

Comments on the Draft EIS and Responses

COMPANIES AND ORGANIZATIONS

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Transwestern Pipeline Company, LLC) Docket No. CP06-459-000

SUPPLEMENTAL STATEMENT OF INTERESTS
OF WVSV HOLDINGS, L.L.C.

CO1-1

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. §385.214, WVSV Holdings, L.L.C. ("WVSV"), an intervenor in these proceedings, hereby respectfully supplements and amends its statement of interests. This supplement reflects additional information and clarifications regarding the proposed route of the Phoenix Lateral, a component of the project for which certificate authorization is sought. This information has been gradually gleaned from the progress of this certificate proceeding and was not available or apparent to WVSV at the time its initial intervention was filed. As set forth below, WVSV hereby amends its statement of interest to include the additional interests of certain affiliated real-estate development entities whose property and development interests are directly at stake by reason of the proposed routing and construction.

WVSV is authorized to act as agent and representative for each of the additional entities whose interests are involved, as set forth below. The additional entities all hold property interests within the geographic scope of the Phoenix Lateral, in various locations in the Casa Grande area. WVSV anticipates filing comments on the Draft Environmental Impact Statement, issued herein on April 27, 2007. It is further contemplating participation in one or more of the public hearings scheduled in the Phoenix area. This amplification of the interests of WVSV and its affiliates will serve to consolidate the various entities of the affiliates in a single set of

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CO1-1

WVSV Holdings, L.L.C.'s (WVSV) supplemental statement of interests regarding the range of property interests that it and its affiliated entities hold on and along the proposed route is noted. See also the responses to comment letters CO6, CO7, CO24, CO25, and CO29.

CO1-1
(cont'd)

comments for those and other purposes. This pleading is intended not to state any position on the DEIS at this juncture but merely to apprise the Commission of the additional interests that will be represented by WVSU in that process and any subsequent procedures in this docket. WVSU submits that proceeding in this fashion will be administratively efficient and convenient for the Commission and all parties involved.

Initial Statement of Interest. On October 12, 2006, WVSU timely filed its Motion to Intervene in these proceedings. In that motion, WVSU identified its interests in the proposed pipeline construction project that is the subject of the certificate application herein. As set forth there, WVSU is a real estate development company organized as an Arizona limited liability corporation with its principal place of business in Tempe, Arizona. It is the beneficial owner, manager and developer of approximately 13,159 acres of land in the vicinity of Buckeye, Arizona (the "Sun Valley Property"), and is the fee owner of 1,710 acres in the Sun Valley Property. The proposed pipeline would be adjacent to some of WVSU's building lots and would traverse others.

In its initial motion to intervene, WVSU identified its interests relating to the geographic area comprising the "growth corridor" centered on the town of Buckeye, Arizona. The Area Plan and Development Agreement for the Sun Valley Property was approved by Buckeye in 1996, and the Community Master Plan and Zoning as well as an amendment to the Development Agreement for approximately 5,770 acres of the Sun Valley Property was approved by the Town of Buckeye in July of 2006. The approved development program calls for over 30,000 dwelling units and more than 25 million square feet of commercial, office and industrial space to be constructed within this master-planned community.

Companies and Organizations

CO1-1
(cont'd)

Additional Interests. Various questions have been raised before the Commission regarding the process whereby landowners were contacted, apprised of the pipeline project and its potential impacts, and were involved in the planning and analysis involving this certificate application. WVSU will not reiterate those here, but will simply note that the full range of its property interests and those under common management that are potentially affected by the proposed routing of the Phoenix Lateral – located in the Buckeye and Casa Grande areas surrounding the Phoenix metropolitan area – are only now coming into focus. The DEIS has afforded a basis on which to identify with some degree of specificity and coherence those interests. WVSU accordingly furnishes for the record its current understanding of the range of property interests that it and its affiliated entities hold on and along the route identified as the proposed route.

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CO1-1
(cont'd)

The following table was prepared for this purpose. References to the Appendix B Map Sheet correlate with the graphic components of the DEIS. The indicated "Ownership Entities" are each affiliates and jointly-managed developers at the indicated geographic locations.

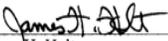
Property	Appendix B Map Sheet Number(s)	Ownership Entities	Potential Impacts of Proposed Alignment
Sun Valley	44 thru 47	WVSV, L.L.C.	Alignment would traverse approximately seven miles of the property. Adjacent to zoned residential uses and numerous roadway and utility crossings affected.
Enterprise	57 and 58	Rezzonico Ranches, L.L.C.	A portion of the northern tip of this property would be traversed.
Midway	73 and 74	Vanderbilt Farms, L.L.C.; Irvine Land Partners, L.L.C.; ABCDW, L.L.C.; BADC, L.L.C.	Proposed alignment is parallel to existing El Paso Natural Gas pipeline.
Elaine Farms	81	ABCDW, L.L.C.	Proposed alignment runs adjacent to the edge to a platted single family residential neighborhood

CO1-1
(cont'd)

WHEREFORE, WVSV respectfully submits this supplemental statement of interests and requests that these augmented interests be recognized and duly subsumed within its status as an intervenor in these proceedings.

Respectfully submitted,

WVSV HOLDINGS, L.L.C.



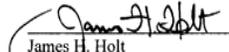
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Dated: May 30, 2007

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CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of May, 2007, the foregoing Supplemental Statement of Interests of WVSU Holdings, L.L.C. was served, by electronic mail, upon each person designated on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.


James H. Holt

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June 1, 2007

Magalie Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20246

Re: Transwestern Pipeline Company, LLC
Phoenix Expansion Project
Docket No. CP06-459-000

Dear Ms. Salas:

CO2-1 Stardust-Tartesso W-12 Inc. and Pulte Home Corporation, hereby submit their Preliminary Comments and Request for Withdrawal of the Draft Environmental Impact Statement and request that it be filed as a comment to Transwestern's application in the above-captioned matter.

Sincerely,

20070601-5088 FERC EDP (Unofficial) 07/01/2007 04:57:25 PM

Landon W. Loveland

LWL/me
Enclosure

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CO2-1 See the responses to comments CO3-1 through CO3-9.

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June 4, 2007

Magalie Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20246

Re: Transwestern Pipeline Company, LLC
Phoenix Expansion Project
Docket No. CP06-459-000

Dear Ms. Salas:

Stardust-Tartesso W-12 Inc. and Pulte Home Corporation, hereby submit a corrected version of their **Preliminary Comments and Request for Withdrawal of the Draft Environmental Impact Statement** filed June 1, 2007. Attachment A was inadvertently omitted from the previous filing.

Sincerely,

Landon W. Loveland

LWL/me
Enclosure

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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Transwestern Pipeline Company, LLC)
) Docket No. CP06-459-000
)

STARDUST-TARTESSO W-12 INC. AND PULTE HOME
CORPORATION'S
PRELIMINARY COMMENTS AND REQUEST FOR WITHDRAWAL OF
THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

CO3-1

Stardust-Tartesso W-12 Inc. ("Stardust") and Pulte Home Corporation ("Pulte") hereby submit preliminary comments and a request for withdrawal of the draft Environmental Impact Statement ("EIS") for the Proposed Phoenix Expansion Project in the above-captioned matter. As more fully explained herein, the administrative record in this proceeding is inadequate to support a reasoned analysis of the environmental impacts that will result from the proposed action or potential alternatives. Accordingly, Stardust and Pulte urge the Federal Energy Regulatory Commission ("FERC") to withdraw the draft EIS, supplement the record as necessary, and undertake an appropriate and independent review of the relevant issues.

I.

BACKGROUND

CO3-2

Transwestern Pipeline Company LLC ("Transwestern") submitted an application seeking FERC approval of a new gas pipeline through Buckeye, Arizona on September 15, 2006. The application completely ignored known residential development in the Buckeye area, claiming that "Transwestern routed its pipeline to avoid those residential subdivisions with immediate development plans." In fact,

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CO3-1

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

CO3-2

Stardust-Tartesso's description of the background and data requests issued for the project is noted. See also the response to comment PM3-12.

CO3-2
(cont'd)

Transwestern sought to run its pipeline right through the heart of a massive residential development corridor – where homes were already under construction – along a route “poised to become Main Street for nearly 1 million people.”

On October 11, 2006, the Town of Buckeye and a number of builders and developers that would be adversely affected by Transwestern’s proposed route through Buckeye filed timely Motions to Intervene in the FERC proceeding. These Motions strenuously objected to the proposed route and proposed an alternative route, urging careful consideration of the environmental and land use impacts the pipeline route would create through Buckeye. Stardust’s and Pulte’s Motions to Intervene are hereby incorporated by reference as if fully set forth herein.

On October 13, 2006, FERC staff issued an Environmental Information Request specifically seeking information concerning the nature and extent of development along Transwestern’s proposed pipeline route and the potential impacts the proposed pipeline route would have on such development. On November 2, 2006, Transwestern filed a response to the October 13, 2006 Information Request. Transwestern’s response provided inaccurate or misleading information, entirely ignored the information provided in the various Motions to Intervene, and reflected little if any effort to provide the information needed to assess the impact of the proposed pipeline route on development in the Buckeye area. Stardust and Pulte’s objections to Transwestern’s inadequate response were expressed in comments filed jointly on their behalf on November 15, 2006 (these comments are hereby incorporated by reference as if fully set forth herein). Those comments also provided further information concerning adverse impacts associated with the

CO3-2
(cont'd)

proposed pipeline route through Buckeye, and presented more specific information concerning the alternative route previously proposed for consideration.

