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June 18, 2007

Kimberly D. Bose, 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. Bose:

Please accept for filing Stardust-Tartesso W-12 Inc. and Pulte Home Corporation's
**Supplement to Preliminary Comments and Request for Withdrawal of the
Draft Environmental Impact Statement.**

Sincerely,

Landon W. Loveland

LWL/me
Enclosure

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I.
SUPPLEMENTAL COMMENTS

A. The DEIS Unreasonably Fails to Address Safety Issues Related to the Proposed and Alternative Pipeline Routes

CO20-2

Transwestern seeks to run a 36-inch high-pressure gas transmission line through Buckeye, Arizona. One need only glance at a map of the proposed and alternative pipeline routes to identify what ought to be a core issue in the siting decision: the proposed route runs right down the spine of Buckeye's principal development corridor, effectively bisecting it "the long way" (i.e., from north-to-south). By contrast, the alternative route cuts through Buckeye's development corridor "the short way" (i.e., east-to-west) and heads out into open land where there are no development plans. It takes no elaborate analysis to understand that gas transmission lines have risks associated with them, and that the degree of risk involved varies considerably based on the potential for excavation along the pipeline route and the extent to which people and property would be close enough to the pipeline to be endangered by a potential release. From the time Transwestern filed its application, the Town of Buckeye and a variety of Buckeye-area landowners and developers (hereafter collectively "commenters") have identified safety as a concern and urged consideration of the alternative route as a means to reduce the risks associated with the proposed pipeline. In particular, commenters presented information showing that the risks associated with excavation would be much more significant along the proposed route than the alternative route, and that much larger numbers of people and structures would be at risk along the proposed route than the alternative route.

CO20-2 See the responses to comments PM3-2, PM3-7, PM3-8, PM3-16, PM3-45, and LA2-8.

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FERC staff has largely ignored these safety issues and has made little effort to explore the underlying factual issues relating to the differences in excavation risks and the numbers of persons and structures expected to be present along the proposed and alternative routes. Indeed, the DEIS provides no information at all concerning the extent of excavation risks or the numbers of individuals and structures that would be at risk along the two routes. The only discussion of safety is dismissive and generic, as though the siting of a pipeline is irrelevant to safety. The DEIS is conspicuously inadequate in this regard.

Safety is an issue that FERC cannot ignore. The National Environmental Policy Act ("NEPA"), which FERC is bound to comply with in this matter, requires broad consideration of potential impacts on the human environment, and specifically cites the need 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) and 4332. It is undeniable that gas pipelines – particularly high-pressure transmission lines – have a potential for significant adverse impacts on life, property, and the environment. The extent of the risk associated with such pipelines is dependent on two factors: the likelihood of a pipeline incident occurring, and the magnitude of the potential consequences should an incident occur. The extent of development along a gas pipeline has a direct and substantial impact on both of these factors.

The impact of development upon the risk of a pipeline incident occurring is largely a function of the extent of excavation activity involved in the construction and maintenance of community infrastructure along and especially across the pipeline route. The extent of such excavation is a critical safety factor, because

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excavation has the potential to rupture existing pipelines or to cause damage that can lead to a rupture days, months, or even years after the fact. Experience has shown that the risk involved is significant. Indeed, excavation is the number one cause of serious pipeline incidents involving onshore gas transmission lines. According to OPS statistics for the last twenty years (1987-2006), excavation accidents have accounted for over a third of all serious pipeline incidents involving onshore gas transmission lines and close to half of the fatalities and property damage associated with such incidents. It follows that serious incidents involving gas transmission lines are disproportionately likely to occur in areas where excavation activities are likely to occur. Significant risks are involved even where the parties involved are relatively sophisticated and the presence of the gas pipeline is known; hence the concern El Paso Natural Gas Company expressed at the prospect of having Transwestern's pipeline located alongside its own. See January 26, 2007 Comments of El Paso Natural Gas Company. The validity of such concern was tragically illustrated last November 12th when excavation associated with the installation of a new pipeline Southwest of Cheyenne, Wyoming ruptured an existing 36-inch gas transmission line, creating a massive fireball visible from more than fifty miles away and killing the backhoe operator (an employee of a pipeline contractor). See Attachment A.

The impact of development on the potential consequences of a pipeline incident is even more obvious: the more people and structures in close proximity to a pipeline, the worse the consequences of a pipeline incident could be. A gas transmission line incident that might have limited impact out in the open could have truly catastrophic impact if it occurred in the middle of a dense residential development. For example, it is fortunate that the recent incident in Wyoming

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occurred in a rural area, because the resulting fireball incinerated fence posts, cracked rocks, and left a 600 acre swath of land looking "like the moon." [See Attachment B.](#)

Had this incident occurred in an urban setting amid dense residential and commercial development, the consequences would obviously have been horrific. From an overall risk standpoint, the point is clear: the bulk of the total risks associated with gas transmission lines are disproportionately concentrated in those limited areas where the consequences of an incident would be greatest: i.e., where gas transmission lines pass close to large numbers of persons and structures.

As commenters have repeatedly pointed out, Transwestem's proposed route is the worst-case scenario from a safety standpoint. Because this route runs through the middle of a massive residential and commercial development corridor, it effectively maximizes both excavation risks and the number of persons and structures that would be at risk should a pipeline incident occur. Commenters have also provided information indicating that the alternative route has substantially lower excavation risks and would put far fewer persons and structures at risk. It seems obvious that the increased risk factors associated with the proposed route are worth avoiding. The DEIS, however, treats them as factors that aren't worth considering at all.

In 2004, the Transportation Research Board (TRB) released Special Report 281, entitled "Transmission Pipelines and Land Use: A Risk-Informed Approach" (the "TRB Study"). The TRB Study was prepared in response to a Congressional mandate for the Department of Transportation, in conjunction with FERC and other governmental entities, to undertake a study of issues related to problems with the encroachment of development on pipeline rights-of-way. The study found that

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“pipeline incidents have a potential for significant impact on life, property and the environment,” that “human activity in the vicinity of pipelines” poses risks that increase with “increasing urbanization and land development activity near transmission pipelines,” and that land use decisions “can affect the probability of pipeline failures and the consequences arising from incidents.” TRB Study at 67-68. The study concluded that “[j]udicious land use decisions can reduce the risks associated with transmission pipelines by reducing the probabilities and the consequences of incidents,” and recommended the development of risk-informed land use guidance to facilitate such decisions. TRB Study at 73, 75. FERC should recognize that the findings and conclusions of the TRB Study are relevant not just to land use decisions by local governments, but to its own line siting decisions. Just as the encroachment of development on pipelines warrants concern, so too does a decision to allow a pipeline to encroach on already-approved development.

