Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5. See also the response to comment PM3-12 regarding the adequacy of the alternatives analysis.

Stardust-Tartesso W-12 Inc.'s (Stardust-Tartesso) comments regarding Transwestern's lack of communication are noted.

Construction of the proposed pipeline between the existing powerline towers in the SRP easement was not considered due to guidelines approved by the Western Electricity Coordinating Council and the Arizona Power Plant and Transmission Line Siting Committee (see comment letter CO11) to ensure the reliability of the electric power transmission lines. See also SRP's comments on the draft EIS (comment letter CO11).

See the responses to comment PM3-7 regarding the depth of the pipeline in the Buckeye area and the impact of the project on existing and future utility crossings. Section 3.4.2.5 has been revised to include additional information pertaining to future utility crossings.

Stardust-Tartesso's concerns regarding the potential risk that the proposed project would pose to its residents and infrastructure are noted. As recognized in section 4.11 of the draft EIS, the operation of natural gas transmission infrastructure is not without risk; however, the historical pipeline incident data summarized in sections 4.11.2 and 4.11.3 demonstrate that natural gas pipelines continue to be a safe, reliable means of energy transportation. These results encompass data from the entire U.S. natural gas transmission system, including from pipelines located in heavily urbanized settings. Other commentators have concluded that the likelihood of a serious incident involving the proposed project would be very low. The response to comment PM3-7 discusses the issue of existing and future utility crossings of the proposed pipeline alignment, which would represent a potential to impact the pipeline. The proposed project would be constructed and operated in accordance with DOT regulations, which are protective of public safety. These regulations

PM3-52
(cont'd)

1 I brought two maps with me tonight. One of them is the
 2 master plan for the project and this is the alignment of the
 3 current power line that runs through the project where the
 4 Transwestern gas line is proposed to go through our project.
 5 It also passes through some additional property that's zoned
 6 for residential that we don't own in this location and
 7 there's some other property south of here that's not ours
 8 that's also residential, and then as you go up the Parkway
 9 it runs into the projects that Pulte owns, the property that
 10 Pike Oliver just spoke about and various other communities.

11 Before I go to the next map, I just wanted to say
 12 that the initial portion of our development is right in
 13 here, which is about 1200 acres and I'll show you a current
 14 aerial of that.

15 (Map shown.)

16 MR. HEATER: Initially, when we first heard about
 17 this, the pipeline, we had already had the entire Tartesso
 18 master plan approved, which was in 2000. So over seven
 19 years ago at this point. We had preliminary plats approved
 20 in 2004 for what you see on this aerial. The final plats
 21 were approved in 2005 and Transwestern first came to my
 22 office in October of 2005 and at that meeting we explained
 23 to them that we had these approvals in place. That we were
 24 developing the site and that we would prefer to have the
 25 pipeline in the different location, which is the -- and at

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PM3-52
(cont'd)

require, among other things, the determination of class locations and
 HCAs along the proposed route, and more stringent construction and
 operational safety standards for areas where the pipeline would be
 located in proximity to human populations. These determinations are
 made based on population densities at the time of construction, but
 Transwestern would be required to periodically assess the pipeline route
 for class changes and potentially make modifications to comply with DOT
 safety requirements.

PM3-52
(cont'd)

II-112

1 that meeting, which is now 20 months ago -- we proposed the
2 alternative route and to this date I don't think there's
3 really been any effort spent during those 20 months to try
4 to really analyze that alternative route, which I think is a
5 shame.

6 In this location, this location of the pipeline
7 is adjacent in the high impact -- what the federal
8 government defines as the high impact zone or high
9 consequence area. There's planned 2,165 residential units,
10 an elementary school, a regional electric substation, which
11 is adjacent to the power line corridor; the Town of Buckeye
12 fire station, which is right here in the neighborhood park;
13 three commercial sites, which are here, here and right here.
14 This actual commercial site's parking lot is actually under
15 the power line corridor, three well sites and the power line
16 corridor and also you can see that it's been constructed in
17 the power line corridor already. This is the parking for
18 our regional sports park for our little league and soccer
19 games are to be played and then we also have these detention
20 basins that have drywells in them, which are going to
21 interfere with the location of the gas line.

22 Since our original meeting in October 2005, we've
23 not had another meeting with Transwestern to talk about
24 anything. They literally have not come and talked to us
25 since the initial meeting. They've not provided any

PM3-52
(cont'd)

1 compromises or proposed alternatives and basically they've
2 basically have provided us the original proposal and that's
3 all the information we've gotten in the last 20 months.
4 They've not proposed any mitigation. At the
5 meeting they said they were going to basically put the power
6 line or the gas line 15 feet from the edge of the
7 transmission line, which is going to put the gas line
8 somewhere in the neighborhood of 50 feet to these homes that
9 are already under construction or will be constructed along
10 the power line corridor.
11 We have suggested burying the pipeline deeper.
12 We've also suggested centering the pipeline in the power
13 line corridor and to date we've gotten no response of any
14 willingness to do anything to mitigate what they're doing to
15 our project.
16 If there is an explosion in the Tartesso
17 subdivision, we have the potential of taking out our
18 electrical substation, the fire station and the water
19 service all of which are necessary to provide emergency
20 response and we've not heard anything from Transwestern
21 about what the emergency responses are going to provide to
22 deal with that occurrence.
23 Basically, the attitude that I've gotten from
24 everything that we've seen so far is basically Transwestern
25 is going to run this pipeline through Buckeye and the

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II-114

PM3-52
(cont'd)

1 development community, the town and the residents are
2 basically going to get stuck with whatever the problems are
3 and Transwestern is just looking for the cheapest way they
4 can do to get this thing built and the quickest way and they
5 don't really care what happens to the community or any of
6 the other property owners or the residents.

7 Basically, the attitude that we've seen so far in
8 centering the pipeline in the transmission corridor is that
9 basically APS and SRP don't want it there, so we're not
10 going to consider that alternative, which I think is not an
11 adequate reason not to consider it.

PM3-53

12 The other question I have is my understanding is
13 that the majority of the power that's going to be generated
14 from this gas line is going to be shipped out of state and
15 I'm not sure why the citizens of Buckeye and the citizens of
16 the State of Arizona need to deal with all these issues when
17 we're not even going to benefit from the ultimate
18 electricity that's going to be generated from the use of
19 this power.

PM3-54

20 I think it's a small cost for Transwestern to
21 move the route to the proposed location. I think if that
22 cost is spread over 30 years or the life of this easement,
23 whatever it is, and then that's spread over to the ultimate
24 user, I think that's a small price for those end users to
25 bear for the Town of Buckeye to avoid all the consequences

PM3-53 See the response to comment PM3-14.

PM3-54 See the response to comment PM3-15 regarding construction cost estimates. See also the response to comment PM3-28 that discusses the assertion that the evaluation of the Buckeye Alternatives devolved to a cost-to-construct only analysis.

PM3-54 (cont'd) 1 from having this thing put through where they're proposing
 2 it.

PM3-55 3 Finally, we think the EIS ought to be withdrawn
 4 until all the issues that have been raised, both in
 5 correspondence that we've submitted to FERC, the comments
 6 that have been raised tonight -- we really think you guys
 7 ought to take another look at this thing and give us a real
 8 EIS instead of this thing that you've given us, which is
 9 completely inadequate for anybody to make any decisions
 10 from. Thank you.

11 MR. SIPE: Thank you, Mr. Heater.
 12 The next speaker on the list is Mike Brilz.

13 MR. BRILZ: Thanks for letting me come up. I'm
 14 with Pulte Homes. I'm a vice president. Pulte has been
 15 part of Buckeye now for numerous years, similar to --

16 COURT REPORTER: Could you spell your name?

PM3-56 17 MR. BRILZ: Mike Brilz, B-R-I-L-Z. Pulte has
 18 been around in Buckeye similar to Tartesso from the get-go.
 19 We have been fortunate enough to start our project right up
 20 there at Festival Ranch. We have presently 400 residents up
 21 there. Further, we're also down here at Tartesso and we
 22 have home sites adjacent to the proposed route.
 23 We have teamed up with Star Dust to generate this
 24 secondary alignment. We feel it's a little longer, but very
 25 well technically feasible to install. We're not going to be

Public Meetings

PM3-55 See the responses to comments PM3-2 and PM3-3.

PM3-56 The specifications that determine class location for a natural gas transmission pipeline are established by the DOT and are based on the proximity and density of human populations present at the time of construction. The proposed pipeline would be designed in accordance with Class 3 standards in those areas of Buckeye that have been developed at the time of construction, including Tartesso and Sun City Festival. The remaining, presently undeveloped areas of Buckeye (and elsewhere) could technically be constructed to Class 1 standards; however, Transwestern proposes to construct the Phoenix Lateral to Class 2 standards through all other areas of Buckeye, including areas not slated for development. The build out of the Buckeye area is anticipated to take decades. During this time, Transwestern would be required to monitor development progress in proximity to the pipeline and implement measures in response to any class changes to maintain compliance with DOT requirements.

See the response to comment PM3-7 that discusses the issue of existing and future utility crossings of the proposed pipeline alignment.

Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5. See also the response to comment PM3-12 regarding the adequacy of the alternatives analysis and the response to comment PM3-28 that discusses the assertion that the Buckeye Alternatives analysis was based solely on estimated project costs.

PM3-56
(cont'd)

1 redundant on all the discussions, but I am going to touch a
2 little bit on what happens on each crossing.

3 Bob Costello indicated this is more of a rural
4 design. It seems strange to us that an area of a million
5 people would get a rural design standard. It should be
6 urban. We recognize the Office of Pipeline Safety is going
7 to do a great job dealing out the standard specifications
8 and details. However, they're gone and we're left to deal
9 with it. So of the, say, 100 to 200 crossing proposed in
10 the Transwestern alignment, this is a little bit schematic
11 of what happens. You've got a street crossing a pipeline.
12 Okay, every one of those could have up to seven or eight
13 crossings of over a span of 200 to 250 feet. They consist
14 of a water line. Water lines are typically buried with 4
15 feet of cover.

16 It seems strange to me as an engineer that a
17 water line with potable water, pressure at 5 to 10 percent
18 of this proposed gas line gets a higher level of safety and
19 cover than a thousand PSI, 36-inch gas line. It seems a
20 little odd. It seems like they're protecting -- you know,
21 the National Sanitary Foundation protects water lines better
22 than the Office of Pipeline Safety.

23 Dry utilities -- well, we stay on the water.
24 Reuse will go right through the middle of the pipeline.
25 Sewer will impact the lower zone and the bedding. So there

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PM3-56
(cont'd)

1 you have three conflicts at one roadway.
2 Dry utilities usually run up both sides of a
3 roadway, so you're going to have a primary tower, whether it
4 be a six-bank duct, again, slicing right through the bottom
5 of the pipeline or a secondary or a lesser gas line,
6 smaller, little low pressure gas line or a cable TV. They
7 would also need to be rerouted. Storm drains again also
8 very shallow installed in the upper part of the trench zone.
9 They're going to go right through the middle of the
10 pipeline.
11 We also used our transmission corridors for
12 retention. We have recharged basins planned in them.
13 They're going to be excavated up to 6 feet in depth. Lo and
14 behold, they're going to expose the pipeline. We just don't
15 really get the depth issue that the Office of Pipeline
16 Safety and FERC is allowing Transwestern to get away with.
17 It's a little disappointing when, here we are planning
18 ahead, designing around all the conflicts, yet we have -- in
19 Tartesso we have two water wells in the way of this thing
20 already. We have two major utility crossings up at Festival
21 that are not on your plans right now. We've submitted them
22 to FERC. We've submitted them to Transwestern. They've
23 been ignored. It just seems strange that there's no design
24 consideration for future utilities when we know they're
25 going to be there and you just aren't doing anything about

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PM3-56
(cont'd)

1 it.