In recognition of the inadequacy of both Transwestern's application and its November 2, 2006 response to the information request, FERC staff issued another Environmental Information Request on January 12, 2007. This Information Request sought specific information concerning the impacts of the proposed pipeline route, as well as information concerning the alternative route intervenors had suggested for consideration. On January 26, 2007, additional comments were submitted jointly on behalf Stardust and Pulte (these comments are hereby incorporated by reference as if fully set forth herein). These comments pointedly questioned Transwestern's willingness to provide the information needed to enable FERC to conduct an adequate review of the environmental and land use impacts to Buckeye, and urged FERC not to proceed on the basis of an inadequate record with respect to these issues.

Transwestern responded to the January 12, 2007 Information Request on February 1, 2007. Once again, however, Transwestern provided grossly inadequate responses. Recognizing the continuing inadequacy of Transwestern's responses, FERC staff tried again, issuing yet another Environmental Information Request on March 1, 2007. On March 16, 2007, Transwestern provided yet another misleading and grossly inadequate response. Rather than persisting in its quest for necessary information, however, FERC staff responded as though it could no longer wait for accurate or complete answers: it issued a draft EIS for public comment.

II.
PRELIMINARY COMMENTS

CO3-3

Transwestern’s submissions of February 1, 2007 and March 16, 2007 did nothing but confirm the validity of the concerns expressed in the comments Stardust and Pulte submitted on January 26, 2007. Transwestern did not provide accurate or complete information needed for an adequate environmental review. Instead, Transwestern’s submissions – consistent with its course of conduct throughout this proceeding – made it clear that Transwestern had no interest in considering, or providing information concerning, the impacts of its proposed pipeline route or the merits of the alternative route intervenors put forward. Indeed, Transwestern barely even pretended to cooperate with the process that is required for FERC’s review of these issues. As a result, important issues have been raised, but the record in this proceeding is – as explained below – wholly insufficient to support a reasoned analysis of them. Faced with this inadequate record and Transwestern’s transparent lack of cooperation in the review process, FERC staff should not have proceeded with a draft EIS. As it is, the draft EIS ignores the absence of credible information, relies on inaccurate information, and fails to address some issues entirely. Stardust and Pulte urge FERC not to give up on the environmental review process in this manner, but to step back, gather reliable information, and give the Buckeye issues the hard look that is required.

A. Issues Concerning Impacts of the Proposed Buckeye Route

CO3-4

The National Environmental Policy Act (“NEPA”) charges the Federal government with the responsibility to “use all practical means” to improve and coordinate its activities to, among other things, “assure for all Americans safe,

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CO3-3

See the responses to comments PM3-2, PM3-12, and CO3-2.

CO3-4

See the responses to comments PM3-2, PM3-12, and CO3-2.

CO3-4
(cont'd)

healthful, productive and esthetically and culturally pleasing surroundings” and to “attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences.” 42 U.S.C. §4331(b)(2)-(3). NEPA further requires that Federal agencies undertake a detailed review of the impacts their proposed actions would have on the human environment. 42 U.S.C. §4332.

In this case, there are obvious issues requiring NEPA review. Buckeye is one of the most significant centers for residential development in the entire Nation. The proposed pipeline route would run right through the middle of Buckeye’s development corridor, within fifteen feet of the edge of a narrow powerline right-of-way. For much of this route, the pipeline would follow the Sun Valley Parkway, the road that – as reported in the Arizona Republic – is “poised to become Main Street for nearly 1 million people.” The impacts on Buckeye from this project will be enormous.

Transwestern would like to pretend that this pipeline route will have little if any impact (except upon homes located within 50 feet of the pipeline or construction work area) and has refused to acknowledge the full nature and scope of the adverse impacts its proposed pipeline route would have on the Town of Buckeye and its citizens. Indeed, having kept FERC in the dark about the nature and extent of concern about its proposed pipeline route for as long as it could, Transwestern still refuses to acknowledge the nature and extent of such concerns. For example, despite the repeated written submissions in which Pulte has strenuously objected to the proposed route and outlined a variety of specific concerns, Transwestern persists in the outrageous claim that that Pulte has made “no mention of concerns.” See

CO3-4
(cont'd)

Transwestern's Revised Table 10-1, filed on April 5, 2007. Rather than providing a "description of concerns raised by any of the developers" as FERC staff requested (see January 12, 2007 Information Request, Request 10.i), Transwestern summed up Stardust's concerns in three words: "alignment within SRP" (See Transwestern's Revised Table 10-1, filed on April 5, 2007).

CO3-5

The concerns of Buckeye-area stakeholders are substantial, and are not difficult to understand. El Paso Natural Gas Company has filed comments in this proceeding saying that it doesn't want Transwestern's pipeline co-located with its own, because it doesn't want the "serious operational and safety concerns" that would be involved when either company has to engage in excavation near the other's pipeline. See January 26, 2007 Comments of El Paso Natural Gas Company. As these comments explain, any excavation near a gas pipeline – even for routine maintenance work – would involve a degree of risk and would likely be subject to delay and increased costs. These are the same kinds of concerns the intervenors and the Town of Buckeye have raised. Because the proposed pipeline would run right down the middle of what amounts to a whole city under construction – bisecting several master-planned communities along the way – it would conflict with a wide variety of underground utilities and other infrastructure crossing the proposed pipeline route. There are already a number of places where infrastructure crosses the proposed pipeline route, and there will be many more as already-approved development in the area proceeds. A high pressure gas pipeline running perpendicular to all of these present and future utility crossings would be an absolute nightmare in terms of its impact on the installation and long term maintenance of this kind of infrastructure. To put the point succinctly, the proposed route through

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CO3-5

EPNG's comments are in reference to alternatives considered in Pinal County and the City of Casa Grande where the Phoenix Lateral would be collocated to varying degrees in EPNG's existing easement that contains between two and four high pressure natural gas distribution pipelines. EPNG is concerned about constructing natural gas pipelines that would be owned and operated by different entities in too close proximity to each other. Construction of the proposed alignment in Buckeye would occur under significantly more safe working conditions because Transwestern would utilize an industry standard 100-foot-wide construction work area within an existing easement that does not contain any high pressure natural gas transmission pipelines.

Consideration was given in the draft EIS to existing and future utility and street crossings of the proposed Phoenix Lateral in Buckeye. 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. 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.

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 as some commentors have suggested to accommodate future utility crossings that have not been located or designed and which are projected to take decades to develop.

The orientation and timing between the construction of future roadways, utility crossings, and other features could dictate that some future utilities be installed by conventional bore regardless of whether or not the Phoenix Lateral is installed in the SRP easement. Furthermore, new underground utilities are constructed below existing utilities numerous times each day in the United States and it is not common business practice to pass the cost of those crossings onto the previously existing utilities.

CO3-5
(cont'd)

Buckeye would run a high-pressure gas line straight through an area in which it is already known that intensive excavation activities will be occurring for decades to come, raising "serious operational and safety concerns" that cannot be dismissed or ignored.

FERC staff started asking for specific information on the nature and extent of adverse impacts associated with infrastructure and utility crossings in its October 13, 2006 Information Request. In response, Transwestern has done little more than suggest – repeatedly and falsely – that it has been working all these issues out with the individual developers. In fact, Transwestern appears to have made little genuine effort and no material progress in that regard. See Comments of WVSV Holdings, LLC, filed on March 30, 2007. Nor has Transwestern provided any basis for an estimate of the long-term risks and costs associated with utility and infrastructure conflicts that would be caused if Transwestern's pipeline were installed through the heart of the Buckeye development corridor. It is not surprising that Transwestern would like to avoid any discussion of the costs involved, because Transwestern's plan is to externalize them. Specifically, Transwestern wants to put its pipeline where it will conflict with existing development plans and then leave the resulting problems – and costs – on the doorstep of the communities affected, as though this were a case of development encroaching on a pipeline rather than a pipeline encroaching on already-approved development.

CO3-6

The safety concerns associated with utility conflicts are significantly aggravated by another factor Transwestern – and now the draft EIS – would ignore: the proximity and density of planned residential development along the proposed pipeline route. The owner of the powerlines in the proposed pipeline corridor has

Companies and Organizations

CO3-6

As stated in comment letter CO11, the location of the Phoenix Lateral within the SRP easement would comply with guidelines approved by the Western Electricity Coordinating Council and by the Arizona Power Plant and Transmission Line Siting Committee. SRP also states that the type of maintenance required to maintain the powerlines, which includes the use of extremely large and heavy equipment, would not compare to the maintenance activities associated with other utility crossings. Locating the Phoenix Lateral in close proximity to the powerline towers would not improve overall public safety and energy reliability when compared to the proposed alignment.

CO3-6
(cont'd)

filed comments indicating that it does not want the risks associated with having Transwestern's pipeline within even 100 feet of its power line. See Comments of Salt River Project Agricultural Improvement and Power District filed on April 5, 2007. It seems silly to suggest that this concern should be addressed by moving the pipeline within fifteen feet of a whole series of dense residential developments, but this is precisely what Transwestern proposes to do.

CO3-7

While Transwestern's focus has been on how many homes are within 50 feet of the proposed pipeline construction area, the more relevant question is how many homes would be close enough to be put at risk by the pipeline. Stardust and Pulte have already submitted a report indicating that – even if the pipeline were centered in the utility corridor instead of being on its edge – it would create risk area along the pipeline route that would contain at least 4,000 homes. See Expert Report, filed March 2, 2007, (which report is hereby incorporated by reference as if fully set forth herein). This risk area would extend hundreds of feet – not just 50 – from the pipeline. Even if one were to look just one hundred feet from the edge of the powerline corridor, there would still be hundreds of homes and other structures to consider. For example, Unit 2A of the Tartesso West community has some 72 residential lots that will have homes within 100 feet of the powerline corridor. Six homes already exist on these lots, and another fifteen are in various stages of completion. Unit 2A will also have an electrical substation located within 100 feet of the powerline corridor which will go into operation approximately at the end of 2007 and will ultimately serve thousands of homes. Similar development will be occurring along virtually the entire length of the proposed route through Buckeye. Myopic focus on an arbitrary 50 foot criterion effectively masks the actual density of

Companies and Organizations

CO3-7 See the responses to comments PM3-8, PM3-30, and LA2-8.