Unfortunately, the DEIS’s “consideration” of safety is largely confined to efforts to dismiss the subject. The DEIS starts by suggesting that safety really isn’t FERC’s issue, observing that pipeline safety is regulated by the Department of Transportation (“DOT”) through the Pipeline and Hazardous Materials Safety Administration’s Office of Pipeline Safety (“OPS”). The DEIS notes that FERC defers to OPS and “does not impose additional safety standards other than the DOT standards.” DEIS at 4-191. However, FERC cannot ignore the fact that OPS has no jurisdiction over pipeline siting; that is FERC’s exclusive province. Where – as here – there are safety impacts directly associated with a pipeline siting decision, FERC is the only Federal agency that can consider those impacts and it cannot reasonably decline to do so.

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Rather than consider the safety impacts of the pipeline siting decision, the DEIS suggests that safety isn't much of an issue at all. Specifically, the DEIS relies on a generic fatalities-per-mile of pipeline statistic as a basis to conclude that the proposed pipeline route poses no significant risk. DEIS 4-200 – 4-201. The problem with this approach is obvious: by using an average fatalities-per-mile of pipeline statistic to evaluate the proposed route, the DEIS *literally assumes that the pipeline miles along the proposed route are "average" miles in terms of risk*. In effect, this assumes away the core point commenters have raised: the proposed route – because it runs through the middle of a massive residential development corridor – poses disproportionate risks that are grossly in excess of average pipeline risks.

The DEIS does appear to acknowledge that disproportionate risks are created when transmission lines run through areas of dense residential development. In particular, the DEIS notes that the OPS regulations impose more demanding construction and operational requirements when pipelines pass through more developed areas (referred to in the OPS regulations as Class 3 or Class 4 locations). See DEIS at 4-192 and 4-194. However, the DEIS seeks to discount these safety concerns by suggesting that Transwestern's pipeline will be designed with a pipe thickness and grade appropriate to the level of development anticipated along the proposed route. DEIS at 3-18. In fact, however, it appears that Transwestern has not designed the pipe thickness and grade for the level of development anticipated. Rather, Transwestern has identified only a small portion of the proposed route through Buckeye as a "Class 3 location" requiring thicker pipe. See DEIS at Table 4.11.1-1. In fact, virtually the entire route through Buckeye will qualify as a Class 3 location.

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The DEIS also acknowledges and attempts to dismiss concerns about the excavation risks associated with utility conflicts. In this case, the DEIS makes the baseless suggestion that the trivial difference involved in burying the pipeline four inches deeper would somehow have a non-trivial impact on the problem. DEIS at 3-18. Given the nature and extent of utility conflicts at issue, it is clear that it would not. See Attachment C. The DEIS then refers to typical generic measures that have been used for years to reduce excavation risks to pipelines but clearly have not solved the problem. *Id.*

The record shows that FERC's approval of the proposed pipeline route would put the pipeline in an extremely unfavorable location from a risk perspective, creating a disproportionate risk that a pipeline incident will occur and that the consequences of such an incident would be disproportionately severe. FERC cannot ignore the direct safety impacts of its line-siting decision, nor can it blithely assume that the OPS regulations are a "risk equalizer" sufficient to erase them, whatever their magnitude may be. Instead, FERC must undertake some real analysis. In particular, it must consider how many and what kinds of utility crossings the proposed route would involve, and how much excavation will be associated with these conflicts over time. Similarly, it must consider how many persons and structures would be close enough to the pipeline to be at risk in the event a pipeline incident were to occur. Only with such information can FERC begin to engage in reasoned consideration of the safety issues involved in its siting decision.

The record in this proceeding does not provide the information required for such a review. There is some significant information in the record on existing and planned utility crossings, but this information – while sufficient to identify the nature

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of the problem – does not provide a sufficient basis either to quantify its impacts or to permit a reasoned comparison of the proposed and alternative routes. Similarly, there is some information in the record concerning the proximity of homes and other structures to the proposed and alternative pipeline routes, but not enough information to support a reasoned review of the issues.

Because neither Transwestern nor FERC have done so, Pulte and Stardust are currently preparing a route study to provide some of the key information needed to support a review of the safety issues involved in FERC's line siting decision. This route study should provide a reasonable assessment of the nature and number of utility conflicts involved along the proposed and alternative routes, as well as an estimate of the impacts to planned residential, commercial, and other land uses. This information should provide the basis to evaluate the risks associated with the proposed route and to compare the relative risks associated with the proposed and alternative routes. While this study will take additional time to complete, preliminary analysis suggests that the differences between the proposed and alternative routes are significant, with the proposed route imposing many times the risk of the alternative route. In particular, available information and current engineering practice indicate that there are likely to be more than ten times the number of utility crossings associated with planned development along the proposed route than the alternative route, suggesting an order-of-magnitude difference in excavation risks. Similarly, preliminary information indicates that there would be roughly three times more homes and other structures at risk along the proposed route than the alternative route, and – importantly – that those along the alternative route would tend to be

CO20-2 (cont'd) farther away from the pipeline. These considerations further magnify the extent of the risk differences between the proposed and alternative routes.

CO20-3 FERC cannot dismiss risk as an issue without making any effort to consider the magnitude of the risks involved. Accordingly, FERC has an obligation to consider the kind of information Pulte and Stardust are developing and cannot reasonably proceed without it. FERC must therefore withdraw the DEIS pending further information gathering and review.

B. The Draft EIS Dismisses the Alternative Route Based on a Transparently Skewed and Inadequate Analysis.

CO20-4 The alternatives analysis is one of the core elements of any NEPA review. In this case, the DEIS provides an alternatives analysis that – with respect to the Buckeye issues – is transparently skewed and inadequate. The problems with this analysis are numerous and pervasive. Factors that favor the proposed route are unduly emphasized, while factors that favor the alternative route are unreasonably discounted or ignored. Throughout, the DEIS unquestioningly relies upon unreliable and in some cases clearly inaccurate information.