2 Conversely, you've taken it through a very urban

3 core. The alternative alignment, which has been developed,

4 runs along the north side of the CAP. It's a great buffer

5 from crossings. Developers and towns alike aren't going to

6 cross the CAP very often. We're going to do it maybe at a

7 mile, two mile intervals. Thus, again, eliminating the

8 secondary and third-party contacts that everybody is so

9 concerned about.

10 You know they do say -- I hear it all the time.

11 I've seen discussions about how safe the pipeline is, but

12 every one of the engineering feasibility, engineering

13 alternative decisions seems to be solely based on economics.

14 Three feet of cover it doesn't seem like you're worried too

15 much about safety there. We would encourage FERC to revisit

16 the EIS, answer some of the questions that are presented

17 here tonight and give the alternative route its due. It is

18 a little longer, but it sure looks a lot safer and goes

19 through a less populous area. Thanks for letting me

20 present.

21 MR. SIPE: Thank you.

22 The next speaker on our list is Steve Hirsch.

23 MR. HIRSCH: Thank you. Well, we meet again. I

24 appeared, as did Mr. Heater and many others here tonight, at

25 the December, at the last meeting. We appreciate having you

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PM3-57

1 back.
2 My name is Steve Hirsch, H-I-R-S-C-H. I'm a
3 lawyer with the firm of Brian Cave, LLP. We have appeared
4 in the FERC document for Star Dust and Pulte represented
5 here by the last two gentlemen who spoke. We have also
6 filed, as have my colleague here in the front row from Gus
7 Rosenfeld on behalf of the Town of Buckeye, a request that
8 the EIS be withdrawn and I'm going to rest on the comments
9 of Mr. Hood, Mr. Jones and the lengthy brief that's already
10 in the docket that I know you've reviewed for the
11 substantive merits of why the EIS ought to be withdrawn at
12 this point.

PM3-58

13 The point I'll make today for the benefit of all
14 the assembled folks and those of you up front listening to
15 the comments and for the record, is what's wrong with this
16 picture? Now I assume you all are adept and I've been doing
17 the line sighting work, not as long as Mr. Jones, but some
18 27 years, that you pack up your bags. You hit the road and
19 you attend various public comment sessions. You do your
20 best to comply with the regulatory scheme in terms of
21 receiving comments.

22 I would posit to you because this is the first
23 time in my 27 years of this area of practice that you've
24 never come into a meeting where you've heard the things
25 you've heard tonight or looked at a docket that has had the

PM3-57 See the responses to comments PM3-2 and PM3-3.

PM3-58 Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5. See also the response to comment PM3-12 regarding the adequacy of the alternatives analysis and the response to comment PM3-2 that discusses the adequacy of the EIS.

The response to comment PM3-1 addresses the issue of project notification to Buckeye area officials and stakeholders, the selection of sites for scoping meetings, and the technical conference held in Buckeye on December 14, 2006. As noted in the response, the draft EIS was delayed by the FERC in order to research and respond to issues raised during the technical conference. The response to comment PM3-3 also clarifies that the draft EIS was comprehensive and prepared in accordance with NEPA, CEQ guidelines, and other applicable requirements. As such, the FERC did not withdraw the draft EIS or formally extend the draft EIS comment period beyond the 45-day period provided to all members of the public.

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PM3-58
(cont'd)

1 things filed in it that have been filed in the last couple
2 of weeks concerning this draft EIS. We have a community
3 here, gentlemen, that is impacted. That we have the mayor
4 himself commenting to you. We have the Director of Public
5 Works. We have the Director of Public Affairs. We have the
6 deputy fire chief. We have other representatives of the
7 town and every single one of them are touting the benefits
8 of the alternative route and stating substantive and very
9 meritorious problems with the proposed route.

10 I haven't heard a single comment in the last two
11 hours that's in the variety of a NIMBY type of -- not in my
12 backyard. I don't want it. Move it on my neighbor's
13 property. The comments here tonight verbally, as the
14 written comments have been, are scientifically sound,
15 substantively sound, and under the NEPA NEIS process
16 entirely valid and sound. The EIS, as it now exist, is
17 completely and fundamentally flawed for all the reasons that
18 have been stated in the filings and by the eloquent speakers
19 tonight.

20 It's obvious that this area requires a much more
21 in depth review than was given to the other areas in the
22 state where this pipeline is routed. This particular area,
23 as shown on the comparative route map that's here tonight
24 and has been filed in the docket, starts in the upper
25 northeast area of this great Sun Valley and ends down toward

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PM3-58
(cont'd)

1 the Merchant Power Plant area south of Buckeye and goes
2 through an area that undeniably is going to be home to one
3 million people.

4 And as the docket has made clear, but the EIS
5 fails to address, these aren't pipe dreams. These aren't
6 pie-in-the-sky speculations about future population trends.
7 These are houses in the ground in many cases and vested,
8 entitled master development communities that are along this
9 line that were in place as a matter of public record, we
10 just heard, for a matter of three, four, five years and in
11 some cases beyond when Transwestern came calling.

12 Why didn't the applicant here take even the
13 effort to go to the filing counter here at city hall and ask
14 to see what currently platted master plans were in place?
15 I'd ask you and the Commission consider why was Avondale
16 selected as a site for the scoping meeting to begin with?
17 It's not even on the aerial map that we see before us --
18 comparative pipeline routes. The Hertz Rent-A-Car map at
19 the airport would have shown anyone looking at it that
20 Buckeye was right in the middle of this line and was the
21 appropriate place for the hearings. But that's water under
22 the bridge.

23 Let's focus now on what's happened when
24 Transwestern was called on the carpet, which for the first
25 time in my view, at least, happened in December when you

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PM3-58
(cont'd)

1 came through and heard from many members of the City of
2 Buckeye at that point. Since that time, important and
3 substantive filings have been made and now the EIS has come
4 out despite that. As you've heard tonight and you've seen
5 in the filings, the EIS shockingly refuses to address many
6 of those points and now we're looking at date where, if
7 relief is not granted by the Commission, 12 days will run
8 and a steel curtain will come down or at least the applicant
9 will so assert banning any further public comment on this
10 EIS and that's what's wrong with this picture.

PM3-59

11 Even if the EIS was thorough and fullsome and
12 compliant with the law, more time is needed. And Star Dust
13 and Pulte would join in the request of the Town of Buckeye
14 for additional time if the EIS, in fact, is not withdrawn.
15 But the correct remedy is to withdraw it and to begin to
16 address the laundry list of things that Brown and Caldwell
17 has cited tonight, that Mr. Jones has cited and that we
18 cited in our brief filed on June 1st.

PM3-60

19 It's clear that the applicant kept the Commission
20 in the dark regarding the impact of its plans in this area.
21 You've heard tonight and you've read in much more depth in
22 the filings of the lack of notice to the developers and the
23 lip service paid to a visit with no real responsiveness or
24 deliberative weighing of what certainly Pulte and Star Dust
25 and I would submit Mr. Oliver and many of the other

PM3-59 See the responses to comments PM3-2 and PM3-3.

PM3-60 The comments expressing frustration with Transwestern's communication are noted. However, development plans for the Buckeye area have not been overlooked and are addressed in sections 3.4.2.5 and 4.7.3.2. Buckeye is expected to develop over the next several decades and eventually house more than one million people within an area of approximately 600 square miles. Potential conflicts with the proposed alignment and existing and future utility crossings are specifically addressed in section 3.4.3.5 and in the response to comment PM3-7. Serious consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5. See also the response to comment PM3-12 regarding the adequacy of the alternatives analysis and the response to comment PM3-2 that discusses the adequacy of the EIS.

PM3-60
(cont'd)

1 developers up and down the corridor were putting forth.
2 The sighting in Buckeye, on its face, to a non-
3 NEPA expert deserves heavy, heavy scrutiny from both an
4 impact on population basis as has been eloquently spoken to
5 tonight and also from the utility interference. Anyone can
6 look at that map and see that there are many more east/west
7 interferences in the direction the city is generally growing
8 than there will be on a north/south axis along the central
9 Arizona project canal.

10 Of course, we heard the applicant say the CAP
11 won't accept it near the canal. We now have a letter from
12 the CAP filed in the docket within the week stating that it
13 has no objections to the line being sighted along the CAP
14 canal as long as it, as we would assert, is outside the
15 limits of the CAP easement.

16 There's been a complete lack of consideration,
17 and I won't belabor the point, of the alternative. There is
18 really no disputing of it. The only thing we've heard
19 tonight from applicant is we've ordered the pipe so let's go
20 and that does not cut it under NEPA. It doesn't cut it
21 under proper EIS procedure and it doesn't cut it certainly
22 under the Commission's proceedings.

23 It is not about how much pipe is on order and how
24 quickly we want to ram a pipeline through a corridor and
25 pass it under soccer fields and pass it within 50 feet or as

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PM3-60
(cont'd)
PM3-61

1 we put in the docket in some instances within 20 feet of
2 bedrooms of existing homes. This is about a deliberative
3 process where there is a process set where the requests that
4 you are hearing tonight unanimously from private developers
5 as well as municipal representatives are to give this some
6 due deliberative analysis, not to ram it through in 12 days
7 and have this be a fate de comple.

8 I believe your words, Doug, when say it's not a
9 done deal and FERC doesn't work that way. Those of us who
10 work in the area trust that those words are true. The way
11 to put an action behind that word is to process further, and
12 I know the decision doesn't come from you personally
13 certainly, but to proceed forward with a withdrawal of the
14 EIS at this point so things can be considered.

15 And from the Office of Pipeline Safety and from
16 the perspective of BLM and certainly Mr. Braun,
17 fundamentally sound and fair commentary has been given to
18 you this evening and in the recent filings and I'm sure in
19 the filings that will be coming in the next few days that
20 must compel you to fix this picture and give this process a
21 fair sounding in a rational way that's consistent with the
22 American standards of due process. Thank you.

23 MR. SIPE: Thank you, Steve.

24 The next speaker on the list is Tory Anderson.

25 MS. ANDERSON: Hi. Good evening. For the

PM3-61 See the responses to comments PM3-2 and PM3-3.

1 record, I'm Tory Anderson. I work for the Arizona
 2 Department of Real Estate. I'm an assistant commissioner.
 3 I work on policy and special projects. Commissioner
 4 Warsinski asked me to come tonight to learn more about this.
 5 We didn't know much about it to begin with and I've had an
 6 interesting night listening to all the comments and will be
 7 talking with him about tomorrow.

8 I brought with me tonight Cindy Ferrin. She's
 9 our manager of Development Services and I'd like to have her
 10 talk a little bit about how this could affect disclosures
 11 and developments and public reports.

12 MS. FERRIN: Our agency is charged with
 13 protecting the public first and most.

14 MR. SIPE: First, would you state your name for
 15 the record?

16 MS. FERRIN: Cindy Ferrin, F-E-R-R-I-N.

17 MR. SIPE: Thank you.

PM3-62

18 MS. FERRIN: We don't have a position on the
 19 pipeline. We're just here to learn and listen what's going
 20 on, but what we want to do is educate our developers and the
 21 public, anyone that's here about who we are. We are charged
 22 with protecting the public. By doing that, we regulate the
 23 residential real estate developers that are along this
 24 proposed route and how it's going to affect the developers
 25 and the perspective purchasers in those lots is basically

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PM3-62 The comments regarding local requirements to notify prospective home buyers of a natural gas transmission pipeline are noted.

PM3-62
(cont'd)

1 this. We require that a developer, if the pipeline is
2 within 500 feet of the outside boundary of their subdivision
3 that it has to be disclosed in their public report.