CO3-7
(cont'd)

residential development along the proposed route. Perhaps for this reason, the draft EIS provides obviously incorrect class location information that underestimates the expected level of development along the Buckeye portion of the proposed pipeline route. See EIS at Table 4.22.1-1.

The nature of the problems identified above and the inadequacy of the record with respect to the magnitude of their consequences is clear. Until these inadequacies in the record are addressed, there can be no basis for a reasoned assessment of the adverse impacts associated with the proposed pipeline route and no basis for comparative consideration of the alternative route.

B. Consideration of Alternatives

CO3-8

A core element of any NEPA review involves a hard look at whether adverse impacts to the human environment associated with a proposed Federal action can be avoided, and – with that in mind – the consideration of alternatives to the proposed action. 42 U.S.C. §4332(C). The need for considerations of an alternative to the proposed pipeline route through Buckeye has been a central issue in this proceeding.

As already indicated, Transwestern’s application did not disclose the fact that the proposed pipeline route would run right through the heart of a massive residential development corridor. Having started out with the claim that it had “routed its pipeline to avoid those residential subdivisions with immediate development plans,” Transwestern has struggled to avoid consideration of an alternative route that *actually would* avoid “residential subdivisions with immediate development plans.” Transwestern knew that such an alternative route existed before it even filed its application, because Stardust had specifically suggested such a route and provided a map showing its location. Yet Transwestern withheld this

Companies and Organizations

CO3-8

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.

CO3-8
(cont'd)

residential development along the proposed route. Perhaps for this reason, the draft EIS provides obviously incorrect class location information that underestimates the expected level of development along the Buckeye portion of the proposed pipeline route. See EIS at Table 4.22.1-1.

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As already indicated, Transwestern’s application did not disclose the fact that the proposed pipeline route would run right through the heart of a massive residential development corridor. Having started out with the claim that it had “routed its pipeline to avoid those residential subdivisions with immediate development plans,” Transwestern has struggled to avoid consideration of an alternative route that *actually would* avoid “residential subdivisions with immediate development plans.” Transwestern knew that such an alternative route existed before it even filed its application, because Stardust had specifically suggested such a route and provided a map showing its location. Yet Transwestern withheld this

CO3-8
(cont'd)

out of all of these communities over the next several decades. Due to completed physical improvements in Stardust's Tartesso West and Pulte's Festival Ranch developments, the approvals for these developments are now legally vested. The Development Agreements for the other developments along the proposed route prohibit the Town from changing the approved Community Master Plan without mutual consent of the Town and the developers involved. Substantial investments have been made even in the developments where home construction has not yet begun. For example, the properties along the Sun Valley Corridor participated in the construction of the Sun Valley Parkway, which provides an urban linkage between the City of Surprise and the Town of Buckeye (Bell Road to I-10) around the White Tank Mountains. In addition, the major landowners in Sun Valley recently completed a study demonstrating that the area has adequate supply of water for 100 years, a demonstration that is necessary to obtain approval for home sales. In short, the proposed pipeline route runs through an already active development corridor that can be expected to be a center for intensive development activity for decades to come.

By contrast, the alternative route would pass a relatively short distance through portions of the Douglas Ranch and Sun Valley/Festival Ranch developments – following a route already designated as a major utility corridor – and would then pass outside the Town of Buckeye's limits. From that point west, the proposed route passes through property that is already designated for use as a major utility corridor and that is not subject to any development rights whatsoever. This property is currently held in rural Maricopa County zoning categories such as R-43. There have been no development plans filed with the County to advance

CO3-8
(cont'd)

development of any of this property and there is no infrastructure such as the Sun Valley Parkway to provide access to these parcels. Nor has any showing been made with respect to the adequacy of the water supply to support development in this area. While Transwestern recently provided FERC with a list of low-density developments (generally one unit per acre, rural development standards subdivisions) in the vicinity of the alternative route, such rural developments would be on septic systems, and contain no proposed elementary schools or commercial elements. Moreover, the total area of all of these subdivisions combined does not equal the area of the smallest of the master planned communities located in the Sun Valley corridor along the proposed route, all of which will be developed to full urban development standards.

Normal housing growth in the Phoenix market typically expands into non-developed areas that are immediately contiguous to existing active development areas. This natural housing progression has begun in the Sun Valley area, where Festival Ranch is closest to existing development at the north end of the development corridor and Tartesso West is the closest to existing development in the South. All of the property along the Sun Valley Parkway between Festival and Tartesso West can be expected to "fill-in" before any development spreads further West, away from existing infrastructure. The lack of any existing entitlements for these lands would allow for better planning for mitigation or avoidance of conflicts with the proposed pipeline.

In summary, there is a stark difference between the proposed and alternative routes. The proposed route runs through the middle of a massive residential development corridor, while the alternative largely avoids this development corridor,

Companies and Organizations

CO3-8
(cont'd)

running mostly through open land that is nowhere close to development. Transwestern's responses to the information requests from FERC staff have studiously ignored this critical comparison, leaving a record that is insufficient to support a reasoned alternatives analysis.

2. Utility Conflict Issues

As already discussed, one of the major problems with the proposed pipeline route is the utility and infrastructure conflicts (with all their attendant costs and risks) the pipeline would cause. There are at least two reasons why there is little potential for similar conflicts along the alternative route.

The first major consideration is the presence of the Central Arizona Project ("CAP") canal to the south of and parallel to the alternative route. The presence of the canal is important, because it is an existing feature that – like a gas pipeline – is awkward to cross. Because of the presence of the canal, any developments along the proposed pipeline route would already be planned with a minimum of surface or subsurface infrastructure crossings (indeed, one of Transwestern's complaints about the alternative route is the inconvenience involved in having its pipeline cross the CAP canal). In effect, the presence of the canal parallel to the alternative route would effectively shield the proposed route from all but a minimum of utility crossings.

A second major consideration involves the relative timing of potential development along the proposed and alternative routes. As discussed above, development is already actively underway along the proposed route. Because the existing powerline poses little impediment to crossings, the communities along the proposed route have not been designed to avoid the need for utility crossings. As a

CO3-8
(cont'd)

result, much of the infrastructure along the proposed route – including wastewater treatment plants, water supply wells, and electrical substations – has been designed to serve communities on both sides of the corridor. By contrast, communities that might someday exist along the alternative route have yet to be designed and would not be expected to be designed until long after the gas pipeline is installed.

Developers and local governments – understanding that the pipeline along with the CAP canal represents the equivalent of a Berlin Wall – could then plan their communities and associated infrastructure accordingly, minimizing the need for utility crossings.

In summary, there is a stark difference between the proposed and alternative routes with respect to utility conflict issues: there are major problems with the proposed route and should be next to none with the alternative route. Again, however, the record is insufficient to support an adequate analysis of these issues.

3. Setback/Proximity Issues

Another important difference between the proposed and alternative routes is that the proposed route follows the edge of a narrow powerline corridor, whereas the alternative could be placed comfortably within a wide utility corridor. As a result, the proposed route would place the pipeline within fifteen feet of residential developments and in close proximity to thousands of homes, while the alternative route would, for at least the bulk of the route, allow it to be placed far from any developments, in close proximity to few if any homes. Transwestern has struggled mightily to obscure this important difference, which is important not only to comparisons of safety, but – because of its direct impact on class location and thus

CO3-8
(cont'd)

pipeline safety requirements – to any comparison of pipeline installation and maintenance costs.

Transwestern would like to measure the impacts of the proposed route solely in terms of lost lots, and, apart from responding to FERC's repeated requests for an accurate count of existing homes within fifty feet of the proposed construction work area, has ignored the fact that its proposed route would put the pipeline within a mere fifteen feet of a whole series of major residential developments. When considering impacts associated with the alternative route, however, Transwestern's approach has been to artificially magnify impacts by assuming the worst possible pipeline location it could characterize as a representation of the "alternative route." Initially, Transwestern went to the extreme of assuming that the pipeline would follow a route south of the CAP canal rather than north of the canal as actually suggested. When FERC staff pressed for information concerning the real alternative route – specifically asking Transwestern to assume a location within the 2,000-3,000-foot-wide transmission corridor north of the canal – Transwestern responded on the basis of the assumption that the pipeline would be located where there would be hundreds of housing lots "directly impacted" by it. At best, this claim ignores the fact that **the alternative pipeline route would lie within a designated utility corridor where a major power line has already been sited.** As a result, the reality is that few if any housing lots may ultimately be "directly impacted," and that the alternative route would at least largely avoid close proximity with residential developments.

CO3-8
(cont'd)

4. Cost Issues

Transwestern's comparison of the costs associated with the proposed and alternative pipeline routes is superficial, but predictably seems to understate the costs associated with the proposed route while overstating the costs associated with the alternative route. In particular, Transwestern ignores significant differences between the two routes relating to class location, the need for mitigation, and utility conflicts, all of which involve cost considerations unfavorable to the proposed route. At the same time, Transwestern makes tenuous assumptions to substantially boost the costs associated with the alternative route. As a result, its analysis is skewed and does not provide a sufficient basis reasoned decision making. The draft EIS nevertheless seems to accept it, lock, stock and barrel.