The data ostensibly relied upon for purposes of the alternatives analysis is outlined on Table 3.4.2-1 of the DEIS. As already indicated, data relating to safety issues is conspicuously absent. There is no information at all on the extent of anticipated utility crossings or on the number of persons, homes or structures that would be in harm's way along either route. Indeed, the impacts of development are included only in two obviously flawed statistics. The first provides numbers (in miles) for "existing developments crossed or abutted" and the second provides numbers for residential lots within 50 feet of the proposed right-of-way. Both of

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CO20-3 See the responses to comments PM3-2 and PM3-3.

CO20-4 See the response to comment PM3-12 regarding the adequacy of the alternatives analysis contained in the draft EIS. 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. 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.

Section 3.4.2.5 has been revised to include additional discussion regarding the utility crossings in the Buckeye area.

The statistics of "number of miles of existing developments crossed or abutted" and the "number of residential lots within 50 feet of the construction right-of-way" provide a meaningful quantification of the relative degree of development in proximity to the proposed project or alternative routes. Also, utilizing the proximity of existing residential lots to the proposed pipeline or alternatives is a reasonable means of estimating the number of lots that may be actually located near the pipeline in areas of future development.

The proposed project would be designed, constructed, and maintained in accordance with DOT regulations that are protective of public safety. Transwestern would be required to monitor development activity near the pipeline and implement measures to remain in compliance with DOT regulations in response to class changes along the route.

The suggestion that future developments would not encroach on the APS Palos Verde Hub to TS-5 500 kV transmission line, thus providing greater room between future developments and the Buckeye Alternatives, is contradicted by development plans along the proposed route that demonstrate that electric transmission lines do not necessarily discourage encroachment by development.

The crossings of the CAP canal that would be necessary if the North Buckeye Alternative were adopted would be substantial undertakings when compared to conventional crossings of existing roadways.

The evaluation of the Buckeye Alternatives was not based solely on costs, although for an alternative to be adopted as the preferred alternative, it must be economically viable. Transwestern estimates that construction of the Buckeye Alternatives would cost approximately \$74 million more than the proposed project and has stated that the additional

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these measures do more to mask than illuminate the important differences between the proposed and alternative routes.

The data on “existing developments crossed or abutted” appears to capture virtually all anticipated development along the alternative route, but significantly understates the extent of development along the proposed route. In fact, it appears that over 20 miles of the proposed route would cross or abut planned development, not 14.9 miles as the DEIS suggests. In any event, the number of miles of “existing developments crossed or abutted” is a poor measure of impacts on development, because it assumes that all miles “crossed or abutted” are equal. As already mentioned, preliminary information from Pulte and Stardust’s route study suggests that developments “crossed or abutted” along the proposed route would be subject to far greater risks than developments along the alternative route.

The data on residential lots within 50 feet of the pipeline right-of-way is of similarly little value. As already repeatedly discussed in Pulte and Stardust’s previous filings, this statistic is practically meaningless from a safety standpoint. In any event, the figure provided for the alternative route is based on an average derived from data available from developments along the proposed route. The DEIS thus assumes that development along the alternative route would be just as dense and just as proximate to the pipeline as development along the proposed route. There is no basis for such an assumption. A 500KV powerline has already been sited in the utility corridor the alternative route would follow. While the specific location of this power line has yet to be determined, the presence of the powerline right-of-way will have a significant effect on the location of development along the alternative route, and should allow the pipeline to be sited considerably farther away from residential

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costs would render the project uneconomic. The majority of the cost increase would be due to the 19 additional miles of pipeline and additional compression that would be associated with the Buckeye Alternatives. In comment letter A1, Transwestern reaffirmed that approximately 15,000 hp of additional compression at an approximate cost of \$30 million would be required in order for Transwestern to make delivery point pressure obligations and to maintain line pack for contractual deliveries if either of the Buckeye Alternatives are adopted.

Existing and future utility crossings in the Buckeye area are addressed in section 3.4.2.5. Commentors have stated that there could eventually be hundreds of utility crossings across the SRP easement in the Buckeye area, but that the communities along the proposed route have not been designed to avoid the need for utility crossings across the SRP easement (see comment CO3-8). However, 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).

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. It is also not reasonable to require Transwestern to bury its pipeline at a depth of 14 to 20 feet for the entire length through the Buckeye area to accommodate future utility crossings that have not been located or designed and could take decades to develop. Furthermore, 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.

See the responses to comment CO16-20 pertaining to pipeline class comparative costs and comment LA11-3 regarding comparative operations and maintenance costs.

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lots than would be the case along the proposed route. The DEIS completely ignores this important consideration.

Having ignored or masked important considerations favoring the alternative route, the DEIS gives prominent focus on factors purportedly favoring the proposed route. In particular, Table 3.4.2-1 provides data on crossings of the CAP canal (two to none in favor of the proposed route), despite the fact that it ignores all other types of infrastructure crossings (which – if considered – would weigh heavily in favor of the alternative route). The table also provides data comparing the land requirements for the construction and permanent rights-of-way required for the proposed and alternative route. While this indeed is a difference, the DEIS itself concludes that the environmental impacts involved – unlike the safety impacts the DEIS ignores – would be limited, largely temporary, and susceptible to mitigation. Indeed, because the alternative route would follow a designated utility corridor, it is questionable whether the additional land requirements would have much ecological impact at all.

The obvious rationale for rejection of the alternative route is that Transwestern says it is “economically unacceptable.” DEIS at 3-19. From this, the DEIS jumps to the conclusion that the alternative route would not be “economically viable.” *Id.* Nowhere is there any economic analysis to support such a conclusion. Indeed, the DEIS provides no information as to what would or would not be “economically viable” within the context of the massive project at issue. As a result, there is no way to tell whether Transwestern’s expressed cost aversion reflects anything other than a desire to maximize profits without regard to impacts on communities along the pipeline route.

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The economic analysis provided in the DEIS does not even provide a credible basis to evaluate the relative costs of the proposed and alternative routes. As discussed in Pulte and Stardust's June 1, 2007 submission, the DEIS assumes – with no apparent basis – that the alternative route would require a thirty million dollar investment for additional compression. It further assumes (again with no basis beyond Transwestern's bald assertions) that a pipeline running predominantly through rural public land will be more costly on a per-mile basis than pipeline running through a massive residential development corridor. The DEIS's unquestioning acceptance of these representations – which provide the sole basis for the conclusion that the alternative route would be relatively costly – clearly does not reflect the kind of hard look the law requires.