4 If it's within the subdivision, it definitely has
5 to be disclosed in the public report so that the perspective
6 purchaser has full knowledge at the time they're purchasing.
7 What's going to happen is there's a lot of developments that
8 it looks like it's going to right through, like they said,
9 Tartesso and there's a lot of different developers out there
10 in Tartesso. They're going to have to be required to come
11 in and amend their public reports with our department and
12 that's going to cost the developers an amendment fee and
13 it's going to give anyone who probably has a pending
14 purchase contract they're going to flocking to the developer
15 to try and back out of those contracts. So there's going to
16 be a lot of people affected that way.

17 If any of the developers or any purchasers or
18 perspective purchasers have any concerns, Tory and I are
19 going to be here afterwards. We have our business cards.
20 If they want to talk about disclosure issues, if this does
21 happens, how it's going to affect the developers. We'd be
22 glad to answer any questions. Thank you.

23 MR. SIPE: The next speaker on the list is Robin
24 Barry.

25 MS. BARRY: Good evening. My name is Robin Barry

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PM3-63

1 and I appreciate the opportunity to speak to you this
2 evening. I'm the Superintendent of Palo Verde Elementary
3 School District and just for the record and to clarify for
4 the audience, Palo Verde Elementary School District is not
5 near the nuclear power plant. Because of our name we're
6 often confused with another district, but just to be clear
7 the power plant is not in Paloa Verde Elementary School
8 District.

9 I'm here to request consideration of the
10 alternate pipeline route. Paloa Verde Elementary District
11 has five elementary schools sites, teacher schools sites
12 very close to the proposed route and two of those five
13 school sites are extremely close to the proposed route. So
14 I'm simply here to suggest that, for the benefit of the
15 school children attending those five schools and the future
16 in Palo Verde District that it would be much safer were the
17 proposed route not to exist there and were the alternate
18 route to be considered. I'm happy to answer any questions
19 you might have about the location of those school sites.

20 MR. SIPE: Thank you.

21 The next speaker on the list is Richard Adams.

PM3-64

22 MR. ADAMS: I'm Richard Adams and I'm a resident
23 of Buckeye and well, at first when I heard about this, I was
24 totally against it. But after studying it I think we want
25 this. It can solve a problem that is growing in this valley

PM3-63 Consideration was given to the Buckeye Alternatives as discussed in section 3.4.2.5.

Public safety is a significant consideration in siting a natural gas pipeline and the school district can be assured that the project, if authorized by the FERC, would be designed, constructed, and operated in accordance with federal regulations that are protective of the public. Section 4.11 discusses pipeline safety and reliability. Specifically, the historical pipeline incident data summarized in sections 4.11.2 and 4.11.3 demonstrate that natural gas pipelines continue to be a safe, reliable means of energy transportation. These results encompass data from the entire U.S. natural gas transmission system, including from pipelines located in heavily urbanized settings. Transwestern would be required to monitor development progress in proximity to the pipeline and implement measures to remain in compliance with DOT regulations as development occurs near the pipeline.

PM3-64 The comments in support of the project are noted. Because air pollution is a concern in the project area, as noted by the commentor, and natural gas is a cleaner burning fuel, most existing and future electric generating plants are or will be gas fired. Therefore, the majority of the natural gas that would be provided by the proposed project is expected to be used for electric power generation. Transwestern does not have plans to build the liquefaction facilities that would be necessary to convert the natural gas to vehicle fuel; therefore, it would not be feasible to require Transwestern to install refueling stations along the proposed route.

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PM3-64
(cont'd)

1 and is being ignored. We're all going to cough ourselves to
2 death from breathing the auto exhaust. Natural gas is a
3 good alternative fuel and I guess it's relatively
4 inexpensive to convert to vehicle. We might want them to
5 stipulate that they'll put in some refueling stations where
6 people can fuel up their vehicles with natural gas along
7 this route and I don't know. I'm kind of thinking we might
8 be begging these people please put this in.

9 They talk about the children being in danger by
10 this thing. I think they're more in danger from the air. I
11 breath the toxic air over in Phoenix for over 50 years and
12 one of the reasons why I'm out here is because they air is
13 cleaner out here. It has been up until the last few years.
14 We've having more and more days when we can't see the
15 mountains to each side and I'm frightened and I think this
16 could be a welcome. Please do this. Thank you.

17 MR. SIPE: Thank you, Richard.

18 The next speaker on the list is Sara Sandor.

PM3-65

19 MS. SANDOR: For the record, Sara Sandor, S-A-N-
20 D-O-R. I'm here representing Douglas Ranch Development. I
21 work for El Dorado Holdings and we just want to respectfully
22 oppose the alternative route. It does run through the
23 southeast portion of our development and it does affect the
24 residential land uses that were proposed there. It also is
25 in the vicinity of two bridges that we are proposing going

PM3-65 The comments from El Dorado Holdings, Inc. in opposition to the Buckeye Alternatives are noted.

PM3-65
(cont'd)

1 across the CAP canal. So it does affect us negatively and
2 we just, for the record, want to oppose the alternative
3 route.

4 MR. SIPE: Thank you.

5 The last speaker I have on the list. I can add
6 more. So after I call the last speaker, you can raise your
7 hand and I'll try to pick you in order. Or you can go back
8 out with Amy and sign up on the list to speak, but the last
9 speaker I have right now is Doris Heisler.

PM3-66

10 MS. HEISLER: I am Doris Heisler, H-E-I-S-L-E-R.
11 I'm projects director for Orlando Nurse Associations out
12 there for 31 years, the Tonapah Valley Association, Inc. I
13 also see one of our councilmembers here this evening, Jack
14 Aaron. I think we kind of would like to tell a little
15 different side of this.

16 I was not prepared to speak tonight, so I don't
17 really have anything prepared. But after hearing all the
18 comments from the other side, I felt like I had to say
19 something. The fact that we are in the Tannapaw Valley. We
20 did not find out until a few days ago that we were even
21 being considered for a line and as a result, we have not
22 seen any of the drafts. We have not seen anything that
23 would show any impact of this alternate line for our valley
24 out there and we can feel for Buckeye and know how they feel
25 with the impact that they would have from this line. In

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PM3-66 The Tonopah Valley Association, Inc.'s (TVA) comments regarding planned and proposed developments in Tonopah Valley are noted. Section 3.4.2.5 has been revised to include additional information regarding the planned developments in Tonopah Valley.

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PM3-66
(cont'd)

1 turn, we have some concern about it also coming through our
2 line.

3 I think it's important, though, that the people
4 know that when they're looking at this alternate route that
5 the Tonapah Valley is not as open as what it appears on
6 that. We have 10 or 12 major DMPs that are being planned
7 for our area as well as 2 or 3 CPAs out there, Comprehensive
8 Plan Amendments, and one of those is not going to be located
9 very far from that line to the east. So I only felt it fair
10 that we also say that when you look at that line and it
11 looks like all open area out there that it's going to run
12 pass there is that you indicate here mostly shown as the
13 Belmont Plant. The Belmont is one of the largest -- is the
14 largest that we have out there, but we have many others.
15 And so when you look at that blank area out there, that's
16 not reality. They do not have this map brought up-to-date.
17 Our other DMPs are not shown on this map. So we just want
18 to let you know that this is not the true picture that
19 you're getting on that line. Okay. Thank you.

20 MR. SIPE: Thank you. Like I said, that's the
21 last speaker I have on the list. Anybody that would like to
22 speak?

PM3-67

23 MR. RICH: My name is Cort Rich with the Rose Law
24 Group here tonight on behalf of the owners of the Desert
25 Creek Subdivision, 2200 acres, the southern end of the Sun

PM3-67 These comments in support of the Buckeye Alternatives are noted.

PM3-67
(cont'd)

1 Valley Parkway, future home of 8000 residents that's
2 impacted by this alignment.

3 I think all the facts that have been said today
4 there's no need to restate those, but I think just from a
5 common sense perspective we really are looking at -- this is
6 Main Street USA. There is a million reasons not to put this
7 here. There's a million people. Those are the reasons and
8 the alternative just makes so much sense and it's a matter
9 of -- we're talking about safety and families and community
10 versus corporate money and I think really that is the only
11 choice that's being made here. We know it's safer to go the
12 other way. The risk of catastrophic event is far less.
13 There just aren't going to be a million people living around
14 that line. I think the choice really is clear. We're
15 talking about a few extra miles in an intercontinental
16 network of gas pipelines and to look the other way and to
17 not choose that it just doesn't make sense.

18 I think there's also a good distinction. I'll be
19 speaking to you tomorrow night obviously down in Pinal
20 County and I think there's a good distinction to be made
21 here. In Pinal County we're talking about co-location and
22 putting, combining rights-of-way of existing natural gas
23 pipelines with this new natural gas pipeline. Here you're
24 adding a natural gas pipeline where there is no natural gas
25 pipeline. It doesn't make sense to add that to the mix.

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PM3-67
(cont'd)

1 You've got schools. You've got homes. You've got
2 businesses, ice cream shops, baseball fields, and then just
3 to drop a natural gas pipeline in there when there's this
4 alternative it just -- from a common sense perspective, it
5 just doesn't make sense.

6 Again, just a few miles out of a 200 and some
7 mile proposal here and thousands of miles across the
8 country, why take the risk? Why do this? And I will see
9 you again tomorrow night and I appreciate your time in being
10 here and listening to everyone. Thank you.

11 MR. SIPE: Sir?

PM3-68

12 MR. NELSON: My name is John Nelson. I'm the
13 representative from District 12, part of Buckeye. I wasn't
14 going to speak, but after I listened to a lot of the
15 comments what has really surprised me more than anything
16 else is that an entity such as FERC that does not require
17 alternate route locations in an analysis in their studies.
18 Our ACC, Arizona Corporation Commission, requires that as
19 they go through and they do consistent -- and I know you say
20 you don't have the people, but they do alternate route
21 studies on the major utilities corridors and particularly
22 the electrical lines that come into the valley and through
23 the valley and I think what you're hearing tonight is a
24 bunch of people that are really frustrated because it really
25 looks like this is a done deal. There is one line and one

PM3-68 The commentor is referred to section 3.0 of the draft EIS that describes the eight route alternatives and six route variations that were considered, as well as the No Action or Postponed Action Alternatives, energy and energy conservation alternatives, and system alternatives to the proposed project. See specifically the analysis of the Buckeye Alternatives in section 3.4.2.5.

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PM3-68
(cont'd)

1 set of documents that are incomplete. People can't get the
2 information they need to give you straightforward, honest
3 answers because they don't have the data.

4 I would ask that at least in -- and if Mark was
5 here, I'd have a talk with him. But I think you need to
6 change your criteria, your process and procedures and when
7 you come into a community you need to have a number of
8 lines, site locations put in place that people can deal
9 with, give you real input that you can take that back and
10 analyze to make your decision. So just from that standpoint
11 that's my two bits and I am an engineer. I have been in the
12 development and public works engineering for a long time and
13 I've also been on the political side and I can't say I've
14 had more hearings than you, but I've had my share. So just
15 my comments. Thank you very much and I'd be happy to answer
16 any questions you might have. Thank you.

17 MR. SIPE: Thank you, John.

18 Anybody else who would like to speak? Questions?
19 It's about 9:30. We have time. So if anybody would like to
20 speak or any more questions on the formal record.

21 Before you ask your question, sir, we will be
22 here after I close the formal meeting to answer anybody
23 else's questions, also.

PM3-69

24 MR. HIRSCH: Doug, Steve Hirsch again. Based on
25 your experience with the agency, given the two that I'm

PM3-69 See the responses to comments PM3-2 and PM3-3.