Stardust and Pulte have submitted a study indicating that there would be a need for significant mitigation measures along the proposed pipeline route. Transwestern admits that it made no adjustments to its cost estimates in response to this information, but failed to provide any explanation as to why none are warranted. Transwestern has also made it clear that it aims to get its pipeline into the ground as quickly as possible, imposing the costs of utility conflicts on anyone who – no matter how longstanding their development plans – fails to win the race to get into the ground first. Transwestern has provided a general explanation of how, in theory, it intends to work around existing utilities during the course of construction. However, it failed to respond to the request from FERC staff (see January 12, 2007 Information Request, Request 24.c.ii.) for a description of the burdens – including the procedural burdens – that would be imposed when utilities need to be installed after the pipeline is in place. These burdens – and the costs involved – will be

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Companies and Organizations

CO3-8
(cont'd)

considerable as the build-out of Buckeye's development corridor proceeds over the coming decades. Nor has Transwestern addressed the increases in long-term maintenance costs associated with pipeline-utility conflicts along the proposed pipeline route. These costs should be considered in any comparative analysis of the proposed and alternative routes, because – as already discussed – these costs will be substantial in the case of the proposed route and relatively insignificant in the case of the alternative.

Transwestern has claimed that there are a variety of factors that would make the alternative route particularly costly. Indeed, Transwestern makes the remarkable claim that the alternative route (which would pass primarily through open public land without utility conflicts, class 3 or class 4 locations, or need for mitigation) would be more costly on a per-mile basis than the proposed route (which would pass primarily through private land that would have to be condemned, in class 3 locations with many utility conflicts and significant mitigation needs). It is hard to believe this could be so, and Transwestern provides little reason to justify a belief that it would be so. Transwestern bases its claim in part on the allegation that the alternative route would run through rough terrain that would significantly increase costs. However, Transwestern has gone to other creative lengths to make the alternative route look bad, and its "rough terrain" claim may be little more than another self-inflicted injury created by the particular way in which Transwestern drew the alternative route.

Transwestern also claims – without providing any evidence or documentation – that the proposed route might create a need for an additional compressor station, thereby imposing substantial additional cost. However, Transwestern stated at a hearing before the Arizona Corporation Commission that

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CO3-8
(cont'd)

the alternative route would only “potentially” require an additional compressor station, and that – in any event – it already has expansion plans in mind that might call for not one but two additional compressor stations. Accordingly, it would be speculative at best to attribute the cost of an additional compressor station to the alternative route.

5. Alleged Objections to the Alternative Route

Transwestern has repeatedly tried to dismiss alternatives to its proposed pipeline route on the basis of claims that such alternatives are objectionable to or could somehow be precluded by other parties. In an effort to support such claims, Transwestern apparently approached the Central Arizona Project (“CAP”) with the suggestion that the suggested alternative route would run in and through CAP’s rights of ways, easements, and fee land. Predictably, CAP indicated that such an alternative route would be objectionable. Transwestern has since cited CAP’s objection as a basis to reject the alternative route.

All Transwestern has shown is that it is easy to elicit objections to a project when one tries. In truth, the alternative route would travel outside of any property needed by the CAP to protect its canal, through a 2-3,000 foot corridor that has already been established and within which a 500KV power line has been sited. Once CAP was given accurate information about the location of the alternative route, it indicated that it would have no objections. See Attachment A.

III.

REQUEST FOR WITHDRAWAL OF THE DRAFT EIS

CO3-9

As the background of this proceeding and the foregoing preliminary comments indicate, Transwestern’s unwillingness to provide timely and accurate

Companies and Organizations

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CO3-9 See the response to comment PM3-3.

CO3-9
(cont'd)

information concerning the Buckeye issues has left FERC with an inadequate record for consideration of the Buckeye issues. Particularly in view of the demonstrated unreliability of the information Transwestern has provided, Stardust and Pulte believe that the draft EIS should be withdrawn pending further information gathering and independent analysis by FERC staff.

WHEREFORE, Stardust and Pulte respectfully request that the draft EIS be withdrawn.

Respectfully Submitted,



Barton D. Day
Steven A. Hirsch
Mitchell J. Klein
Landon W. Loveland
Bryan Cave LLP
2 North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406
(602) 364-7000

Counsel for Stardust-Tartesso W-12
Inc. and Pulte Home Corporation

Attachment A

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Companies and Organizations



P.O. Box 43020 • Phoenix, AZ 85080-3020
23636 North Seventh Street • Phoenix, AZ 85024
623-869-2333 • www.cap-az.com

May 3, 2007

Mitchell J. Klein
Bryan Cave LLP
One Renaissance Square
Two North Central Avenue
Suite 220
Phoenix, Arizona 85004

Dear Mr. Klein:

On Tuesday April 24, 2007 you arranged a meeting with us to discuss the Town of Buckeye's concerns about the current proposed location of the Transwestern pipeline (pipeline). As discussed in that meeting, because of a Central Arizona Water Conservation District (District) policy, the District has opposed an alternative pipeline alignment running lateral on District maintained property.

During our discussions you offered another alternative where the pipeline may run lateral to District maintained property but on adjacent properties north of the District's property line. Having no authority over those lands outside the District's property line we would have no objections to this alternative as long as it creates no residual impacts to District maintained property. In situations where improvements are planned adjacent to District maintained property we request the opportunity to review all plans of those proposed improvements. The review allows the District to ensure that there are no negative impacts to our property as a result of those improvements.

Please contact me at (623) 869-2209 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Fitzgerald", is written over a light blue horizontal line.

Thomas Fitzgerald
Land Administrator

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Companies and Organizations

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

Dated this 4th day of June, 2007

A handwritten signature in cursive script, appearing to read "Jordan H. Jordan".

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10,000 West, L.L.C.

June 6, 2006

Ms. Kimberly Bose, Secretary
Federal Energy Regulatory Commission
Public Reference Room
888 First Street NE; Room 1A
Washington, DC 20426

Doc. No. CP06-459-000
Attention: Gas 2, DG2E

Re: Alignment of Transwestern Pipeline Co.'s natural gas pipeline through Buckeye

Dear Kimberly,

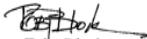
CO4-1

The current alignment along the Sun Valley Parkway is our preferred route for the Natural Gas Pipeline. The current alignment transverses the planned commercial component of Festival, a 7,000 acre Master Plan Community with close to 15,000 residential units along the Sun Valley Parkway. Since the new proposed alignment would put the pipeline extremely close to approved residential units, we believe that the current route is the more preferable route.

In concurrence with the federal staff members who have already considered eight other alternatives for the Phoenix Expansion Project, we agree that safety and environmental responsibility are top priorities. In the newly proposed alignment the pipeline would not only navigate precariously close to planned residences, but it would also need to cross the Hassayampa River, which would result in a disruption of the river's natural habitat and soils.

For these reasons we urge that the current alignment not be changed.

Regards,



Toby Block
Vice President, Development - Festival Ranch
Owner: 10,000 West L.L.C.
8777 North Gainey Center Drive, Suite 205
Scottsdale, Arizona 85258-2117

cc Dave Wilcox, Buckeye Town Manager

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Companies and Organizations

CO4-1

10,000 West, LLC's comments in support of the proposed alignment in the Buckeye, Arizona area are noted.

BRACEWELL
& GIULIANI

New York
Connecticut
Texas
Washington, DC
Kazakhstan
London

Sandra E. Rizzo
Partner
202.828.5858 Office
202.857.4815 Fax
sandra.rizzo@bglp.com

Bracewell & Giuliani LLP
2000 K Street NW
Suite 500
Washington, DC
20006-1872

June 7, 2007

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

RE: *Transwestern Pipeline Company, LLC*; Docket No. CP06-459-000

Waste Management Arizona Landfills, Inc. Motion for Extension of
Time to Respond to Transwestern Supplemental Filing

Dear Secretary Bose:

Please find enclosed for electronic filing in the above-captioned
proceeding Waste Management Arizona Landfills, Inc.'s Motion for Extension of
Time to Respond to Transwestern Supplemental Filing.

If you should have any questions regarding this filing, please contact the
undersigned.

Sincerely,

/s/ Sandra E. Rizzo

Sandra E. Rizzo

SER/bh
Enclosure

cc: Official Service List

DC0227242.1

Companies and Organizations

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II-540

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Transwestern Pipeline Company, LLC)
) Docket No. CP06-459-000
)

WASTE MANAGEMENT ARIZONA LANDFILLS, INC.
MOTION FOR EXTENSION OF TIME TO RESPOND TO TRANSWESTERN
SUPPLEMENTAL FILING

CO5-1 Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"),¹ Waste Management Arizona Landfills, Inc. ("Waste Management Arizona") hereby seeks a Commission order granting it additional time to respond to the supplemental filing the Commission ordered Transwestern Pipeline Company, LLC ("Transwestern") to make in response to the Draft Environmental Impact Statement ("DEIS") issued for the Phoenix Expansion Project.

In the DEIS, the Commission required Transwestern to study an alternate route proposed by Waste Management Arizona to avoid serious operational and safety issues associated with Transwestern's proposal to bisect Waste Management Arizona's Northwest Regional Landfill and directed Transwestern to file its findings with the Commission.² The Commission required Transwestern to

¹ 18 C.F.R. § 385.212 (2006).

² The Commission indicated that Transwestern "shall prepare a report of the land requirements, other potentially affected landowners, and impacts that the Waste Management Arizona Variation would have on cultural, biological, and other resources." In addition, the Commission required Transwestern to provide further justification for its proposed alignment, including a "detailed description of the specific construction and operational measures that would be implemented to alleviate [Waste Management Arizona's] concerns." *Draft Environmental Impact Statement for the Phoenix Expansion Project*, FERC/EIS – 0208D, Docket No. CP06-459-000, at 3-36, Section 3.5.2.4 (April 27, 2007).