Whatever the basis for the cost estimates provided, it is clear that they could not be accurate, because they fail to account for a variety of important factors. As already indicated, the record does not provide sufficient information to quantify the problems associated with utility conflicts, and these problems have significant implications from a cost as well as a safety standpoint. The DEIS states that the pipeline will be installed "below existing utilities that are within approximately 7 feet of the land surface" and recites an apparently unenforceable representation that Transwestern will "incorporate planned utility and street crossings into the final pipeline design at Transwestern's expense." DEIS at 3-19. Because the record does not reflect the number or nature of the crossings involved, however, the magnitude of these expenses cannot even be guessed at. Similarly, the estimates do not appear to account for differences in construction requirements related to differences in class location. As the DEIS suggests, it would be appropriate for a pipeline encroaching

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on an active development corridor to be built to the class location standards that will apply when the development corridor is fully built out. As already discussed, however, the DEIS provides a grossly inaccurate assessment of the anticipated class location status along the proposed route. If the cost estimates address this issue at all, it would appear that they have done so incorrectly, significantly understating the costs associated with the proposed route. Finally, the DEIS appears to confine its consideration of costs to the construction costs Transwestern would bear. This approach ignores the significant costs the proposed pipeline route would impose on other parties over time, including the Town of Buckeye and the landowners and developers along the proposed pipeline route. It also seems to ignore long-term operational and maintenance costs, which again would be expected to be much higher in the case of the proposed route than the alternative.

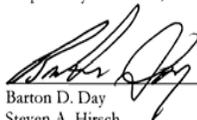
**II.
REQUEST FOR WITHDRAWAL OF THE DRAFT EIS**

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The record in this proceeding is sufficient only to demonstrate that FERC has thus far failed to take a hard look at issues it is required by law to consider. Because it lacks basic information required for an adequate NEPA review, FERC should withdraw the DEIS pending further information collection and an independent review of the relevant issues.

CO20-5 See the responses to comments PM3-2 and PM3-3.

Respectfully submitted,



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ATTACHMENT A

II-714

WyomingNews.com

7: Pipeline rupture kills one

The race to build natural-gas pipelines to export Wyoming and Colorado gas to power-hungry markets in the East turned deadly in November when a crew member working on the Rockies Express Pipeline on the Duck Creek Ranch south and west of Cheyenne apparently struck an existing pipeline operated by El Paso Corp. subsidiary Wyoming Interstate Co. with his bulldozer.

Around 9:30 a.m. Nov. 12, a Saturday, a fireball so large it could be seen more than 50 miles away in Colorado erupted from the break.

"It was wa-a-a-y above the power lines," Tyson Twitchell, son of ranch manager Frank Twitchell, said. "I've never seen a flame like that before. It was at least 300 feet high. At least."

The bulldozer driver, Bobby Ray Owens Jr., who worked for Associated Pipeline Contractors, was killed in the explosion. He had been grading a roadway at the explosion site.

The Rockies Express Pipeline, being built by Kinder Morgan, is one of several gas transmission pipelines that crosses southeast Wyoming. The Wyoming Interstate pipeline that was breached had been in place for about two decades.

While the fireball was knocked down in about an hour, public safety officials were on the site all day, waiting for the temperature of the ground around the explosion site to drop to safe levels. Initial reports said the crew working on site with Owens was missing, but the seven crew members were accounted for later in the day.

El Paso Corp. rerouted natural gas around the site of the rupture. Natural-gas service to the Cheyenne area was not interrupted.

The explosion is under investigation by the U.S. Department of Transportation's Office of Pipeline Safety.

http://www.wyomingnews.com/articles/2006/12/31/top_story/01local_12-31-06... 6/11/2007

ATTACHMENT B

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WyomingNews.com

Wyoming Tribune-Eagle

Print Page

Last modified: Sunday, November 12, 2006 12:00 AM MST

Fireball kills 1

By Jodi Rogstad

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CHEYENNE - A natural-gas pipeline explosion that sent an orange plume of flame hundreds of feet into the air Saturday morning killed one worker.

Bobby Ray Owens Jr., 52, of Louisiana, died in the blast that occurred after the bulldozer he was operating severed a gas line, said Laramie County Sheriff's Department spokesman Gerry Luce.

Luce said they were still trying to find out if Owens had recently moved to the Cheyenne area or if he was here solely to work on the Rockies Express Pipeline Project.

The fire, which could be seen as far away as Johnson's Corner, south of Loveland, Colo., burned for more than an hour. The tower of flame southwest of Cheyenne lured motorists and Cheyenne residents to park just off Interstate 25's exit 2, just north of the Wyoming-Colorado border; some were taking photographs.

Ginny Gassa of Fort Collins, Colo., saw it happen in Wellington and didn't know what to think at first.

"It was a mushroom cloud," said Gassa, who then headed north and parked at exit 2.

Many heard the explosion and watched the clean-burning flame dancing in the middle of the plains.

But ranch manager Frank Twitchell and his family felt the blast when it happened just before 9:30 a.m.

"It was a huge boom," said the manager of the Duck Creek Ranch, which is about two miles north of the Colorado border and just west of Interstate 25. "And the house shook - it was like a giant earthquake. Our first thought was that it was a plane crash."

But when they stepped outside to have a look, it was obvious what had happened: Pipeline construction had gone wrong.

Twitchell and his 17-year-old son, Tyson, got into the pickup truck and sped along the ranch's

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dirt roads.

They were excited, they said, but somewhat worried that the blaze would trigger more explosions, as three or four other natural-gas pipelines lay beneath the ground.

The column of fire was giving off a great deal of radiant heat. They were within three-quarters of a mile when they could feel it inside the truck, even with the windows rolled up.

"Words can't explain the size of the fire," Frank Twitchell said.

"It was wa-a-a-y above the power lines," Tyson Twitchell said. "I've never seen a flame like that before. It was at least 300 feet high. At least."

Tyson began snapping pictures with his sister's new digital camera.

Twenty-five minutes after the large explosion, the first of more than 50 emergency vehicles from southeast Cheyenne and northern Colorado began to arrive.

They screamed along the miles of winding dirt roads that run through the 28,000-acre ranch, some breaking through fencing.

But once they arrived, there was little they could do about the inferno.

Seven workers were reported missing, early police scanner reports said, raising fears that they were trapped.