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PM3-69
(cont'd)

1 aware of -- maybe there are more pending motions to either
2 continue the comment period or withdraw the EIS, do you have
3 any prediction as to when or how we might hear from the
4 Commission? Would this typically be something that would
5 just be issued within the docket before the deadline? Or
6 Bill do you have experience or thoughts?

7 MR. SIPE: I'll answer that. I have here a
8 comment. I've been writing comments down all night. Time
9 extension -- who approves it and how and when? So it
10 doesn't happen very often. I know the Commission does not
11 vote on that. I'm not sure how that would come out. It
12 wouldn't come out on the docket and I am going to go back
13 and check and see how that works. Like I said, some of you
14 guys have my number. You can call and ask.

PM3-70

15 MR. HOOD: One last question. Rick Hood again.
16 You said at the beginning that the transcript would be
17 prepared in about 10 days. Is that correct? Would be
18 available? Will this transcript be filed as part of the
19 docket or will it simply be placed in the Commission's file?

20 MR. SIPE: No, it is filed as part of the
21 document. It's on the record.

22 MR. HOOD: Thank you.

23 MR. SIPE: Any other questions, comments on the
24 record?

25 (No response.)

PM3-70 The transcripts of the public comment meetings on the draft EIS are available for viewing on the FERC Internet website (<http://www.ferc.gov>) under Docket Number CP06-459.

1 MR. SIPE: Like I said, we will be here. I
2 appreciate all you guys coming out tonight. Without any
3 more speakers, the formal part of the meeting will conclude.
4 On behalf of the Federal Energy Regulatory Commission, the
5 Bureau of Land Management and the Forest Service, the
6 Pipeline and Hazardous Material Safety Administration, the
7 Bureau of Indian Affairs and the Navajo Nation, I'd like to
8 thank you all for coming tonight. Let the record reflect
9 that the TransWestern Phoenix Expansion Project public
10 comment meeting concluded at 9:37 p.m. Thank you.

11 (Whereupon, at 9:37 p.m., the above-entitled
12 matter was concluded.)
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Public Meetings

1 PROCEEDINGS

2
3 (7:10 p.m.)
4

5 MR. SIPE: Good evening. We appreciate you guys
6 showing up tonight. This is a public comment meeting on the
7 draft Environmental Impact Statement for Transwestern
8 Phoenix Expansion Project. On behalf of the Federal Energy
9 Regulatory Commission, referred to as FERC, I'd like to
10 welcome you all tonight. Let the record show that the
11 public comment meeting began at 7:10 p.m. on June 7, 2007.

12 My name is Doug Sipe and I am the FERC project
13 manager for this project. Mark Mackiewicz, seated second to
14 my left here, is a Bureau of Land Management National
15 Project Manager, to his left is Ross Reineke from the Office
16 of Pipeline Safety. He is the CAT's manager, Community
17 Assistance in Technical Services. That's what CAT stands
18 for.

19 I'll describe the roles of the agencies in a
20 minute and a bit later Mark and Ross will expand on the
21 roles of their respective agencies. Bill Braun, to my left,
22 and Amy Davis at the sign-in table. These guy are with the
23 Natural Resource Group, NRG. They are the consulting firm
24 assisting us in working the draft Environmental Impact
25 Statement and will be preparing the final Environmental

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1 Impact Statement for this project.

2 The FERC is an independent agency that regulates
3 the interstate transmission of electricity, natural gas and
4 oil. FERC reviews proposals and authorizes construction of
5 interstate natural gas pipelines, storage facilities and
6 liquified natural gas terminals -- liquified natural gas
7 being LNG -- as well as licensing and inspecting of
8 hydroelectric projects. The purpose of the Commission is to
9 protect the public and energy customers and assuring that
10 regulated energy companies are acting within the law.

11 We are located in Washington, D.C. just north of
12 the United States Capitol down from Union Station if you
13 guys are familiar with D.C. at all. FERC has up to five
14 commissioners who are appointed by the President of the
15 United States with advise and consent of the Senate.
16 Commissioners serve five-year terms and have equal vote on
17 regulatory matters. One member of the Commission is
18 designated by the President to serve as our chair and FERC's
19 administrative head. His name is Chairman Joseph T.
20 Kelliher. One of the commissioners that you guys are all
21 probably familiar with is from this area, Mr. Mark Spitzer.

22 FERC has approximately 1200 staff employees. I'm
23 a part of the staff. The FERC is the lead federal agency
24 responsible for the National Environmental Policy Act,
25 review of the Phoenix Expansion Project and the lead agency

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1 for the preparation of the EIS.

2 NEPA requires FERC to analyze the environmental
3 impacts, consider alternatives and provide appropriate
4 mitigation measures on proposed projects. The BLM, the
5 Forest Service, the Office of Pipeline Safety, the Bureau of
6 Indian Affairs and the Navajo Nation are participating as
7 cooperating agencies in the preparation of the EIS.

8 This meeting is a joint agency public comment
9 meeting. The purpose of tonight's meeting is to provide
10 each of you with the opportunity to give us your comments on
11 the draft Environmental Impact Statement and we will answer
12 any questions you may have regarding the proposed
13 Transwestern Project. We are here tonight to learn from
14 you. It will help us most if your comments are as specific
15 as possible regarding the proposed project for the draft
16 EIS.

17 If you wish to speak tonight, as I mentioned,
18 please sign the speaker's list because right now I have
19 three speakers on it. After we go through the speakers here
20 in order, if anyone else would like to speak just raise your
21 hand and I'll try to pick you accordingly to speak.

22 If you do not wish to speak, you can pick up one
23 of the blue handouts in the back. It provides instructions
24 to make it easy for you to send written comments into us.
25 The speaker's list and the handouts are both with Amy at the

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1 sign-in table.

2 During our review of the project we assembled
3 information from a variety of sources, including
4 Transwestern, you the public, other state, local and federal
5 agencies and our own independent analysis and field work.
6 We analyzed the information prepared for the draft EIS. It
7 was distributed to the public review. A notice of
8 availability of the draft EIS was issued for the project on
9 April 27, 2007.

10 We are in the midst of a 45-day comment period on
11 the draft EIS. The formal comment period will end on June
12 18, 2007. It is during this period when we receive comments
13 on the draft EIS. All written comments received during this
14 time period or verbally tonight will be addressed in the
15 final Environmental Impact Statement. That is a NEPA
16 timeline. The FEIS is pretty much scheduled probably to go
17 out around September I would say. That's what our schedule
18 is looking at right now. We ask for the comments to come in
19 as soon as possible so we have the time to analyze the
20 comments and fully disclose those in the final EIS. June
21 18, 2007 is the cut-off date for NEPA, but we will continue
22 to accept comments a little bit after that. But then we
23 have a judgment call as to when to cut those off so we can
24 get them in the FEIS.

25 I would like to add that the FERC strongly

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1 encourages electronic filing of any comments. We have some
2 brochures back there to help you out. The instructions are
3 also located on our website at www.FERC.gov. Again, the
4 blue handouts and the brochures in the back will help you
5 guys out on all that. I also encourage you guys to e-
6 subscribe to the project for ease. You can go to our
7 website and e-scribe to it. Anything that is filed on the
8 record under the docket number and you will get an e-mail
9 sent to you. You can either look at it or delete it. One
10 or the other, but it's how I track this stuff that comes in
11 on this project myself. It's a pretty good system.

12 If you received a copy of the draft EIS, paper or
13 CD -- we used to send out all of our EISs in a paper form,
14 but the cost got astronomical on some these projects and we
15 started sending out CDs. You will automatically receive a
16 copy of the final EIS if you received a draft. If you have
17 not received a copy, we have several back there tonight. If
18 you want to get a copy of the final, just sign up and put
19 address and your information down and we'll make sure you
20 get a copy of that.

21 The EIS is not a decision document. It is being
22 prepared to advise the Commission and to disclose to the
23 public the environmental impact of constructing and
24 operating the proposed project. When it is completed, the
25 Commission will consider the environmental information from

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1 the draft EIS, along with the final EIS, with the non-
2 environmental issues such as engineering, markets and rates
3 in making its decision to approve or deny a certificate,
4 which would be FERC's authorization for this project.

5 There is no review of FERC's decision by the
6 President or Congress, maintaining FERC's independence as a
7 regulatory agency in providing for fair and unbiased
8 decisions. If the Commission votes to approve the project
9 and a certificate of public convenience and necessity is
10 issued, Transwestern will be required to meet certain
11 conditions as outlined in the certificate. Those conditions
12 are also in the draft EIS right now. Those conditions can
13 typically change from the draft to the final and then into
14 the order, which becomes the certificate.

15 FERC's environmental staff will monitor the
16 project through construction and restoration, performing
17 daily on-site inspections to ensure environmental compliance
18 with those conditions are met.

19 Our cooperating agencies will use the final EIS
20 in support of their permitting efforts. Mark Mackiewicz
21 with the BLM and Ross Reineke with the Office of Pipeline
22 Safety will now speak to you about their respective agency
23 roles in the EIS process.

24 MR. MACKIEWICZ: Good evening. My name is Mark
25 Mackiewicz. I'm a national project manager with BLM. I'm

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1 out of the Washington, D.C. Office. The Bureau of Land
2 Management is the lead federal agency in issuing rights-of-
3 way across all federal lands. This includes lands managed
4 by the Bureau of Land Management, Bureau of Reclamation as
5 well as the National Forest Systems lands managed by the
6 United States Forest Services, specifically, the Prescott
7 National Forest as well as the Kaibab National Forest.

8 The project will cross lands under the
9 jurisdiction of BLM's Phoenix District Office, including the
10 lower Sonoran field office as well as the Hassayampa field
11 office. In addition, it will cross lands in New Mexico
12 under the jurisdiction of the Farmington field office.
13 Approximately 90 miles of the proposed pipeline will cross
14 federal lands.

15 And as Doug has mentioned, we are a cooperating
16 agency in the preparation of the draft Environmental Impact
17 Statement. We, as an agency, have independently evaluated
18 the content of the Environmental Impact Statement and will
19 utilize this document in support of our decision to either
20 approve or disapprove a right-of-way grant.

21 I would like to reiterate the purpose of this
22 meeting is to solicit your comments as to the adequacy of
23 the draft Environmental Impact Statement and to determine
24 whether we have adequately addressed impacts to both the
25 physical as well as the human environment. Thank you.

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1 MR. REINEKE: Good evening. My name is Ross
2 Reineke. I'm a project manager with the OPS. OPS is part
3 of the U.S. Department of Transportation's Pipeline and
4 Hazardous Materials Safety Administration or PHMSA.

5 I would like to thank Doug Sipe for inviting me
6 to this public comment meeting. OPS is participating as a
7 cooperating agency in preparing the draft EIS because our
8 mission is to ensure the safe, reliable and environmentally-
9 sound operation of the nation's pipeline transportation
10 system in providing the oversight for oil and natural gas
11 pipelines.

12 The Office of Pipeline Safety's programs are
13 driven by our mission. The cornerstone of OPS's programs is
14 the inspection and enforcement of federal pipeline safety
15 regulations by qualified inspectors located in five regional
16 offices. OPS's regulations include minimum safety
17 requirements for all pipelines and more rigorous
18 requirements for pipelines that cause a greater risk to
19 populated and environmentally-sensitive areas.

20 My purpose at this meeting is to assure you that
21 if the Phoenix Expansion Project receives a favorable review
22 from FERC the Office of Pipeline Safety will maintain a
23 continual, regulatory watch over the pipeline from its
24 construction to its testing and through the entire
25 operational life of the pipeline.