Companies and Organizations

CO5-1 Waste Management Arizona Landfills, Inc.'s (WMA) request for additional time to respond to the supplemental filing the Commission ordered Transwestern to make in response to the draft EIS is noted. The FERC did not 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. WMA filed additional comments on June 18, 2007 (see comment letter CO21) and on June 27, 2007 (see comment letter CO26). Those comments are addressed in the responses to comments CO21-1 and CO26-1 through CO26-5.

CO5-1
(cont'd)

make that filing on or before the date comments on the DEIS are due, which is June 18, 2007.³ To date, Transwestern has not made its filing.

Waste Management Arizona will require a reasonable amount of time to respond to the filing that Transwestern makes. Given that Transwestern has not yet made the filing, and only recently has initiated site visits to assess the Waste Management Arizona alternate route across the landfill that the Commission required Transwestern to study,⁴ Waste Management Arizona does not anticipate being able to respond to Transwestern's supplemental filing prior to the DEIS comment date. Accordingly, Waste Management Arizona respectfully requests that the Commission provide an additional period of at least 21 business days from the date that Transwestern makes the filing required by the DEIS for Waste Management Arizona to comment. Because the DEIS comment date is quickly approaching, Waste Management Arizona seeks prompt action on the instant motion.

Respectfully submitted,

Sandra E. Rizzo, Esq.
Bracewell & Giuliani, LLP
2000 K Street NW
Suite 500
Washington, DC 20006

By /s/ Sandra E. Rizzo
Attorney for Waste Management
Arizona Landfills, Inc.

Dated: June 7, 2007

³ *Id.* at 3.

⁴ To the best of Waste Management Arizona's knowledge, visits to its site occurred on May 23, 2007 and May 29, 2007.

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing pleading this 7th day of June 2007, upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Sandra E. Rizzo
Sandra E. Rizzo

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BETTS & HOLT LLP

COUNSELLORS AT LAW

1333 H STREET, NW • WEST TOWER 10TH FLOOR • WASHINGTON, DC 20005
TELEPHONE 202.530.3380 • FAX 202.530.3389

June 13, 2007

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.W.
Washington, D.C. 20426

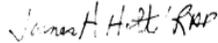
Re: Transwestern Pipeline Company, LLC
Phoenix Expansion Project
Docket No. CP06-459-000

Dear Ms. Bose:

CO6-1 Enclosed please find two documents, which are being submitted for filing by WVSV Holdings, L.L.C. and related entities ("WVSV") at the request of the Commission's Staff. The first document (with attachments) is the *Comments on Transwestern Pipeline's Proposed Phoenix Expansion Project Draft Environmental Impact Statement (DEIS)*, which contains information presented by H. Pike Oliver on WVSV's behalf at the public meeting held on June 6, 2007, in Buckeye, Arizona. The second document is the *Comments of Jerry Witt on Transwestern Pipeline's Proposed Phoenix Expansion Project Draft Environmental Statement*, which contains information presented by Jerry Witt on WVSV's behalf at the public meeting held on June 7, 2007 in Casa Grande, Arizona.

Please file these documents in the above-captioned proceeding. If you have any questions about this matter, please feel free to contact me at (202)530-3380.

Very truly yours,



James H. Holt
For the Firm

Companies and Organizations

CO6-1 The comments of H. Pike Oliver are addressed in the responses to comments CO6-2 through CO6-10. The comments of Jerry Witt are addressed in the responses to comments CO7-1 through CO7-4.

**Comments on Transwestern Pipeline's Proposed Phoenix Expansion Project
Draft Environmental Impact Statement (DEIS)**

Submitted to the Federal Energy Regulatory Commission
at the
Public Comment Meeting in Town of Buckeye, Arizona
June 6, 2007¹

CO6-2 These comments are made on behalf of the affected landowners and developers of four large master-planned communities that would be impacted by the so-called Phoenix Expansion Project natural gas pipeline being considered for approval by the Federal Energy Regulatory Commission (FERC).

Three of the affected projects are large master planned communities and one is a planned subdivision. These properties are:

- 1) Sun Valley Communities, Town of Buckeye, Maricopa County
- 2) Enterprise Ranch, Maricopa County
- 3) Midway Planned Area Development, City of Casa Grande, Pinal County
- 4) Elaine Farms, City of Casa Grande, Pinal County

Greater detail on the affected properties including ownership entities is included in the following table:

Property	DEIS Appendix B Map Sheet Number(s) ²	Ownership Entities
Sun Valley	44 thru 47	WVSV Holdings, L.L.C.
Enterprise	57 and 58	Rezzonico Ranches, L.L.C.
Midway	73 and 74	Vanderbilt Farms, L.L.C.; Irvine Land Partners, L.L.C.; ABCDW, L.L.C.; BADC, L.L.C
Elaine Farms	81	ABCDW, L.L.C.

In addition, maps indicating the locations of these properties are submitted for the record under **Attachment A**.

¹ Submitted by H. Pike Oliver, Sr. Vice President, W HOLDINGS (pike@wholdings.com) on behalf of WVSV Holdings, LLC; Rezzonico Ranches, LLC; Vanderbilt Farms, LLC; Irvine Land Partners, LLC; ABCDW, LLC; BADC, L.L.D.

² Reference is to Appendix B to the Draft Environmental Impact Statement for the Phoenix Expansion Project, Transwestern Pipeline Company, Docket CP06-459-000, FERC/EIS-0208D, April 2007

CO6-2 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. The Agency Staffs' conclusion remains unchanged in the final EIS.

CO6-2 (cont'd) | Based on review of the DEIS, the impacts on these properties and the planned growth and economy of the surrounding communities, will be substantial, costly and onerous.

The DEIS contains alternatives that could mitigate most, if not all, of the affected developer/landowners concerns; however, these alternatives have been given a cursory review, at best, and dismissed with little or no analysis of the socio-economic, land use, safety and cost implications. This is a major deficiency in the DEIS will be addressed later in this document, and in greater detail in the DEIS comments that will be submitted for the record prior to the June 18 deadline. Comments addressed in this document are intended as an initial summary. More detailed concerns and comments are forthcoming.

CO6-3 | For the record and for your consideration, a 2004 report by the Transportation Research Board (TRB), entitled *Transmission Pipelines and Land Use: A Risk Informed Approach* (hereinafter referred to as TRB 281) is submitted for the record. However, additional risk analyses is necessary to meet the level considered "reasonable" in a DEIS. This document is included as **Attachment B**. The report was commissioned by the TRB, with FERC's active participation and prepared by the National Academy of Sciences. Mr. Doug Sipe, the FERC Project Manager responsible for preparing the Transwestern EIS, was FERC's liaison to the committee that prepared this important report.

This extensive study of recent land use considerations in the siting of natural gas pipelines concludes that much more extensive efforts are required to locate major gas pipelines away from developed communities and high-population centers and to avoid safety risks and resulting socio-economic impacts. The TRB report suggests that greater setbacks, as well as protective measures and creative monitoring are necessary to assure safety to adjoining developments.

The Phoenix Expansion Project, and this DEIS do not address the findings of this report, but rather continue with business as usual, proposing to build a 36-inch natural gas pipeline through areas within the Hassayampa Valley, where numerous new developments are underway and planned for a population that will likely exceed one million people at build-out.

There are alternatives that could mitigate or avoid these impacts. The alternative endorsed by the Town of Buckeye—referred to in the DEIS as the "North and South Buckeye Alternatives"—would reduce and eliminate most of the impacts on the growing Buckeye population center. However, the impact analysis in the DEIS summarily rejects this alternative without a good understanding and analysis of current planning and development activities. The fact that the proposed use standards for construction and safety are out-of-date and more suited for pipeline siting in rural areas, rather than developing communities, contributes to this spurious analysis.

I. General DEIS Issues:

Inadequacy of the DEIS Alternative Analysis

CO6-4 | The DEIS alternatives to the proposed in the Phoenix Expansion Project DEIS are not given full weight (context) and analysis (detail) as required by the regulations and guidelines of the Council on Environmental Quality and FERC's own NEPA guidelines.

Companies and Organizations

CO6-3 See the responses to comment PM3-45 that addresses the referenced TRB report and comment CO6-2 that addresses the adequacy of the EIS and Buckeye Alternatives analysis.

CO6-4 See the response to comment CO6-2 that addresses the adequacy of the EIS and Buckeye Alternatives analysis.

Concerns regarding the cost to construct and operate the proposed alignment and Buckeye Alternatives are addressed in section 3.4.2.5 and in the responses to comments PM3-15, PM3-28, LA2-80, LA2-83, LA11-3, and IND5-2.

CO6-4
(cont'd)

The level of detail included in the DEIS is inadequate and is difficult to follow. Disjointed descriptions of the different sections of alternatives make it difficult to ascertain the full range of potential impacts. In addition, alternative exhibits are deficient, are not tied to detailed alternative descriptions, and do not include up to date planning details and zoning information for cities included in the study area. The use of dated US Geological Survey topographic mapping, rather than more sophisticated computer mapping and land use analysis tools, prevents impacts from being properly analyzed and presented in the DEIS.

Proximity of the proposed pipeline routing through what will become densely populated developments has been minimized and poorly-treated in the alternatives analysis, and millions of dollars in unaccounted-for costs will be required to assure appropriate setback zones to be adequate to protect future homeowners from risks. These costs must be included in the alternative analysis in a realistic way, with proper weight given to the overwhelming environmental impact that will result from approval of Transwestern's proposed alternative.