Given the flame and heat, all they could do was wait until the pipeline was shut off and all the residual gas burned off, said Greg Erickson of the Nunn, Colo., fire department.

"It's frustrating, because there may be injured people down there, and you can't get to them," Erickson said.

But by late morning, all but Owens were accounted for, unhurt. No one could say where others in the crew were working at the time.

At the site of the explosion, it was clear that Owens didn't have a moment to escape.

In fact, authorities had to wait for several hours after the fire was out to get to Owens. The temperature of the ground was more than 300 degrees Fahrenheit in the early afternoon, Luce said.

Natural gas has an ignition temperature of 1,076 degrees Fahrenheit, twice that of gasoline, according to www.EngineeringToolBox.com.

The back end of Owens' bulldozer was sticking out of the ground, ripper blades in the air.

The 600-acre swath of land once used for grazing looked completely sterile after more than an hour of intense heat. The ground was still warm just after 3 p.m.

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"It looks like the moon," Frank Twitchell said. "The topsoil has completely blown away. This land is barren."

With the topsoil gone, all that was left was reddish-colored gravel. Twitchell dug into it with the toe of his boot, revealing black soot underneath.

Brittle shards had broken away from fist-sized rocks. Fence posts were completely incinerated.

Owens was grading the ground to build the right of way for the Rockies Express Pipeline Project, which is owned by Kinder Morgan and subcontracted to Associated Pipe Line Contractors Inc. of Houston.

The 36-inch pipeline that was struck belonged to Wyoming Interstate Company, which is owned by El Paso Corp.

Many Kinder Morgan personnel were investigating at the site to; how long that will take is not known at this time, said Kinder Morgan spokeswoman Helen Wells.

Lisa Marshall, spokeswoman for El Paso Corp. in Houston, said Saturday that the company's pipeline has existed since the early 1980s. It carries natural gas to Colorado's Front Range, she said.

Marshall said she did not have information about the depth at which the pipeline is buried where the rupture occurred. She said general protocol calls for companies to call before they start digging in a pipeline area and to use maps that show where pipelines are located.

The Associated Press contributed to this report.

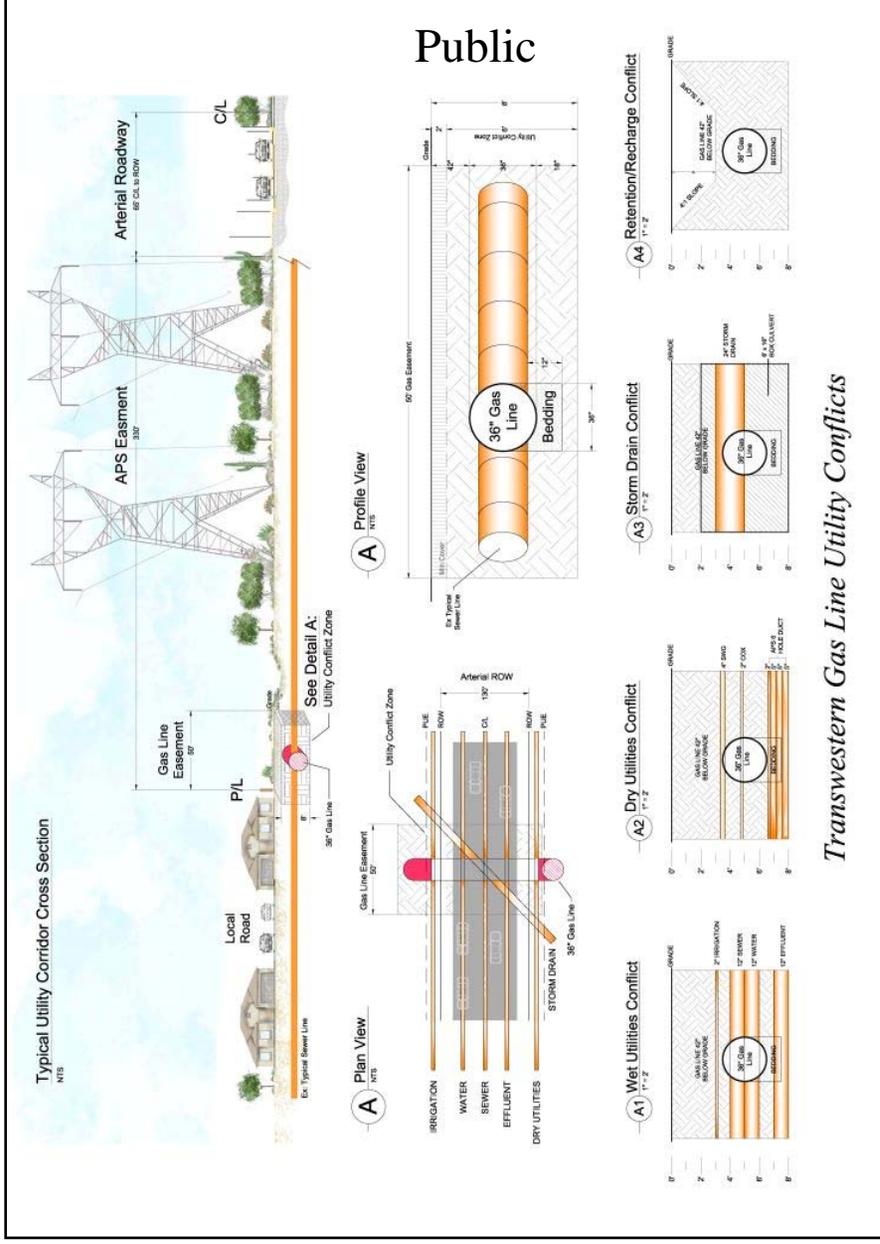
http://www.wyomingnews.com/articles/2006/11/12/top_story/01local_11-12-06... 6/11/2007

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ATTACHMENT C

II-720



Transwestern Gas Line Utility Conflicts

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 18th day of June, 2007

A handwritten signature in cursive script, appearing to read "Joseph W. Joubert", written over a horizontal line.