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1 This regulatory oversight will consist of
2 measuring the operator's performance to ensure that the
3 pipeline is constructed of suitable materials, that it is
4 welded in accordance with industry standards, that the
5 welders themselves are qualified to join the pipeline, that
6 the pipeline is installed to the proper depth, that it is
7 coated to assure effective cathodic protection from
8 corrosion, that the backfill is suitable and that the
9 pipeline is properly tested upon completion to ensure that
10 it can hold the pressures that the operator requires to
11 transport the natural gas.

12 Beyond the construction process, the Office of
13 Pipeline Safety conducts inspections periodically over all
14 aspects of the operations and maintenance of the pipeline.
15 The operator must have a written plan in place to instruct
16 their personnel and to relate to federal inspectors exactly
17 what testing or monitoring is done and the frequency.

18 So in conclusion, PHMSA's mission is pipeline
19 safety and we want to assure the public that all federal
20 pipeline safety regulations will be met for the proposed
21 Phoenix Expansion Project. Thank you.

22 MR. SIPE: Thank you, Mark and Ross. We
23 appreciate that. Again, I would like to thank our
24 cooperating agencies. They help us out a great deal in
25 providing a sound EIS to put on the street. Without them it

Public Meetings

1 takes us a lot more time and lot more research to get what
2 we need in a document. I'd like to point out to the
3 audience there are Transwestern representatives in the room
4 with all levels of expertise. They have maps in the back.

5 I talked some people early on and they've brought
6 some maps in here asking me several questions about this. I
7 do realize that one of our main concerns is the routing of
8 this project, not only here but in a lot of other areas in
9 the project due to the development that's happening in the
10 area. It has been hard to try to route this thing down
11 through these areas, working with El Paso and working with
12 the developers and I do realize that through this whole
13 process that some of the developments have been missed along
14 the lines. We've been trying to update the list as much as
15 possible.

16 Transwestern is working hard to make sure all the
17 developments that are near the right-of-way are in our EIS
18 and to make sure they're on the map so we can look at the
19 routing through here. So it's good that you guys get with
20 Transwestern here tonight and set up appointments with them
21 if you want to work out the routing issues around the
22 developments. This is not a done deal yet. We're still
23 struggling with the right-of-way down through here, but your
24 comments will help us out as much as possible. I urge you
25 guys to file everything on the record. We need detailed

Public Meetings

1 information on the record to help us out and we need
2 detailed maps. We need to know exactly where your
3 developments are because literally their popping up
4 everywhere.

5 When we first started this project out, we did a
6 lot of helicopter work, flying over a lot of these areas and
7 a lot of these developments weren't even there and now they
8 are. So we realize how quick this area is growing and we're
9 trying to keep up with it all, but you guys can help us as
10 much as possible by filing this stuff on the record. We
11 make it pretty easy for you do, so if you would file it on
12 the record it would help us out.

13 Steven Veatch, Senior Director of Certificates
14 and Tariffs, a representative of Transwestern, is now going
15 to give you a brief overview in the status of the Phoenix
16 Expansion Project.

17 MR. VEATCH: Good evening. As Doug said, my name
18 is Steven Veatch. I'm Senior Director of Certificate and
19 Tariffs representing Transwestern Pipeline on the Phoenix
20 Expansion Project. Tonight I'd like to give you a brief
21 overview of the project and kind of where we stand on the
22 project at this time.

23 With me tonight are representatives from the
24 Project Management, Engineering, Right-of-Way, Construction,
25 Operations and our Environmental, who will be available to

Public Meetings

1 answer any questions you might have at the conclusion of the
2 meeting.

3 The overall Phoenix Expansion Project in Arizona
4 consist of the construction of approximately 95 miles of 42-
5 inch diameter natural gas pipeline and 164 miles of 36-inch
6 diameter natural gas pipeline. Transwestern will also be
7 constructing minor lateral lines and meter stations in
8 addition to various taps, valves and other auxiliary
9 facilities.

10 The project is designed to transport 500 million
11 cubic feet of natural gas per day to customers in the state.
12 Customers having executed binding, preceding agreements to
13 participate in the expansion are Arizona Public Service
14 Company for 150 million cubic feet per day for a term of 15
15 years; Salt River Project Agricultural Improvement and Power
16 District for 150 million cubic feet per day for a term of 15
17 years; Southwest Gas Corporation for 32 million cubic feet
18 per day for a term of 15 years; Gila River Power LP for 25
19 million cubic feet per day for a term of four years; and
20 Unisource Energy, Inc. for 13 million cubic feet per day for
21 a term of 15 years. That's a total of 370 million cubic
22 feet per day for a total of 74 percent of the proposed
23 capacity of the pipeline expansion.

24 Transwestern is currently looking to receive the
25 FERC certificate of public convenience and necessity in

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1 September of this year and looking to commence construction
2 in October of this year. Initial in-service is scheduled
3 for July 2008 with overall in-service in October 2008. At
4 this time Transwestern has ordered the pipe for the project
5 and it is currently in production. Construction contracts
6 for the pipeline have been awarded to Gregory & Cook
7 Construction and Rockford Corporation. In addition, the
8 horizontal directional drilling for the project will be
9 performed by Michael's Corporation.

10 As of this date, 41 percent of the private
11 easements needed for the project have been secured. This,
12 coupled with the right-of-way, Transwestern has requested
13 from the Bureau of Land Management, the Prescott and Kaibab
14 National Forest, Arizona State Lands and the Navajo Nation
15 represents over 171 miles or 60 percent of the overall
16 project.

17 Let me state again that representatives from
18 Transwestern are tonight and will be available after the
19 meeting to answer any questions you might have. Thank you.

20 MR. SIPE: Thank you, Steve.

21 A lot of people think that as soon as the
22 application is filed with FERC it's pretty much a done deal.
23 They don't have much that they can do to work with -- you
24 know, the routing and where it's going to be and you listen
25 to Steve and they say they've ordered the pipes and they

Public Meetings

1 have awarded contracts and so on and so forth, but that's
2 part of doing business. They have to do that. They have to
3 get this stuff rolling. They're taking a gamble on whether
4 we're going to issue them a certificate and whether or not
5 they're going to get their permits and authorizations from
6 the other agencies, but that's part of business. A lot of
7 people think that's a done deal because that stuff is
8 happening.

9 It's kind of funny. I've been out on pipeline
10 projects before I even give construction clearance and I see
11 the pipes coming in on the rail yards, but that's part of
12 it. They have to order that pipe. There's a lot of pipe
13 being put in the ground across the United States right now
14 and the pipeline companies are having trouble getting the
15 pipes. They're coming from a lot of foreign countries and
16 they have to order it early or they're not going to get and
17 they have to meet the customers needs. But this is not a
18 done deal. We still have a lot of review to do on this
19 project. We have a lot of work to do with the developers
20 and I can only urge you guys. I have a condition on these
21 guys right now in the draft that they are supposed to
22 provide us with frequent updates on the developments that
23 are popping up because I cannot reiterate that hard enough.
24 When we first started coming down here the amount of growth
25 that's happening in Casa Grande and the Buckeye area and

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1 even Prescott Valley where this pipeline is coming down
2 through. It's pretty amazing. So file your comments. You
3 guys have the information for you guys to be able to do
4 that.

5 We will now begin the important part of the
6 meeting with your comments. When your name is called,
7 please step up to the microphone, state your name for the
8 record. Your comments will be transcribed by the court
9 reporter to ensure that we get an accurate record of your
10 comments. A transcript of this meeting will be placed in
11 the public record at FERC so that everyone has access to the
12 information collected here tonight. It will not go in
13 immediately. What happens is these guys prepare a report.
14 It comes in to me. I make sure I take all the stuff out
15 that I don't want on the record that I wish I didn't say
16 now. We have to make sure we look at it and then it goes on
17 the public record. It usually takes two weeks or so, but if
18 you need a copy of it immediately, work with the court
19 reporter and he can sell you one.

20 (Pause.)

PM4-1

21 MR. BUCHANAN: Ken Buchanan, Pinal County
22 Development Services. I'd like to first thank you all for
23 allowing us and Transwestern the time to be able to express
24 our concerns, reading in the draft EIS you've tried to
25 accommodate the projects that we've expressed. As you know,

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PM4-1

Pinal County's appreciative comments are noted.

See the response to comment CO30-1 and section 3.5.2.5 that has been revised to include new information regarding the Pinal County EPNG Collocation Variations.

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II-152

PM4-1
(cont'd)

1 we have submitted our resolution that request that you do
2 put in an existing natural gas rights-of-ways as well as the
3 SRP, 500 KV right-of-way. That has been the position and
4 remains the position of Pinal County, but we do want to
5 thank you for working again with us to accommodate some of
6 the other concerns that we had with, in particular, the
7 Tartasso, the Salano Ranch north and the Vista Canyon
8 Developments where you've worked with us to accommodate for
9 those developments. We appreciate that. Thank you.

10 MR. SIPE: If I could hit on that just a little
11 bit more. FERC, we are charged with providing the
12 infrastructure across the United States, but also we're
13 charged with protecting the environment and protecting the
14 public. Our next speaker is Jerry Witt.

PM4-2

15 MR. WITT: Good evening. For the record, my name
16 is Jerry Witt and I'm appearing on behalf of the ownership
17 of four properties affected by the proposed Phoenix
18 Expansion Project being considered for approval by FERC.

19 Last night my colleague, Pike Oliver, submitted
20 as attachments to his comments, the list and maps of our
21 four of our properties, so they are already a part of the
22 record. He also made overall comments on the DEIS, which in
23 the interest of time, I will not restate this evening.
24 Suffice it to say we have documented substantial
25 deficiencies in the document related to its failure to

PM4-2 See the responses to comment PM3-2 regarding the adequacy of the EIS and comment PM3-45 regarding the referenced TRB study.

PM4-2
(cont'd)

1 adequately consider alternatives and incorporate mitigation
 2 measures, incorporate and analyze widely-available
 3 socioeconomic data, consider cumulative impacts of the
 4 Transwestern proposal, mitigate potential risks by
 5 incorporating pipeline construction standards appropriate
 6 through a facility that will be approximate to substantial
 7 population.

8 At last night's meeting in Buckeye, Pike Oliver
 9 also submitted as Attachment B to his written statement a
 10 copy of the 2004 report by the TRB titled Transmission
 11 Pipelines and Land Use: A Risk Informed Approach. FERC
 12 participated in this study. It concludes that more
 13 extensive efforts are required to locate major gas pipelines
 14 away from developed communities and high population centers
 15 to avoid safety risks and greater setbacks to protects the
 16 measures and creative monitoring are necessary to assure
 17 safety to adjoining developments and makes the case the
 18 pipelines and densely-populated areas don't mix.

PM4-3

19 I'll conclude with a brief summary of impacts and
 20 issues affecting the two properties located closer to this
 21 evening meeting, the Midway Property and the Elaine Farms
 22 Property. The proposed Transwestern pipeline would transect
 23 approximately 2.5 miles of the heart of the northern half of
 24 the Midway proposed developed, crossing diagonally through
 25 proposed green spaces and abutting two planned schools.

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PM4-3 See the responses to comment CO7-3 regarding potential project impacts on the Midway planned area development and comment PM3-45 regarding the referenced TRB study.

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II-154

PM4-3
(cont'd)

1 This alignment is parallel to an existing El Paso natural
2 gas pipeline, which contains two high-pressure natural gas
3 lines. One 36-year-old 36-inch line and a 21-year-old 30-
4 inch line.

5 While it is desirable to co-locate these
6 pipelines, the possible addition of the third high-pressure
7 line, the Transwestern pipeline, through this development
8 increases the safety risk substantially. The possibility of
9 a failure, which would likely involve all three pipelines,
10 would render lots nearest to the pipeline unacceptable to
11 many buyers and certainly to a school district.