The DEIS discusses the two Buckeye alternatives (beginning at pages 3-12) and incorporates cost comparisons with the proposed route (Table 3.4.2-1). This discussion and the accompanying table are fundamentally flawed. The analysis purports to show that the alternatives are \$86 million and \$88 million more costly to construct than the proposed routing, (\$30 million in additional compression). These cost comparisons, that are based on information furnished by Transwestern, are NOT objective, independent estimates and are highly questionable. The acreage acquisition costs appear to be inaccurate and overstated for the alternative routes. The comparative construction costs appear to be inaccurate, as they presume a differential in terrain that is not factually grounded. The claimed necessity of additional compression is unsubstantiated.

The discussion appears to incorporate a presumption that "planned developments" along the proposed route and the alternatives (north and south) stand on the same footing; they do not. Those occupying the proposed route, including Sun Valley Communities, are in advance stages and the associated construction will conflict directly with the pipeline project.

In summary, the comparisons contained in the DEIS are unreasonable and not credible as they pertain to the Buckeye route and the alternative proposed by the City of Buckeye. Moreover, as explicitly stated in the certificate application, Transwestern has contemplated a contingency cost of some \$42 million for the Phoenix project to account for, among other things, "uncertainties in the project scope, such as route revisions." (Application, Exhibit K, page 1) If the costs of the alternatives were appropriately made, any remaining disparities between the costs of construction along the proposed route and along the alternatives would fall easily within this range of contingencies – the very purpose for which the pipeline made such contingencies part of its planning, and stood prepared to accept.

If incremental route costs were properly measured, and if the resulting costs, even approximated the contingency figure of \$42 million, the resulting figures would still remain a fraction of the overall capital expenditures of the pipeline project. As such, they would have marginal impact on the pipeline's "recourse" rates and NO IMPACT on the negotiated rates

II-547

CO6-4 (cont'd) | agreed to by Transwestern in its commercial arrangements with its prospective "anchor" shippers. It may be that Transwestern's shareholders might see a modest reduction in their overall return if the pipeline is constructed along the alternative alignment recommended by the Town of Buckeye, but that fact serves to underscore the inherent flaw in an environmental analysis that simply accepts their factual representations.

Insufficient Detail and Analysis of Socio-Economic Impact:

CO6-5 | Transwestern has concluded (on page 3-19 of the DEIS) that the so-called North and South Buckeye Alternatives (Town of Buckeye Alternative) is "economically unacceptable" due to additional land acquisition requirements. This opinion has been carried forward in the DEIS which also concludes that the Transwestern preferred alternative is more environmentally sound and economically viable.

FERC and Transwestern have reached this conclusion in the absence of information on relative land values in each impacted area. No corresponding reasonable effort has been made in the DEIS to adequately address safety and risk concerns, as well as economic impacts to proposed developments. The document lacks the data needed for a comparative analysis that is required to reach an objective and quantifiable decision supporting the viability of Transwestern's preferred alternative. Normally, the NEPA documentation process, for a project of this magnitude, requires a detailed technical/socio-economic report as an integral part of the analysis that would be included for the benefit of reviewers of the DEIS. This is a major omission in the Phoenix Expansion DEIS.

For example, the statement made in Section 5.1.8 (see page 5-11) that construction of the project would have no significant impact on local populations, housing, employment, or provision of community services is grossly inaccurate and, at best, unsupported from the viewpoint of developers of properties that lie in the path of the proposed alternative.

Furthermore, the right-of-way (ROW) requirements and route chosen for the proposed alternative defined in the DEIS concludes that impacts to lots (temporary or permanent) for the Sun Valley Communities, the Midway Planned Area Development and Elaine Farms Master Planned Community are determined to be "zero" (see Table 4.7.3-2 on page 4-138). This conclusion has been made in error and presents a grossly inaccurate assessment of the impact of the pipeline routing on development projects. Without doubt, the construction and location of a gas pipeline located within 15 feet of residential properties will cause extensive impacts to residential property values, will cause substantial and unmitigated safety risks, and will affect the economic viability and integrity of our development plans and entitlements. None of these issues have been adequately addressed or mitigated in the DEIS, and no socioeconomic analysis has been completed to provide a better understanding of the very significant impacts on the affected communities and proposed developments.

Finally, accurate costs-to-construct estimates are very important to the analysis of the impacts on all four of our properties that are impacted by the Phoenix Extension. These costs should reflect the true land value, construction costs, mitigation costs, entitlement and future development costs for all four properties. At present, the DEIS simply ignores the land value

Companies and Organizations

CO6-5 | The EIS was prepared in accordance with NEPA, CEQ guidelines, and other applicable requirements. The EIS is comprehensive and thorough in its identification and evaluation of the environmental impacts of the proposed project, including socioeconomic impacts, and feasible mitigation measures to reduce those effects wherever possible. The 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. See also the responses to comments PM3-32, LA2-215, and LA2-216 regarding socioeconomic impacts of the proposed project.

The referenced column in table 4.7.3-2 indicates the estimated number of lots that would be crossed by temporary construction right-of-way and permanent right-of-way. As stated in section 4.8.5, the potential impact that the proposed project could have on property values is a damage-related issue that would be negotiated between the landowner and Transwestern. See also the response to comment CO16-14 that explains the project's right-of-way requirements in the Buckeye area.

The proposed project would be designed, constructed, and operated in accordance with DOT requirements that are protective of public safety and, therefore, would not result in substantial, unmitigated safety risks to the referenced development projects.

See the response to comment CO16-25 that discusses construction costs, land values, pipeline burial depth, and the potential for future pipelines to be installed along the proposed right-of-way.

II-549

CO6-5
(cont'd)

impacts of the preferred pipeline route. The affected landowners and developers do not believe an adequate NEPA document can be produced, nor an appropriate certificate of determination can be issued, without the benefit of current, accurate economic information and analysis by a reputable economic consultant.

Before any decisions regarding the proposed gas pipeline routing of the Phoenix Expansion Project, all parties should have access to current, solid economic information used in the impact analysis and an extensive impact analysis which would include:

- The estimated cost of real estate values (2007 values or projected values for the phases of development) of lands to be condemned along the proposed route vis-à-vis the estimated cost of lands for alternative routes that do not extend through proposed residential areas;
- The parameters used to determine the effect of the pipeline on homebuyer behavior, particularly with respect to lot sales within proximity to the pipeline right-of-way, and any studies of recent comparable pipeline location impacts on high-value residential and commercial buyer behavior;
- The potential long-term economic effect of the prospect for locating additional future pipelines along the right-of-way, requiring even further land acquisition for setbacks for safety or access purposes;
- The additional costs associated with burying the pipeline at a level sufficiently deep enough to provide safety for local homeowners and citizens living in the area, and to be located at an adequate depth to pass beneath appropriate road crossings required over the pipeline routing at various intervals;
- The short and long term effect on future construction of planned developments, buildings, roads, infrastructure, businesses, schools, parks and other activities affected by the placement of a pipeline along the proposed routing; and
- The service and infrastructure costs to the community to assure consistent and continued safety measures for life and property.

Superficial Cumulative Impact Description of Buckeye and Casa Grande Geographic Areas

CO6-6

The cumulative impact analysis in the DEIS is only a few pages long, and is inadequate because it does not take the cumulative impacts seriously. The Cumulative Impact Analysis is a critical aspect of preparation of an Environmental Impact Statement on any major federal action of the magnitude of the Phoenix Extension Project. Unfortunately, the DEIS pays little attention to cumulative impacts, which is a serious deficiency that must be rectified. The DEIS is deficient in description of the affected geographic areas of western Maricopa County, of the Town of Buckeye, of the City of Casa Grande, and, for that matter, central Arizona. It is disturbingly silent on the cumulative actions of other federal, state, city, and

CO6-6

See the responses to comments PM3-2 and FA4-7 regarding the adequacy of the analysis presented in the draft EIS and additional information regarding projected growth rates in the areas affected by the project, respectively.

CO6-6
(cont'd)

private sector economies, tax base, proposed developments and population growth within the study area.

In Table 4.12-1 (pages 4-206 – 4-207 of the DEIS) an attempt is made to provide a list of existing or proposed activities that will have a cumulative impact on the proposed alternative. This list is incomplete in describing affected communities and proposed development, and it inaccurately characterizes their status of the development activity.

The cumulative impact analysis section of the DEIS contains important discussions about the pipeline that crosses the western portion of the Phoenix Metropolitan area. This is an area affected by dynamic growth, complex land use and transportation planning, and supports extensive movement of people and supporting land developments. The affected landowners and developers, along with local governments are concerned with the lack of detail and attempts to ascertain what the current and proposed developments exactly are. This section requires much more input from local and Federal Government agencies, stakeholders, and in-depth research to ascertain the full range of developments proposed for the project study area.

Pipeline Construction Standards:

CO6-7

To mitigate construction costs, the DEIS states that construction would be in accordance with the Minimum Federal Safety Standards in Title 49 CFR Part 192. The DEIS states that the “the proposed pipeline has been designed in anticipation of development in the Buckeye area”. The affected landowners and developers of Sun Valley Communities, Elaine Farms, Midway Planned Area Development and Enterprise Ranch strongly disagree with this statement. The pipeline analysis included in section 4.11 of the DEIS does not convincingly sustain the position that the proposed 40-inch pipeline burial depth will be adequate to protect the public safety in the event of an accident. A much greater study should be conducted. .

The affected landowners and developers concur with the recommendation made by Pulte Homes Corporation and Stardust-Tartesso that any pipeline constructed within our developments should be located at a depth of from 14 to 20 feet due to anticipated utility installations, and as a means of mitigating risk. Furthermore, *quarterly* integrity checks of the pipeline should be required through these developed areas, using the latest in smart pig technology.

The potential risk involved in locating a high pressure natural gas transmission line proximate to residential areas, as currently proposed, has not been sufficiently addressed in the DEIS. The pipeline, currently designed to have 40 inches of cover within developed areas (a negligible increase of 4 inches over the standard design cover depth of 36 inches), would be located within 15 to 300 feet of hundreds of residential lots and within 300 to 600 feet of proposed schools. The construction standards being considered for Sun Valley, Midway, and Elaine Farms are more appropriate for a rural area, not a densely populated master planned community.