BRACEWELL
& GIULIANI

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2000 K Street NW
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Washington, DC
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June 18, 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. Study on Transwestern
Proposed Expansion Project

Dear Secretary Bose:

CO21-1

Pursuant to the "Notice of Availability of the Draft Environmental Impact Statement and Draft General Conformity Determination for the Proposed Phoenix Expansion Project" issued by the Federal Energy Regulatory Commission ("Commission") on April 27, 2007, Waste Management Arizona Landfills, Inc. ("WMA") submits a detailed study assessing the safety and operational issues and costs associated with the proposed route for the Transwestern Pipeline Company, LLC ("Transwestern") Phoenix Expansion Project ("Phoenix Project") that traverses WMA's Northwest Regional Landfill.

The Commission released the Draft Environmental Impact Statement ("DEIS") for the Project on April 27, 2007. The Commission established June 18, 2007 as the date for commenting on the DEIS.

In the DEIS, the Commission considered WMA's recommendation of an alternative route ("WMA Variation") through the WMA Northwest Regional Landfill. The Commission required that "Transwestern file detailed information regarding the route variation and further justification for the proposed alignment for analysis in the final EIS." DEIS at ES-6, 5-15. The DEIS provided that "[b]ased on information provided by WMA, construction of the proposed alignment across the Northwest Regional Landfill would appear to pose significant safety and operational concerns for both the pipeline and the landfill facility. The WMA Variation would appear to alleviate those concerns." *Id.* at 3-

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Companies and Organizations

CO21-1

Section 3.5.2.4 has been revised to incorporate additional information provided by WMA regarding the Waste Management Arizona Variation.

CO21-1
(cont'd)

37. Since the Commission could not assess whether other concerns were associated with the WMA Variation, Commission Staff required that Transwestern prepare a report ("Transwestern Report") of the land requirements, other potentially affected landowners, and impacts that the WMA Variation would have on cultural, biological, and other resources. *Id.*; *id.* at 5-19. The Transwestern Report was to "include . . . further justification for the proposed alignment, including a detailed description of the specific construction and operational measures that would be implemented to alleviate WMA's concerns about the crossing of its . . . Landfill and ensure the integrity of the pipeline if the proposed alignment is approved." *Id.* The Transwestern Report was required to be filed during the DEIS comment period so that it could be analyzed in the final EIS. *Id.*

The Commission was rightfully concerned regarding the serious safety and operational issues associated with the proposal to traverse the WMA Northwest Regional Landfill. WMA filed a report summarizing its concerns with the Commission on February 16, 2007. At this time, as Exhibit A hereto, WMA files a more detailed study ("WMA Study") assessing the safety and operational issues and costs associated with the Project as it relates to WMA's Northwest Regional Landfill.

In sum, the WMA Study concludes that the proposed pipeline route "would present a potentially significant safety hazard to site personnel, waste haulers and the public, and jeopardize the integrity of the landfill, as well as constrain landfill operations." Exhibit A at 3. Substantially increased cover or the use of concrete slabs could partially mitigate some of these concerns, but would raise other undesirable concerns. *Id.* at 4-6. While Transwestern has proposed to construct the pipeline along an existing temporary power line easement on the WMA site, the underground pipeline raises significant safety and operational concerns that are not associated with the overhead power lines. As the WMA Study indicates, WMA employs heavy equipment in operations at the site that have weight loads that exceed those permitted on Arizona state highways. *Id.* at 3. The weight loads would be borne by buried facilities like the pipeline. Indeed, the Salt River Project Agricultural Improvement and Power District ("SRP") confirms that SRP required its own adjustment to the Phoenix Expansion Project to avoid safety concerns associated with SRP's need to use "extremely large and heavy equipment" to maintain SRP's transmission lines.¹ The WMA Study recommends an alternative pipeline route around the perimeter of WMA's Northwest Regional Landfill and presents the costs of the alternative route in comparison to the proposed route. *Id.* at 6-9.

WMA stands ready to enter into a meaningful dialogue with Transwestern and with Commission Staff, as appropriate, regarding the pursuit of an alternative route around the perimeter of the landfill that would alleviate the serious safety

¹ SRP Comments at V., filed June 18, 2007 in Docket No. CP06-459.

II-724

CO21-1
(cont'd)

and operational concerns associated with the Project.

WMA specifically reserves the right to file supplemental comments in response to the Transwestern Report regarding the WMA Variation required by the Commission in the DEIS to be made no later than June 18, 2007.

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

Sincerely,

/s/ Sandra E. Rizzo

Sandra E. Rizzo
*Attorney for Waste Management
Arizona Landfills, Inc.*

Enclosure

cc: Official Service List
Mr. Douglas A. Sipe, Office of Energy Projects, Room 62-54

**Golder Associates Inc.**
18300 NE Union Hill Road, Suite 200
Redmond, Washington 98052
Telephone: (425) 883 0777
Fax: (425) 882 5498



June 15, 2007

Our Ref.: 063-1419

Jorden Bischoff & Hiser, P.L.C.
7272 E. Indian School Rd., Suite 360
Scottsdale, Arizona 85251

Attention: Douglas A. Jorden

**RE: EVALUATION OF ALTERNATIVE ROUTING AND EASEMENT LOCATION
TRANSWESTERN NATURAL GAS PIPELINE – PHOENIX LATERAL
NORTHWEST REGIONAL LANDFILL, SURPRISE, ARIZONA**

Dear Mr. Jorden:

Golder Associates Inc. (Golder) is pleased to present the results of our evaluation of alternative routing for the proposed new Phoenix Lateral natural gas pipeline proposed by Transwestern Pipeline Company, LLC (Transwestern) through the Waste Management Arizona Landfills Inc. (WMAL) Northwest Regional Landfill (NWRLF) property near Surprise, Maricopa County, Arizona. The NWRLF is one of the largest municipal solid waste landfills in the state and provides disposal services to a large part of Maricopa County, including many of the west Valley communities. The route proposed by Transwestern follows one of two existing and adjacent electric utility powerline easements that cross the NWRLF site in an east-west direction. WMAL is concerned that the presence of the new pipeline along Transwestern's proposed route would have significant potential impacts on site safety and both current and future operations at NWRLF. WMAL would prefer that the pipeline not follow the powerline easements. The purpose of Golder's work was to:

1. Evaluate what impacts/safety hazards the new pipeline would present NWRLF operations.
2. Evaluate what impacts/safety hazards NWRLF operations would present the new pipeline and how the pipeline might be constructed to minimize these impacts/hazards.
3. Identify and evaluate alternative pipeline routes; and,
4. Compare qualitatively and quantitatively using approximate construction costs, the new pipeline along the route proposed by Transwestern and the new pipeline along an alternative route preferred by WMAL that has fewer impacts and fewer safety hazards.