12 If the standard recommended by the TRB report of
13 a setback of 600 feet from the center line were to be
14 adopted in the absence of other mitigation measures, we
15 estimate the planned pipeline location would impact a
16 substantial number of lots -- approximately 573 -- on 319
17 acres, while only 18 acres are included in the permanent
18 right-of-way. This represents an enormous economic impact
19 to the development in the range of \$29 million, which would
20 have to be compensated for.

21 Finally, the design class location for Midway is
22 described in the DEIS as Class 2. In view of the intensity
23 of the entitled development, this designation should be
24 changed to Class 3.

PM4-4

25 Elaine Farms, the proposed Transwestern pipeline

PM4-4 See the responses to comment CO7-4 regarding potential project impacts on the proposed Elaine Farms development and comment PM3-45 regarding the referenced TRB study.

PM4-4
(cont'd)

1 route would be approximately 400 feet north of the boundary
2 of Elaine Farms. The zoning for Elaine Farms has been
3 approved, a subdivision plat has been submitted for the
4 final stage of processing and the improvement plans are
5 currently being prepared while awaiting approval of the
6 cloner for the wash that runs along the north property line.

7 If the standard recommended by the TRB report of
8 a setback of 600 feet from the center line were to be
9 adopted in the absence of other mitigation measures, this
10 could result in lot losses and additional pipeline
11 construction costs, ranging from 3.2 to \$7 million and if
12 the pipeline were co-located with El Paso those affects
13 would go away. It would move away from Elaine Farms.
14 Thanks for the opportunity to comment.

15 MR. SIPE: We appreciate it. Thank you.

16 It's kind of ironic that the TRB study is being
17 brought up. That's the first I've heard of it actually. I
18 was part of the team at FERC that worked on the TRB study
19 and that is a problem. There is going to be another part to
20 that study. That was just an evaluation that came out of
21 the Pipeline Safety Improvement Act. We were required to do
22 that study and TRB was hired from the Office of Pipeline
23 Safety to do that. There are a lot of states and a lot of
24 agencies working on right now is the buffer zones that
25 people keep mentioning.

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1 The problem with those buffer zones is that if
 2 you have a buffer zone of 600 feet from a pipeline a lot of
 3 these pipelines won't be able to come into the areas that
 4 they need to. So we're working on that. That study is
 5 continuing on. The study is going to continue on to the
 6 fact of the encroachment of pipelines on commercial and
 7 residential areas. And the same token is that is
 8 encroachment of the commercial and residential areas on
 9 pipelines. So it's a balancing act. It's very difficult.
 10 But there are books. We do have a bunch of those books at
 11 FERC if someone would want to look at that study.

12 The next speaker on the list is Mark Minick.

13 MR. MINICK: Thank you. My name is Mark Minick.
 14 I'm an attorney with El Paso Natural Gas Company.

PM4-5

15 Thanks for the opportunity to come up here and
 16 provide some comments. We're in sort of the unusual
 17 position of generally supporting the conclusions reached in
 18 the DEIS, particularly, as they relate to the need for
 19 maintaining adequate separation of the pipelines and for
 20 selecting the initial proposed route through the wash area
 21 in the City of Casa Grande.

22 We understand a number of individuals that are
 23 not familiar with the ownership and operation of large
 24 diameter, high-pressure natural gas pipelines may not
 25 understand the full basis on which we -- the importance of

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PM4-5

EPNG's concerns regarding construction safety, operational constraints, and system reliability associated with locating the Phoenix Lateral in proximity to EPNG's existing natural gas pipelines are addressed in sections 3.4.2.6 and 3.5.2.5. We concur that working directly over active high pressure natural gas pipelines should be avoided if possible.

PM4-5
(cont'd)

1 maintaining adequate separation of those lines. We'd like
2 to talk about a couple of those points now.

3 The first thing we'd like to talk about is the
4 construction phase of putting in the pipeline. It's been
5 estimated that in this pipeline we may have somewhere in the
6 range of 400 to 500 people working on this pipeline along a
7 very long stretch. Trying to monitor that level of activity
8 is extremely difficult, particularly, if you're working
9 right in close proximity to our line. If there's some
10 separation, we would be able to have an easier time
11 identifying whether or not someone is inadvertently moving
12 heavy equipment or beginning excavation in the close
13 proximity to one of our active pipelines. So that's one
14 reason why separation is important.

15 The other thing that's important to recognize is
16 that pipelines are not always located on the center line of
17 a right-of-way. There's a number of reason for this. One
18 is just in the construction phase. When you're trenching
19 you invariably find things underground you don't expect and
20 sometimes you have to move the pipeline to one side or the
21 other in order to have the most effective construction
22 techniques.

23 In the case of the El Paso pipelines, there's
24 another reason in that we have traded portions of right-of-
25 way to accommodate developers concerns and so we've taken

22

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PM4-5
(cont'd)

1 some right-of-way we had on one end of the pipe and picked
 2 up additional right-of-way on the other side of the pipe,
 3 the north or south side, to address developer concern to try
 4 to give them a more complete parcel of land in which to
 5 develop.

6 So the fact that you see a particular segment of
 7 pipe doesn't necessarily mean that you've got half of that
 8 right-of-way off to one side. In fact, that piece of pipe
 9 could be relatively close to the edge of the right-of-way
 10 there.

11 The other point to remember is that pipelines
 12 require cathodic protection for protection against corrosion
 13 and having multiple lines in close proximity increases the
 14 change that your cathodic protection could fail. The
 15 currents that are impressed upon the pipelines can interfere
 16 with each other and we try to maintain separation for that
 17 reason. It's another safety concern.

18 It's probably most important to recognize that a
 19 natural gas pipeline is not something that is buried and
 20 then left and forgotten about. There are a number of
 21 situations where we're going to have to get into those pipes
 22 on occasion. There is an ongoing process of smart pigging
 23 of the pipelines. That's running a tool through the
 24 pipeline to measure wall thicknesses. Any anomalies that
 25 are discovered could require access to those pipelines for

PM4-5
(cont'd)

1 repair or replacement.

2 Obviously, in an area growing as quickly as this
3 area, there is the potential for having to access those
4 pipes to connect additional caps to those lines. Again,
5 connected with the growth with area, as population density
6 around a pipe increases, there's a class change, which
7 occurs periodically and you may have to back in and replace
8 a particular piece of pipe with a thicker wall piece of pipe
9 as the population density around that location increases.

10 All of those things would require excavation of
11 the pipes. To safely excavate around a pipe you need to do
12 two things. One, you need to know where it is and two, you
13 need to have enough room to safely get in and do the
14 excavation. There are ways to know where a pipe is,
15 however, those methods and tools are made more difficult
16 when you have multiple lines in close proximity, especially
17 when those lines start crossing over each over.

18 Conversely, by maintaining adequate separation,
19 it greatly increases the accuracy of pipeline marking so
20 that you'll know just where the line is that you have get in
21 and dig to and it protects the operator of the excavation
22 and construction equipment.

23 It's difficult enough to mark those lines when
24 you're all working in the same company and you own all those
25 lines. When you inject another company owning that, it

24

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PM4-5
(cont'd)

1 increases the difficulty. It increases the possibility of
 2 communication error and it delays your access to those
 3 pipelines. In some occasions you have to get down into
 4 those pipelines pretty quick.

5 The amount of land that is necessary for safely
 6 working on pipelines is hard to determine. Usually, the
 7 standard is a permanent 50-foot right-of-way and 100 plus
 8 feet for construction. You definitely don't want to have
 9 people working directly over a high-pressure pipeline. The
 10 heavy construction equipment is not something you want to
 11 see sitting over a pipe operating at the pressures that we
 12 operate at.

13 The other aspect that's important to recognize is
 14 that when doing pipeline work a technique which is often
 15 adopted is to put replacement facilities in place adjacent
 16 to the existing pipeline, then at one point tie over between
 17 the two pipes -- in effect, replacing the piece already in
 18 the ground. The other approach would be to dig down, shut
 19 off the complete gas supply, take out the old pipe, put the
 20 new pipe in and weld it in, tie it in, pressure test it and
 21 put it service. The difference in those is that the second
 22 approach means the gas line is out for an extended period of
 23 time.

24 The approach were you put in a new piece of pipe
 25 and then tie over to it allows you to take the line out of

PM4-5
(cont'd)

1 service a much shorter amount of time. But obviously, you
2 need additional space adjacent to your line in order to be
3 able to take that approach.

4 Placing the pipelines too close together
5 obviously increases the chance that any incident affecting
6 one pipeline can affect the whole pipelines. So the
7 unfortunate affect of that is that by having an additional
8 pipeline you can actually reduce the redundancy of your
9 pipeline services. Instead of having three pipelines, they
10 can sort of cover the gap in case one of them has a problem.
11 If you put too many in close proximity and an incident
12 affects all of them, you've got a shutdown or at least
13 reduce the operating pressure on all of them.

14 Now we recognize the city and the developers have
15 done a lot of work on the assumption that no additional land
16 would be required in these developments. We've obviously
17 been operating under the assumption, too, that we'd have the
18 rights-of-way around our pipelines undisturbed. That's not
19 really what we can address at this point here it seems like.
20 We need to address what the best approach is for going
21 forward. We can accept either in some of these situations
22 the obligations of spending the additional time and effort
23 to re-plat and redesign some of these developments in order
24 to give a safe margin for these two pipelines. Or we can
25 accept the risk of putting pipelines too close together and

PM4-5
(cont'd)

1 the safety risk that's associated with that.
2 Our primary concern is the safety of our
3 employees, our contractors and the people that live, work
4 and play around our pipelines. Our position is it's more
5 important to have enough space and that's the position we
6 recommend. Thank you.
7 MR. SIPE: Especially, in this area, this county
8 here and the city, if you had two pipelines that were
9 running a straight line and you had a right-of-way that the
10 same width for the entire line, it would be a little bit
11 easier to stick another pipeline in there. What we battle
12 all the time, not just in this area but in all parts of the
13 country, is the fact that we question developers moving up
14 on existing rights-of-way and you guys question pipelines
15 coming in -- more pipelines come in that right-of-way.
16 I mean the applicants are required to first look
17 at existing rights-of-way concerning these pipelines,
18 whether it be a power line, another pipeline, a road --
19 whatever it may be that is part of our regulation. It does
20 some times get difficult. I wish these applicants could
21 come in and acquire a 200-foot swath easement that no one
22 could come in on them and then they'd have the space in
23 there to work with, but that can't happen because that costs
24 goes back to the public and that's not allowed. But that's
25 the issues we have.

1 In the business we're in, we question developers
 2 moving up on existing rights-of-way like they are and then
 3 you guys question the pipeline, more pipelines coming in
 4 there. So again, it's a balancing act as far as our job.

5 The next speaker on the list is John Dacey.

6 MR. DACEY: Good evening. Thank you for the
 7 opportunity to address. I represent Miller Holdings and we
 8 filed a motion to intervene a few weeks ago and the main
 9 reason I wanted to talk tonight was to make sure you were
 10 aware of that and that Transwestern was. And I had the
 11 opportunity to speak with Mr. Braun before this meeting was
 12 convened and understand you are; and had an opportunity to
 13 talk with some fellows from Transwestern and they've also
 14 invited us to come talk to them after this meeting, the
 15 formal portion of the meeting is concluded so we can talk
 16 further.

17 THE COURT REPORTER: Your name for the record,
 18 sir?

19 MR. DACEY: I'm sorry. I'm John Dacey and
 20 I represent Miller Holdings.

21 THE COURT REPORTER: Could you spell it, please?

22 MR. DACEY: Dacey, D-A-C-E-Y.

23 Our concern is the Verona Master Plan Community,
 24 which had re-plat approval last summer, which had final plat
 25 approval for the first phase of that project in March of

PM4-6

Public Meetings

PM4-6 Section 3.5.2.5 has been revised to address the Verona master planned community.