Companies and Organizations

CO6-7 See the responses to comments PM3-7, PM3-8, and PM3-30, LA2-8.

CO6-7 (cont'd) Transwestern has not adequately addressed the pipeline impacts on the current and projected residential populations within the Sun Valley, Enterprise, Midway and/or Elaine Farms properties. Transwestern and FERC should employ much more stringent pipeline considerations if the proposed alternative is to be selected.

II. Issues Pertinent to Specific Properties

CO6-8 **Sun Valley Development (Traversed by 7.2 miles of the Pipeline): the four Villages of Sun Valley are located between Mileposts 137.8 and 145.5.**

The Sun Valley Community Villages covers approximately 12,000 acres, composed of Village I (3,036 acres), Village II (2,733 acres), Village III (2,216), and Village IV (3,882). Transwestern's preferred alignment would traverse this property for 7.2 miles, potentially impacting approximately 746 acres if safety buffers suggested by the Transportation Research Board were to be adopted.

It is clear from recent discussions with Transwestern that the proposed pipeline routing was predicated on erroneous or incomplete intelligence about the circumstances of the Sun Valley properties and the surrounding area. From the outset, Transwestern and its agents assumed, erroneously, that this was un-populated and open desert. That is not the case. In fact, this area west of the White Tank Mountains is an emerging community of master planned developments that are entitled and a form a significant part of the Town of Buckeye and the greater Phoenix metropolitan region. When built-out, the area west of the White Tank Mountains is expected to home to more than one million people.

Specifically, Table 4.7.3-2 fails to describe all four Sun Valley Villages and erroneously describes the properties as "proposed" as opposed to "approved".

Transwestern estimates that the cost to construct the North and South Buckeye Alternative route would be between \$74.1 million and \$128 million more than the proposed alternative alignment through Sun Valley, and, as a result the DEIS states that "Transwestern has stated that these additional capital costs render both of the Buckeye alternatives economically unacceptable."

The North and South Buckeye alternatives routing (recommended by the Town of Buckeye) is preferable because it would route the pipeline well away from the developing urban areas located within the Town of Buckeye, thereby, avoiding and minimizing the potential adverse impacts to property developments. The North and South Buckeye alternatives, if adopted, would also mitigate impacts to Sun Valley Communities.

The substantial estimated severance damages along the full 7.2-miles of Sun Valley Communities with the expected intensity of impact is likely to render Transwestern's proposed alternative untenable on a cost basis alone.

The greatest safety risk to this pipeline, if installed as currently proposed through this development, is the possibility of excavation/boring equipment damaging the pipe during

CO6-8 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. Additional description of the Buckeye development plans has been incorporated into section 3.4.2.5.

Table 4.7.3-2 indicates that the proposed alignment would cross Sun Valley and Valley Village III for a distance of 7.7 miles. These are the names of the developments as indicated on the Comparative Pipeline Route map provided to the FERC staff by Buckeye stakeholders during the December 14, 2006 technical conference held in Buckeye. These are also the names of the WVSU developments given on the Town of Buckeye website.

See the responses to comments PM3-15 and CO16-15 regarding comparative land acquisition costs, and comments PM3-45 and CO16-20 that discuss the referenced TRB study and setbacks, and pipeline class costs, respectively.

See the response to comment PM3-7 regarding future utility crossings of the SRP easement. Additional discussion regarding the number and location of future utility crossings has been added to section 3.4.2.5.

CO6-8
(cont'd)

the installation across the proposed alignment of planned potable water (10 crossings), sewer (6 crossings), and reclaimed water (7 crossings) pipelines, and dry utilities (35 crossings) such as electrical, phone, cable, and fiber optic lines, across the pipeline. At this time, a total of 58 such utility crossings are planned for the Sun Valley Communities alone. The potential for corrosion damage over time also cannot be ignored.

According to the DEIS, the design Class Location for the Sun Valley Properties is Class Location 2; where as, the planned density of this area supports a design Class Location of Class Location 3. When the cost of construction through this area, as described in the DEIS (Class 2) is compared to the cost of construction under Class Location 3, the increased cost differential is approximately \$2.6 million through the 7.2 miles of ROW through the Sun Valley Development Communities (plus an order of magnitude of 25 – 30% for installing the pipeline at depth of 14 – 20 feet of depth).

If an impact zone or setback within Sun Valley Communities of a 600 feet either side of the centerline were to be required (as suggested by the previously referenced TRB report), it would eliminate development from approximately 746 acres. Using a conservative cost of \$30,000 per acre, the land acquisition costs would total \$22,380,000 just for land costs in this one community alone.

Other severance costs associated with impact on the viability and integrity of development plans, threats to our entitlements and the development delays, expense and uncertainty required to make what could be extensive plan modifications, would add additional millions of dollars to the cost of the Transwestern preferred alternative routing. Taking this one step further, the Sun Valley property represents 26 percent of the planned communities along the 27-mile route through this area. Accordingly, it is conceivable that similar costs to all the affected developments in the Hassayampa Valley could be as high as \$100 million.

Enterprise Ranch Development (Traversed by .75 miles of the Pipeline)

CO6-9

Enterprise Ranch is located in Maricopa County, includes a total potentially developable acreage of 3,460 acres. This property was omitted from the evaluation of affected developments contained in Table 4.7.3-2 in the DEIS. It should be included and addressed since Transwestern's proposed alternative would cross through an 81.58 acre parcel of the property located on the north side of the project. The proposed alignment as presently planned would render the entire 81.50 acres an economic remnant for our purposes. Transwestern's proposal to build an access road into this area would further compound the impacts. These impacts and costs (based on a reasonable estimate of average land value of \$30,000 per acre) would approximate \$2.4 million, not including severance damages.

A potential variation described in the DEIS as the Pinal County EPNG Co-Location Variation, which would co-located the proposed pipeline into one that parallels the existing EPNG pipeline right-of-way, located nearby. FERC's comment on page 39 of the DEIS directs Transwestern to work with EPNG to develop variations of the Phoenix

Companies and Organizations

CO6-9

Section 4.7.3.2 has been revised to include the proposed Enterprise Ranch project and section 3.6 has been revised to include a discussion of the project. As discussed in section 3.6, the FERC staff has concluded that the proposed alignment of the Phoenix Lateral would have limited impact on the proposed Enterprise Ranch project.

CO6-9
(cont'd)

Lateral that would avoid the placement of permanent right-of-way on platted lots within certain named subdivisions. Enterprise Ranch was not included in this directive, and certainly should be part of it. Detailed analysis of this alternative would have resulted in minimize impacts on Enterprise Ranch, thereby affecting only the 40 acre parcel on the far north side of our property, thereby reducing the cost and land acquisition impacts by as much as half, or by approximately \$1.2 million.

CO6-10

These costs and impacts identified in these aforementioned comments will be discussed in greater detail in forthcoming comments for submission on June 18. These issues are of critical importance to the proposed developments and should be taken seriously in these deliberations, and in evaluation of alternatives to the routing for the Transwestern Phoenix Expansion Project. FERC and Transwestern should take the time to develop realistic land use and economic impact information and analysis in this DEIS. Additional analyses and consideration will lead to the conclusion that the so-called North and South Buckeye Alternative routing will be a preferable location for the Transwestern Phoenix Expansion Project and will avoid millions in unnecessary costs and adverse socio-economic impacts.

Prior Correspondence

Also submitted for the DEIS record as Attachment C, is a letter from WWSV Holdings, LLC to FERC reporting on prior communication with and requests for information from Transwestern Pipeline Company.

Attachments:

- Alternative A: Master Plan Maps
- Attachment B: TRB Special Report #281
- Attachment C: WWSV Holdings LLC letter of March 30th, 2007 to FERC re: Transwestern Pipeline (including attachments to same)

Companies and Organizations

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CO6-10 See the responses to comments CO16-1 through CO16-87 in reply to WWSV's written comments on the draft EIS.

ATTACHMENT A

Property	DEIS Appendix B Map Sheet Number(s)	Ownership Entities
Sun Valley	44 thru 47	WVSV Holdings, L.L.C.
Enterprise	57 and 58	Rezzonico Ranches, L.L.C.
Midway	73 and 74	Vanderbilt Farms, L.L.C.; Irvine Land Partners, L.L.C.; ABCDW, L.L.C.; BADC, L.L.C
Elaine Farms	81	ABCDW, L.L.C.

Non-Internet Public

FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE
PROPOSED PHOENIX EXPANSION PROJECT
Docket No. CP06-459-000

Volume II; CO6 Sun Valley Community, Gas Line Easement
Detail Exhibit
Page II-555

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public.referenceroom@ferc.gov.