Douglas A. Jordan
 Jordan Bischoff & Hiser

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BACKGROUND

WMAL recently ceased filling the first of three phases of lined municipal solid waste landfill cells at the NWRLF site (Phase I). Phase I is located in the NE $\frac{1}{4}$ of Section 20, T-4-N, R-2-W, Gila and Salt River Meridian, Maricopa County, Arizona. This landfill phase has reached capacity and intermediate cover has been placed over it. WMAL recently commenced operating a second, newly excavated and lined, municipal solid waste landfill cell within Phase II in the adjacent North $\frac{1}{2}$ of Section 21. Future landfill operations are proposed in Phase III, the largest of the three phases, on the South $\frac{1}{2}$ of Section 21, the SE $\frac{1}{4}$ of Section 20 and in adjacent portions of Section 28 and 29. Phase III is located on the south side of the two electrical utility powerline easements that run through the NWRLF property, as described below. An aerial photograph depiction of the site is shown in Figure 1.

Along the east-west midsection line through Section 20 and Section 21, two separate but adjacent existing electric utility powerline easements exist. The first powerline easement, granted in 1978 by the Arizona State Land Department for 50-years (will expire in 2028), extends south from the midsection line and is nominally 330-ft. wide. It is controlled by Salt River Project (SRP), Arizona Public Service (APS), Public Service Company of New Mexico and El Paso Electric Company and contains (from north to south) two high-voltage, high tension steel tower transmission lines and one high-voltage, high tension steel pole transmission line (near the south boundary). This powerline easement is referenced in this document as the SRP/APS powerline easement. The second powerline easement, granted in 1993 by Maricopa County (in perpetuity) extends north from the midsection line and is nominally 175-ft. wide (locally 215-ft. wide). It is controlled by the US Department of Energy (DOE) and is occupied by one Western Area Power Administration (WAPA) high-voltage, high-tension steel tower transmission line. This is referenced as the DOE/WAPA powerline easement.

Transwestern has notified WMAL that it seeks to establish a 50-ft. wide permanent natural gas pipeline easement through the NWRLF property and that it will require an additional 50-ft. wide temporary workspace for the purpose of constructing a 36-in. diameter, welded-steel, high-pressure natural gas pipeline. The alignment of the pipeline is proposed to lie between the existing steel pole line and the southernmost steel tower line, entirely within the 330-ft. wide SRP/APS powerline easement. The permanent pipeline easement proposed by Transwestern (referenced as Route A in this discussion) would be established along a "Baseline of Easement" parallel to and 300-ft. to 315-ft. south of, the midsection line through the NWRLF property in Section 21 and Section 20 for a distance of approximately 1.49-miles. The 50-ft. permanent pipeline easement would extend 15-ft. south of and 35-ft. north of the "Baseline of Easement" (the southern boundary of the 50-ft. permanent pipeline easement would be approximately coincident with, or just north of, the southern boundary of the 330-ft. SRP/APS powerline easement). The temporary workspace would extend another 50-ft. to the north (to a line approximately coincident with the centerline through the southernmost line of existing steel towers), except at each of six steel towers where additional temporary workspace is required to work around the towers. We understand that Transwestern proposes to bury the 36-in. diameter, welded-steel pipeline in a nominal 6-ft. deep trench in the native sandy silt, silty sand and sand soils across the site. The pipeline trench would be backfilled with native excavation spoil to provide a nominal 3-ft. thick cover and a slight crown to accommodate some post construction settlement.

The results of our evaluation indicate that WMAL is justifiably concerned that the proposed pipeline installation would present a potentially significant safety hazard to site personnel, waste haulers, the public, and the integrity of the landfill and would significantly constrain current and future landfill operations. In addition, the presence of a pipeline in the proposed location would hinder future access and the construction of environmental management measures, such as a landfill gas collection system, electrical control lines, potable water supply pipes, stormwater control ditches, sediment settlement

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ponds and infiltration basins along a corridor common to past, existing and future proposed landfill operations.

IMPACTS OF PIPELINE ON LANDFILL OPERATIONS

We understand that the layout of Phases I, II and III optimizes utilization of the property presently available for landfilling and that it is WMAL's intention to expand landfill Phase III northward when the SRP/APS powerline easement expires and the existing transmission lines will have to be relocated. The current and future landfill design configurations allow for the efficient use of areas adjacent and common to Phases I, II and III for future access and environmental management work along the corridors paralleling the north and south edges of the existing electric utility easements.

A natural gas pipeline, in the proposed location, and with the proposed installation configuration, will hinder future landfill operations and access and will complicate the construction of planned environmental management measures such as a landfill gas collection system, stormwater control ditches, sediment settlement ponds and infiltration basins along a corridor common to past, current and future landfilling. In addition, the presence of the pipeline will prevent WMAL's proposed future expansion of landfill Phase III northward when the SRP/APS powerline easement expires. Mitigation measures, such as deeper burial or continuous concrete slabs might reduce the potential for damage to the pipeline and might reduce the potential safety hazard to the landfill operations, but would increase pipeline construction cost, would hinder Transwestern's future pipeline maintenance and would not fully address WMAL's concerns.

WMAL and its contractors operate heavy earthmoving equipment to excavate landfill cells, to stockpile daily and final soil cover and to place the cover as landfilling proceeds. The largest piece of equipment currently operated at the NWRLF site is a CAT 627 series F scraper. This machine has a rated hauling capacity of 21-cubic yards of soil, a rated load of 48,000-pounds and a loaded operating weight of between 128,550 and 137,035-pounds (depending on configuration). WMAL also regularly retains contractors to excavate landfill cells. The largest piece of equipment operated to date by WMAL's contractors at the site has been a CAT 657 series E scraper. This machine has a rated hauling capacity of 44-cubic yards of soil, a rated load of 104,000-pounds and a loaded operating weight of between 255,180 and 271,270-pounds (depending on configuration). The operating axle loads for both of these scrapers exceed those allowed on Arizona state highways and the operating wheel loads exceed those generally assumed in the design of highway structures and pavements.