PM4-6
(cont'd)

1 this year from the City of Coolidge and I'm sure you're
2 familiar with the City of Coolidge resolution urging the co-
3 location of the pipelines. The route that's proposed will
4 affect all of the units that have been final plat approval
5 at this point and will also affect a good number in the
6 later phases of the Verona Project.

7 Although we just filed our motion a few weeks
8 ago, my client has been involved in the discussions for
9 quite some time and you can tell from your docket that there
10 was a letter from Steve Tamata that's filed in your docket
11 in February, February 10th and again in April stating the
12 state of the pre-plat approval as well as requesting the co-
13 location.

14 Our position at this point is simply this. There
15 are the four master planned communities where there is going
16 to be, as I understand it, co-location between the El Paso
17 and Transwestern pipelines as currently recommended. We
18 believe we are in exactly the same situation as those four
19 communities and we're requesting the same treatment with the
20 co-location.

21 I have with me here tonight, if there are any
22 questions about the project, Jim Borden and Dave Ray from
23 Omega Management are here with me if there were any
24 questions. Thank you.

25 MR. SIPE: Thank you.

1 The next speaker is Bret Wallace, City of Casa
2 Grande.

3 MR. WALLACE: Thank you very much. My name is
4 Brett Wallace. I'm the city attorney for the City of Casa
5 Grande. I'd like to start by saying thanks as well to FERC,
6 Transwestern, El Paso as well as our citizens and developers
7 for being involved in this process, getting as much
8 information as we can so that everyone involved can look at
9 all of the alternatives and weigh those in making a decision
10 and hopefully in the best interest of everyone.

11 I'll try and keep my comments brief tonight and
12 simply reiterate the status of the city, which has been and
13 continues to be the preference of the city to follow CPEPNG
14 alternative in going through the City of Casa Grande, a
15 resolution adopted by our council some time ago and it's
16 affirmed, I think, in the comments that have been filed in
17 this docket.

18 It's important to the city for a couple of
19 reasons. Obviously, development is one of those issues.
20 You've heard from most of those developers throughout this
21 process and they've made their comments clear. Other issues
22 relate to the city itself and those are some of the concerns
23 that I'm not sure have been adequately expressed to date.
24 One of those deals with the city's sewer master plan and how
25 the city is going to deal with wastewater treatment for the

PM4-7

Public Meetings

PM4-7

See the response to comment LA9-2 that addresses the City of Casa Grande's concerns with the proposed alignment along The Wash. Section 3.4.2.6 has been revised to include additional information regarding the North Santa Cruz Wash (The Wash) alignment.

PM4-7
(cont'd)

1 east side of our city. The current master plan, as adopted
2 by council in the option, has one treatment plant on the
3 west side and a key component of that is a large sewer
4 interceptor line that's going to run down the wash. It's
5 property the city owns. It's perfect because of the grade.
6 It follows the gravity flow basically right to our plant.

7 The concern the city has, in that respect, is we
8 talk about construction. We talk about heavy equipment
9 being near or on pipelines. Well, that's an area that the
10 city is looking at putting at least one sizable line if not
11 two and we're going to need to build that somewhere. That's
12 the perfect location in an area that the city has already
13 acquired that right-of-way.

14 Another concern is that when we talk about public
15 interaction with our line, our parks master plan also looks
16 at that area as a potential linear park trail system that's
17 going to link multiple communities, including Coolidge,
18 Maricopa -- when everybody gets on board -- also is going to
19 follow the wash line. So those are important considerations
20 for the city. I hope that you all will consider those as
21 well.

22 The only other issue I think for the city's
23 standpoint also deals with utility corridors and trying to
24 co-locate where we can. As the city moves towards trying to
25 master plan itself, it's important that we try to limit the

PM4-7
(cont'd)

1 areas -- and we understand the difficulties that creates on
2 some of our utility providers -- but it's important to
3 master plan that for everybody to know where these things
4 are going to go well in advance and the city hopes that we
5 can partner in that to kind of limit the use of natural gas
6 lines. We're trying to do the same thing with electric
7 provides to say let's all try to follow the same route and
8 co-locate. It's important for the city to do those things
9 so we can help developers plan. It also helps utilities in
10 knowing where their likely to be able to go and to be able
11 to go unimpeded.

12 So I appreciate the time tonight. Thank you.

13 MR. SIPE: Thank you.

14 I'd like to stress one issue that I forgot to
15 mention. Survey access for Transwestern -- a lot of people
16 around the whole pipeline project have not granted survey
17 access. It's been difficult for Transwestern to get that.
18 I can only urge that landowners involved with this project
19 grant survey access. That's the only way that we can get
20 the information that we need to make a decision on the
21 project. I can only stress that if we don't have that
22 information and the route is proposed to go through there we
23 wouldn't get that until they would receive a certificate
24 from FERC if this proposed project is granted by the
25 Commission. So I urge that everyone grant survey access

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1 because that's the information I need to put in that
2 document to make a good decision.

3 That's the last speaker I have on the list.

4 Would anybody else like to speak?

PM4-8

5 MR. RICH: Hi. My name is Cort Rich. I'm an
6 attorney with the Rose Law Group. I'm here tonight on
7 behalf of Westpac Development and Main Spring Capital, the
8 developers of the Tartesso, Salona North and Maratara
9 Project. Really I'm here tonight to say thank you to Doug
10 and Bill, in particular, for working with us and working
11 with the county and the city to take into consideration the
12 concerns that we had for future development, the burdens it
13 would place, not on the developers, but probably more
14 importantly on our already overburden city and county in
15 having to go back and replan projects that our staffs have
16 already spent years planning and approving and their
17 councils have looked at and approved. So we appreciate
18 that.

19 And thank Transwestern and El Paso in advance for
20 the work -- and I know it's work that you may or may not
21 have been expecting to have to do, but to work with us and
22 each other to make happen. We appreciate that.

23 I guess I just also, since the city and county
24 have representatives here, too, I wanted to thank them for
25 being so involved in the process because I think that's real

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PM4-8 The comments are noted.

See the response to comment CO30-1 and section 3.5.2.5 that has been revised to include new information regarding the Pinal County EPNG Collocation Variations.

PM4-8 |
(cont'd)

1 important. So thank you very much.
2 MR. SIPE: We appreciate it.
3 Any other speakers? Any questions?
4 (No response.)
5 MR. SIPE: Again, we will be here after the
6 formal part of this meeting closes if you want to ask your
7 questions after that.
8 Great. Without any more speakers, the formal
9 part of this meetings will conclude. On behalf of the
10 Federal Energy Regulatory Commission, the Bureau of Land
11 Management and the Forest Service, the Pipeline and
12 Hazardous Material Safety Administration, the Bureau of
13 Indian Affairs and the Navajo Nation, I'd like to thank you
14 all for coming tonight. Let the record reflect that the
15 TransWestern Phoenix Expansion Project public comment
16 meeting concluded at 8:00 p.m. Thank you.
17 (Whereupon, at 8:00 p.m., the above-entitled
18 matter was concluded.)
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25

Public Meetings

1 BEFORE THE
2 FEDERAL ENERGY REGULATORY COMMISSION

3
4 -----X
5 IN THE MATTER OF: : Docket Number:
6 TRANSWESTERN PHOENIX : CP06-459-000
7 EXPANSION PROJECT :
8 -----X

9
10
11 Navajo Technical College
12 Lower Point Road and State Highway 371
13 Crownpoint, New Mexico

14
15
16 Tuesday, June 12, 2007

17
18
19 The above-entitled matter came on for scoping
20 meeting, pursuant to notice, at 1:25 p.m.

21
22 BEFORE:
23 DOUG SIPE, FERC

Public Meetings

1 The FERC is an independent agency that regulates
2 the interstate transmission of electricity, natural gas, and
3 oil. FERC reviews proposals and authorizes construction of
4 interstate natural gas pipelines, storage facilities, and
5 liquefied natural gas terminals as well as licensing and
6 inspection of hydroelectric projects. The purpose of the
7 Commission is to protect the public and energy customers and
8 ensure that regulated energy companies are acting within
9 the law.

10 We are located in Washington, D.C. We're just
11 north of the United States Capitol, Union Station, the big
12 train station in D.C. FERC has up to five commissioners who
13 are appointed by the President of the United States with the
14 advice and consent of the Senate. Commissioners serve
15 five-year terms and have equal vote on regulatory matters.
16 One member of the Commission is designated by the President
17 to serve as our chair and FERC's administrative head.

18 FERC has approximately 1,200 staff employees. I'm
19 one of those staff employees. Chairman Joseph T. Kelliher is
20 our chairman right now.

21 The FERC is the lead federal agency responsible for the
22 National Environmental Policy Act review of the Phoenix
23 Expansion Project and the lead agency for the preparation
24 of the EIS.

25 NEPA requires FERC to analyze the environmental

Public Meetings

1 impacts, consider alternatives, and provide appropriate
2 mitigation measures on proposed projects. The Bureau of Land
3 Management, the Forest Service, the Pipeline and Hazardous
4 Materials Safety Administration, the Bureau of Indian Affairs,
5 and the Navajo Nation are participating as cooperating agencies
6 in the preparation of the EIS. This meeting is a joint agency
7 public comment meeting.

8 The purpose of this afternoon's meeting is to
9 provide each of you with the opportunity to give us
10 your comments on the draft EIS and for us to answer
11 any questions you may have regarding the proposed project.

12 It would help us the most if your comments are
13 as specific as possible regarding the proposed project and the
14 draft EIS. If you wish to speak this afternoon, there's a
15 speaker's list over there at the table. If you do not wish to
16 speak, there are blue handouts over on the table that provide
17 instructions to make it easy for you to send written comments
18 in to us. The speaker's list and the handouts are both with
19 Amy at the sign-in table.

20 During our review of the project we assembled
21 information from a variety of sources, including
22 Transwestern, you the public, other state, local, and federal
23 agencies, and our own independent analysis and field work.
24 We analyzed this information and prepared a draft EIS that

Public Meetings

1 was distributed to the public for comment. A notice of
2 availability of the draft EIS was issued for the project on
3 April 27, 2007.

4 We are in the midst of a 45-day comment period on
5 the draft EIS. The formal comment period will end on June
6 18, 2007. It is during this period that we receive comments
7 on the draft EIS and all written comments received during
8 this time period or verbally this afternoon will be addressed
9 in the final EIS.

10 After the comment period and after we have a
11 chance to go over all the comments, we will put out a final
12 Environmental Impact Statement. After the final
13 Environmental Impact Statement is issued, there is
14 usually a cooling off period. That's what we call it at the
15 Commission and then the Commission will vote to approve or
16 deny the project.

17 The 45-day comment period is a NEPA comment
18 period. That is not to say we will not take comments after
19 that time, but we ask for them as soon as possible in order
20 to give us time to analyze and research the issues to
21 provide adequate response.

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1 I would like to add that the FERC strongly
2 encourages electronic filing of any comments. The
3 instructions for this can be located on our website at
4 www.FERC.gov under the e-filing link and the blue handouts
5 at the sign-in table with Amy also tell you how to file
6 comments electronically, plus there's a nice little brochure
7 on how to handle e-filing. E-Subscription at FERC I always
8 like to go over. That's a nice tool that we offer. You can
9 e-subscribe to this project and you'll get e-mails daily now
10 most likely on this project. Every time there's something
11 filed under the record you will get an e-mail sent to you and
12 you can click on it or you can delete.