II-555

Non-Internet Public

FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE
PROPOSED PHOENIX EXPANSION PROJECT
Docket No. CP06-459-000

Volume II; CO6 Enterprise Ranch, Conceptual Landuse Plan
Page II-556

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Non-Internet Public

FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE
PROPOSED PHOENIX EXPANSION PROJECT
Docket No. CP06-459-000

Volume II; CO6 Existing Midway Planned Area
Development

Page II-557

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Non-Internet Public

FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE
PROPOSED PHOENIX EXPANSION PROJECT
Docket No. CP06-459-000

Volume II; CO6 Elaine Farms Preliminary Layout Plan
Page II-558

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Attachments B and C to this letter are too voluminous to include in this EIS. They are available for public inspection from the FERC's Office of External Affairs at 1-866-208-FERC or on the FERC Internet website (www.ferc.gov) using the eLibrary link. Click on the eLibrary link, click on "General Search," and enter the docket number excluding the last three digits in the Docket Number field (i.e., CP06-459). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, contact (202) 502-8659. **The Category/Accession number for this submittal is 20070613-5025.**

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BETTS & HOLT LLP

COUNSELLORS AT LAW

1333 H STREET, NW • WEST TOWER 10TH FLOOR • WASHINGTON, DC 20005
TELEPHONE 202.530.3380 • FAX 202.530.3389

June 13, 2007

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.W.
Washington, D.C. 20426

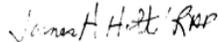
Re: Transwestern Pipeline Company, LLC
Phoenix Expansion Project
Docket No. CP06-459-000

Dear Ms. Bose:

CO7-1 Enclosed please find two documents, which are being submitted for filing by WVSV Holdings, L.L.C. and related entities ("WVSV") at the request of the Commission's Staff. The first document (with attachments) is the *Comments on Transwestern Pipeline's Proposed Phoenix Expansion Project Draft Environmental Impact Statement (DEIS)*, which contains information presented by H. Pike Oliver on WVSV's behalf at the public meeting held on June 6, 2007, in Buckeye, Arizona. The second document is the *Comments of Jerry Witt on Transwestern Pipeline's Proposed Phoenix Expansion Project Draft Environmental Statement*, which contains information presented by Jerry Witt on WVSV's behalf at the public meeting held on June 7, 2007 in Casa Grande, Arizona.

Please file these documents in the above-captioned proceeding. If you have any questions about this matter, please feel free to contact me at (202)530-3380.

Very truly yours,



James H. Holt
For the Firm

Companies and Organizations

CO7-1 The comments of Jerry Witt are addressed in the responses to comments CO7-2 through CO7-4. It is noted that a correction to page 3 of these comments was filed in a letter dated June 22, 2007 (see comment letter CO24 and the response to comment CO24-1). The comments of H. Pike Oliver are addressed in the responses to comments CO6-1 through CO6-10.

Transwestern Phoenix Lateral Project

Draft Environmental Impact Report
 FERC Public Comment Meeting
 Casa Grande, AZ
 June 7, 2007

CO7-2 Good evening. For the record, my name is Jerry Witt¹ and I am appearing on behalf of the ownership of four properties affected by the proposed Phoenix Expansion Project natural gas pipeline being considered for approval by the Federal Energy Regulatory Commission (FERC).

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

- adequately consider alternatives and incorporate mitigation measures;
- incorporate and analyze widely available socio-economic data;
- consider cumulative impacts of the Transwestern proposal, and;
- mitigate potential risks by incorporating pipeline construction standards appropriate to a facility that will be proximate to substantial population.

At last night's meeting in Buckeye, Pike Oliver also submitted, as Attachment B to his written statement, a copy of a 2004 report by the Transportation Research Board (TRB), titled *Transmission Pipelines and Land Use: A Risk Informed Approach*. FERC participated in this study. It concludes that:

¹ Comments submitted by Jerry Witt of W HOLDINGS, 1121 W Warner, Rd., Ste 109, Tempe, AZ 85284 on behalf of: WSV Holdings, LLC; Rezzonico Ranches, LLC; Vanderbilt Farms, LLC; Irvine Land Partners, LLC; ABCDW, LLC; and BADC.

Companies and Organizations

CO7-2 See the response to comment PM3-2 that addresses the adequacy of the EIS.

See the response to comment PM3-45 that addresses the referenced TRB report.

CO7-2
(cont'd)

- more extensive efforts are required to locate major gas pipelines away from developed communities and high-population centers to avoid safety risks, and;
- greater setbacks, protective measures and creative monitoring are necessary to assure safety to adjoining developments, and makes the case that pipelines and densely populated areas don't mix.

I'll conclude with a brief summary of impacts and issues affecting the two properties located closer to this evening's session – the Midway Planned Area Development and the Elaine Farms subdivision

CO7-3

Midway. The proposed Transwestern pipeline would transect the heart of the northern half of Midway Planned Area Development, crossing diagonally through proposed green spaces and abutting two planned schools.

- This alignment is parallel to an existing El Paso Natural Gas pipeline, which contains two high pressure natural gas transmission lines (one 38-year-old 36-inch line and one 21-year-old 30-inch line). While it is desirable to co-locate these pipelines, the possible addition of a third high pressure line (the proposed Transwestern Pipeline) through this development increases the safety risks substantially. The possibility of a failure, which would likely involve all three pipelines, would render lots nearest to the pipeline unacceptable to most buyers, and certainly to a school district.
- If the standard recommended by the Transportation Research Board of a setback of 600 feet from the centerline were to be adopted (in the absence of other mitigation measures), we estimate the planned pipeline location would

Companies and Organizations

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CO7-3

As noted in section 4.7.3, the Midway is a proposed project that is in the relatively early stages of planning. EPNG operates four high pressure natural gas pipelines in a single corridor through the northwestern quadrant of Midway. This corridor bifurcates in central Midway, with two EPNG pipelines continuing toward the east and two continuing toward the south. A conceptual land use plan filed by the developers of Midway indicates that Midway would be constructed on all sides of the various EPNG pipelines.

The Phoenix Lateral would be constructed and operated through Midway in accordance with applicable federal safety regulations and thus would not increase safety risks substantially as suggested by the commentor. We do not agree that buyers that would purchase lots near the existing EPNG pipelines would find those lots unacceptable due to the addition of the Phoenix Lateral. We also disagree with the commentor's estimate of the impact that a hypothetical 600-foot-wide setback from the Phoenix Lateral would have on Midway. The existing EPNG rights-of-way cross Midway for approximately 28,000 feet; therefore, a 600-foot-wide setback from the existing pipelines would encompass approximately 771 acres. The Phoenix Lateral would cross Midway for approximately 16,900 feet and would be constructed in the center of a 50-foot-wide permanent right-of-way adjacent to one side of the existing EPNG right-of-way. Because the hypothetical 600-foot-wide setback would be measured from the centerline of the Phoenix Lateral, the resulting impact from such a setback due to the addition of the Phoenix Lateral would be approximately 10 acres, not 742 acres as estimated by the commentor (see comment letter CO24).

Regarding class location, 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. In addition, new HCAs may be identified over time, such as when population distributions change or new sites that are occupied by 20 or more persons are identified. Transwestern must consider such changes to determine whether new HCAs have been created. A newly identified HCA must be incorporated into the integrity management program within 1 year of its identification.

CO7-3
(cont'd)

impact a substantial number of lots (approximately 573) on 319 acres (while only 18 acres are included in the permanent ROW.) This represents an enormous economic impact to the development – in the range of \$29 million, which would have to be compensated.

- Finally, the design Class Location for Midway is described in the DEIS as Class 2. In view of the intensity of the planned development, this designation should be upgraded to Class 3.

CO7-4

Elaine Farms. The proposed Transwestern pipeline route would be located approximately 400 feet from the north boundary of Elaine Farms.

- The zoning for Elaine Farms has been approved, the developer has submitted the subdivision plat for the final stage of processing, and is currently preparing the improvement plans, while awaiting approval of the final Conditional Letter of Map Revision by the Army Corps of Engineers.
- If the standard recommended by the Transportation Research Board of a setback of 600 feet from the centerline were to be adopted (in the absence of other mitigation measures), this could result in lot losses (and additional pipeline construction costs) ranging from \$3.2 million to \$7 million.

Thank you for the opportunity to comment.

Companies and Organizations

CO7-4

As indicated by the commentor, the Phoenix Lateral would be located no closer than 400 feet from Elaine Farms, a development that is going through the local approval process. Based on this distance, the proposed project would not impact Elaine Farms.

WVSV's comments regarding the potential impact of the project on nearby land values are noted. The potential effect of the proposed project on property values is discussed in section 4.8.5. See also the response to comment PM3-45 that addresses the referenced TRB report.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 13th day of June, 2007


Russell A. DeVilbiss



El Dorado
Holdings, Inc.

FILED
OFFICE OF THE
SECRETARY

2007 JUN 12 P 2:56

June 5, 2007

ORIGINAL

REGULATORY COMMISSION

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St., NE; Room 1A
Washington, DC 20426

Re: Proposed Transwestern Pipeline in Buckeye, Arizona
OEP/DG2E/Gas 2
Transwestern Pipeline Company, LLC
FERC Docket No. CP06-459-000

Dear Ms. Bose:

CO8-1 Thank you for allowing us to comment on the draft Environmental Impact Statement, the proposed routes for the new Transwestern gas pipeline project, and how it affects our Douglas Ranch project in Buckeye, AZ.

We oppose the "Alternative Route" for the high pressure natural gas pipeline in Buckeye that traverses the southeast portion of Douglas Ranch along the Central Arizona Project canal. In this vicinity, we have planned for four bridges crossing the CAP canal, which we have been coordinating with the Central Arizona Water Conservation District. We also have residential land uses adjacent to the Alternative that are not compatible with the gas line.

While the APS 500KV power corridor has been approved, the APS right-of-ways have not been finalized and any proposed additional utilities will need to respect our proposed land uses, utility placements, and bridge construction.

Please feel free to contact me if you have additional questions.

Regards,

Tom Hennessy, PE
General Manager, Douglas Ranch

One Gateway Center

426 North 44th Street, Suite 100 • Phoenix, Arizona 85008 • (602) 955-2424 • FAX (602) 955-3543

II-565

Companies and Organizations

CO8-1 El Dorado Holdings, Inc.'s opposition to the alternative route for the high pressure natural gas pipeline in Buckeye that traverses the southeast portion of Douglas Ranch along the CAP canal is noted. It is noted that this opposition was withdrawn in a letter dated June 16, 2007 (see comment letter CO27 and the response to comment CO27-1).