13 If you received a copy of the draft EIS, paper or
14 CD, you will automatically receive a copy of the final EIS.
15 If you did not get a copy of the draft and would like to get
16 a copy of the final, please sign in on the attendance list
17 and provide us your name and address and we'll make sure we
18 get you a copy of the final EIS. We do have extra copies of
19 the draft if anybody would like to have one of those. We
20 have some extra CDs and such over there.

21 The EIS is not a decision document. It is being
22 prepared to advise the Commission and to disclose to the

Public Meetings

1 public the environmental impact of constructing and
2 operating the proposed project. When it is completed, the
3 Commission will consider the environmental information from
4 the draft EIS, along with the non-environmental issues such
5 as engineering, markets, and rates in making its decision to
6 approve or deny a certificate, which would be FERC's
7 authorization for this project.

8 There is no review of FERC's decision by the
9 President or Congress, maintaining FERC's independence as a
10 regulatory agency in providing for fair and unbiased
11 decisions. If the Commission votes to approve the project
12 and a certificate of public convenience and necessity is
13 issued, Transwestern will be required to meet certain
14 conditions as outlined in the certificate. Those conditions
15 are in the draft Environmental Impact Statement right now.
16 There are approximately 35 of them. You can take a look at
17 those. It's basically the conditions that go at the end
18 of the certificate that we issue that the companies have to
19 abide by.

20 FERC environmental staff will monitor the project
21 through construction and restoration, performing daily on-
22 site inspections to ensure environmental compliance with the

Public Meetings

1 conditions of the FERC certificate if this project is
2 approved.

3 Our cooperating agencies will use the final EIS
4 in support of their permitting efforts.

5 MR. SIPE: I would like to point out to the audience
6 that there are TransWestern representatives here to answer your
7 questions and they have brought detailed maps of the project
8 and of the pipeline route. You can talk to them after the
9 formal part of this meeting is over. As I mentioned before,
10 Ron Maldonado from the Navajo Nation and Harriline Yazzie
11 from the Bureau of Indian Affairs are also here and can
12 answer your questions. Raise your hand if you have any
13 questions for them.

14 Right now, Don Hawkins, a Senior Vice President a
15 Transwestern, is here to make a brief presentation about the
16 Phoenix Expansion Project.

17 MR. Hawkins: Good afternoon. As Doug said, my name
18 is Don Hawkins and I am Senior Vice President of Operations
19 and Engineering for Transwestern Pipeline Company. This
20 afternoon I would like to give you a brief overview of the
21 status of the Transwestern Pipeline Company Phoenix Expansion
22 Project. With me today are individuals from Project Management,
23 Engineering, Right-of-Way, Construction, Operations, and
24 Environmental who will be available to respond to any questions
25 you may have concerning the proposed Phoenix Expansion Project

Public Meetings

1 at the conclusion of the meeting.

2 The overall Phoenix Expansion Project in Arizona
3 consists of the construction of approximately 95 miles of 42-
4 inch-diameter natural gas pipeline, 164 miles of 36-inch-
5 diameter natural gas pipeline, and 25 miles of 36-inch-
6 diameter natural gas pipeline in New Mexico, 14 miles of
7 which are on Navajo Nation land. Transwestern will also be
8 constructing minor lateral lines to meter stations in addition
9 to various taps, valves, and other auxiliary facilities.

10 The project is designed to transport 500 million
11 cubic feet per day of natural gas to customers in the state.
12 Customers having executed binding service agreements to
13 participate in the expansion are Arizona Public Service
14 Company, Salt River Project Agricultural Improvement and
15 Power District, Southwest Gas Corporation, Gila River Power
16 LP, and Unisource Energy, Inc. The total contracts executed
17 by those five parties total 370 million cubic feet per day.
18 Four of the five have executed 15-year contracts, with Gila
19 River executing a four-year agreement for the project.

20 Transwestern is looking to receive the FERC
21 Certificate of Public Convenience and Necessity in September
22 2007 and commence construction in October. Initial in-service
23 is scheduled for July 2008 with overall in service in October
24 2008.

25 Transwestern has ordered the pipe for the project and

Public Meetings

1 it is currently in production. Construction contracts for the
 2 pipeline have been awarded to Gregory & Cook Construction and
 3 Rockford Corporation. In addition, the horizontal directional
 4 drilling will be performed by Michels Corporation.

5 As of this, date 41 percent of the private easements
 6 needed for the project have been secured. This coupled with
 7 the right-of-way Transwestern has requested from the Bureau of
 8 Land Management, Prescott and Kaibab National Forests, Arizona
 9 State Lands Department, and the Navajo Nation represents over
 10 171 miles or 60 percent of the overall project.

11 Let me state again that Transwestern project team
 12 members will be available after the meeting to answer questions.

13 MR. SIPE: Thank you, Don.

14 We will now begin the important part of the
 15 meeting with your comments. I know we don't have any
 16 speakers signed up and we don't have a court reporter but
 17 if you want to speak, please stand up and state your name and
 18 spell it. We'll try to take good notes and the transcript will
 19 be placed on the public record. Does anybody have any comments
 20 or questions? That's what we are here for. Ron - Harriline -
 21 would you all like to add anything?

22 Herrilene Yazzie, Bureau of Indian Affairs,
 23 Gallup Area Office, New Mexico: Does anybody want to make a
 24 comment? Any questions for me or...? My name is Herrilene Yazzie.

25 The topic of discussion here is also in the back of

Public Meetings

1 the room in the form of the Environmental Impact Statement book
2 and maps, and you can talk to people about aspects of the
3 project back there. If you look at the maps you'll notice that
4 there are several residences along the proposed route.

5 Also, I have another copy of the EIS at my office
6 in Gallup, New Mexico, which I can forward to the Eastern
7 Navajo maybe to Mr. DeGroat's office or to the library here.
8 Are there any questions about the project?

9 I notice a few of you here were also at the Chapter
10 House meeting for the Navajo Gallup Water Supply project.
11 The proposed routes in each of the projects are not very
12 close to the other, they're different routes all together.
13 I know that because we, the Bureau of Indian Affairs, are also
14 the cooperating entity in the Navajo Gallup Water Supply draft
15 EIS.

16 Mr. Ron Maldonado is here to answer any questions
17 on the biological resources that may be impacted or disturbed
18 during the project construction in various locations. For
19 example, places where our Navajo Medicine men gather herbs for
20 healing and ceremonies. Tell us about those sites along the
21 proposed routes if you know about these plants along the
22 proposed route.

23 We are also working with the Navajo Fish and Wildlife
24 Department concerning other biological resources we
25 may have overlooked. Let us know so we can include them in the

Public Meetings

1 final EIS. Thank you.

2 MR. SIPE: Is there any one else who has any comments
3 or would like to speak?

4 Duane Bird Bear, Superintendent, Eastern Navajo
5 Agency Roads Department, Crownpoint, New Mexico: Thank you
6 Mr. Sipe and Mr. Hawkins for explaining this phase of the
7 Transwestern Phoenix Expansion Project.

8 I have a couple of comments that might impact the
9 natural resources and people in those areas where construction
10 will occur.

PM5-1 11 Contrary to what you might think about the open space
12 out here, you'd be very limited to what you can actually do out
13 here because most of the land out here belongs to the people,
14 agencies, and private entities varying in status and ownership.

15
16 Also you need to take into consideration the
17 fragile ecosystem in some places and realize that people's
18 lifestyle, values, and culture are sensitive. I have noticed
19 impacts occurring on these elements although I've only been in
20 the area for a short time.

21 Sometimes, outside companies come in here and gain
22 rights-of-way and disturb the area and leave. When that
23 happens soon you'll see weeds taking over and infesting
24 adjacent lands just from that limited disturbance of land.
25 We are very concerned about it because these species are non-

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PM5-1 Transwestern would implement measures to control the spread of noxious weed species during construction and for up to 5 years following construction. Section 4.4.4 has been revised to include details of Transwestern's Noxious Weed Management Plan, which has been included as Appendix R of the final EIS.

PM5-1
(cont'd)

1 native.

PM5-2

2 The Bureau of Indian Affairs is also concerned
3 because we are responsible for the preservation and protection
4 of trust land that we hold in trust for these people, the
5 Navajo Nation. We suggest that FERC prevent this type of
6 waste. We urge that you take every precaution to preserve
7 the land base and its resources.

8 The Navajo Nation and Individual Indian Allotment
9 owner want to pass the land to the future generation of the
10 Navajo Nation and their heirs. Not to see it deteriorate.

PM5-3

11 Another item, about two years ago, I notice a
12 convoy of trucks hauling pipes, and I wondered whether it was
13 too heavy to haul pipes on the type of road (State Highway
14 371) that they were using. I figured they were taking the pipes
15 to Standing Rock, New Mexico. We ask that outside companies,
16 before they start hauling, to consult with the Agency DOT or
17 Navajo DOT on weights of the haulage on these Bureau of Indian
18 Affairs routes. These are high traffic counts area and it's
19 difficult to repair damages done.

20 There was an incident in the community of Ojo
21 Encino where the overloaded trucks damaged the roads and
22 caused great concerns for the people who constantly use these
23 roadways.

PM5-4

24 Back to the topic of noxious weeds, vehicles can
25 transport seeds of the noxious weeds as well so be mindful

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PM5-2

As discussed in sections 4.2.2, 4.3.2, and 4.4.2, Transwestern would implement its Upland Erosion Control, Revegetation, and Maintenance Plan (UECRM Plan) and Restoration Plan to reduce impacts on soils, waterbodies, and vegetation within the construction and permanent rights-of-way.

PM5-3

Transwestern would be required to adhere to road weight restrictions as required by the DOT and its operating administrations, as well as any local (county) road weight restrictions. Following construction, roads used for access would be regraded and restored to original condition unless the landowner or land management agency requests otherwise. Transwestern is also developing access management plans specific to BLM-managed and Forest System lands that will identify the measures to be taken by Transwestern and its construction contractors to provide safe, minimal impact, and stable surface access to the construction right-of-way and its ancillary facilities. Transwestern has committed to developing and implementing a post-construction schedule of maintenance with possible maintenance actions to ensure the stability and revegetation of the right-of-way.

PM5-4

See the response to PM5-1.

PM5-4
(cont'd)

1 when working in these parts and going to other parts of
2 communities or growth areas.

PM5-5

3 Lastly, I'd like to recommend to FERC as a federal
4 agency that all federal agencies have the trust responsibility
5 to native tribes to preserve, protect, and conserve the
6 land and its resources just as the Bureau of Indian Affairs
7 is charged the trust responsibility here on Navajo Nation
8 lands regardless of the purpose and mission of a federal
9 agency working on Trust lands. Thank you.

10 Mr. Sipe: Thank you. Are there any more comments?
11 Without any more speakers or any more questions, the formal part
12 of this meeting will conclude. On behalf of the Federal Energy
13 Regulatory Commission, the Bureau of Land Management
14 and the Forest Service, the Pipeline and Hazardous Material
15 Safety Administration, the Bureau of Indian Affairs, and the
16 Navajo Nation, I'd like to thank you all for coming this
17 afternoon. Let the record reflect that the TransWestern
18 Phoenix Expansion Project public comment meeting concluded at
19 2:20 p.m. Thank you.

20 (Whereupon, at 2:20 p.m., the above-entitled
21 matter was concluded.)

Public Meetings

PM5-5

As discussed in section 4.9.4, the FERC has complied with section 106 of the National Historic Preservation Act and the implementing regulations in Title 36 CFR Part 800 and notified the Advisory Council on Historic Preservation on October 30, 2006 of adverse effects to afford it an opportunity to participate in consultation. A Programmatic Agreement (PA) has been developed that provides for developing and implementing treatment plans to minimize effects on historic properties, and completing studies to identify and to evaluate these effects. The FERC would ensure that treatment and the terms of the PA are carried out.