The nature of NWRLF's business also requires that fully loaded collection and refuse trucks and public vehicles enter the NWRLF site for the purposes of depositing their waste at the landfill. The only point of access for these trucks and vehicles is from West Deer Valley Road. Currently most of these trucks and vehicles deposit refuse in Phase II of the landfill and do not need to travel south of the two powerline easements. However, a liquids management facility and soil stockpiles are located south of the powerline easements in the SE ¼ of Section 20 and daily vehicle traffic that enters this area must cross the two powerline easements. Also, some stockpiled daily soil cover is located south of the two powerline easements. The extent of surface disturbance across and south of the two powerline easements, historically associated with the operation of landfill Phase I, is clearly visible (as lighter colored areas) in Figure 1. When filling begins within cells located in Phase III, all trucks and heavy equipment used for landfilling and cell excavation will have to cross the two powerline easements on a daily basis. Furthermore, the locations of those crossings will vary on a frequent basis as filling progresses across Phase III.

Scrapers have in the past made frequent trips across the two powerline easements to the south of Phase I and have commenced similar activities to the south of Phase II. The placement of cover in stockpiles and the removal of cover from stockpiles or the liquids management area is a dynamic and

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daily operation that, as part of standard landfill operating procedures, may be carried out any time or location. During these operations, constant maintenance and grading of haul road routes is conducted without inspection or survey control. As a result of this traffic, the ground surface elevation can change significantly over time without it being apparent to the heavy equipment operators, truck drivers, or site personnel. During the future development and operation of Phase III daily deliveries of refuse from haul trucks and public vehicles will take place south of the powerline easements and more extensive stockpiling of daily cover is expected both north and south of the powerline easements and more extensive disturbance and frequent scraper hauls will occur across the powerline easements. WMAL requires unrestricted access for these scrapers, trucks, and other equipment at any point along both the existing SRP/APS and DOE/WAPA powerline easements. If Transwestern constructs the pipeline as proposed, WMAL will no longer have unrestricted access for its scrapers across the powerline easements.

Based on our experience working with several other pipeline operating companies, we understand that at major road and highway crossings pipeline design is often based on the assumption that a minimum 4-ft. of cover consisting of high shear-strength, well-compacted soil will be provided. However, where frequent loadings in excess of those allowed on a highway are anticipated, additional protection of the pipeline would usually be required by the pipeline company. Where a defined crossing location can be established, bridge structures consisting of timber cribbing, timber mats or steel and timber spans may be used to distribute the equipment loading away from the pipeline. Such installations are usually considered to be temporary. Where frequent equipment crossings are anticipated at random locations along the pipeline in open terrain (like exists at NWRLF), deeper burial would normally be required.

Considering the potential for inadvertent removal or erosion of cover during landfill operations, it would seem prudent to provide any buried facilities at this site, such as the pipeline, at least 6-ft. of cover (average 2-ft. of removal and 4-ft. residual cover). Installation of a continuous series of (say 10-inch thick, 20-foot wide) concrete slabs located above the pipeline along the entire length of the landfill site, to impede the accidental exposure of the pipeline, might be considered, to reduce the required depth of cover yet still allow unimpeded scraper operation. However, such a configuration is not considered practical. It would hinder Transwestern's operational maintenance if the pipeline needed to be excavated and it does not address the problem of hindrance to WMAL's excavation work for future environmental management measures.

IMPACTS OF LANDFILL OPERATIONS ON NEW PIPELINE

The thickness of cover required to protect the pipeline from damage by heavy equipment depends on:

- Wall thickness and grade of the steel pipe,
- Operating pressure in the pipeline,
- Shear strength of the pipe bedding and backfill;
- Placement density of the pipe bedding and backfill;
- Wheel loading from the equipment; and,
- The repetition of loading.

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We have been provided specifications for the proposed pipe by Transwestern. We understand that 0.432-in. wall electric-resistance-welded (ERW) steel line pipe with 70,000-psi specified minimum yield strength (SMYS) will be utilized and operated at a pressure that would be expected to vary between a stated normal operating pressure (NOP) of 839-ppsi gauge and a stated maximum operating pressure (MOP) of 1,008-ppsi gauge. Considering the operation of the scrapers described above, 3-ft. of cover over such a pipeline will not be adequate to protect the pipeline from damage during normal landfill operations. At least 6-ft. of cover should be provided as discussed above and up to 9-ft. of cover should be considered as discussed below.

We have carried out engineering analyses to assist in determining the depth at which the proposed pipeline installation would be compatible with the type of scraper operations that presently occur and will occur in future at NWRLF. We have taken two approaches. We have utilized the industry standard approach outlined by the American Petroleum Institute in API Recommended Practice 1102 "Steel Pipelines Crossing Railroads and Highway", sixth edition, April 1993 (reaffirmed, July 2002) and we have developed our own analytical soil-pipe interaction model approach using the commercially available finite element program SIGMA W. We carried out a subsurface geotechnical investigation at the site that included advancing five boreholes to depths of 15-ft. at approximately equally spaced intervals along the 50-ft. wide permanent easement proposed by Transwestern across the NWRLF property. Representative samples from the boreholes were tested at a commercial soils laboratory in Phoenix to determine index properties (unit weight, moisture content, grain size, shear strength, etc.). Based on the results of the investigation and testing we have determined that the sandy silt, silty sand and sand soils at the site are generally medium dense and are in a condition that would normally be considered suitable for loose backfill around a high-pressure natural gas pipeline such as that proposed by Transwestern. Considering the external loading conditions due to scraper and landfilling operations at the site, we think that it is prudent to recommend that backfill soils beneath and around the pipeline be compacted to at least their natural medium-dense condition. This is not normal installation practice on pipeline projects like this but will minimize the potential for damage caused by differential loading and settlement due to scraper operations. In our engineering analyses, described below, we have assumed that the backfill would be compacted.

At the stated NOP of 839-ppsi and the stated MOP of 1,008-ppsi, and in the absence of any other external loading, the calculated maximum stress (also known as effective stress) in the pipe wall is approximately 50% and 60% of the SMYS, respectively. We understand that the NWRLF site is probably rated as a Department of Transportation (DOT) Class 1 location so the maximum allowable effective stress in the pipe wall would be 72% of SMYS. In our analyses we considered three scenarios for pipe burial depth, 3-ft., 6-ft. and 9-ft. Results for both analysis approaches described above indicate that the scraper wheel loads do not result in the maximum stress in the pipe wall exceeding 72% of SMYS (even with only 3 ft. of cover – but this condition is only marginally acceptable if the pipe is empty). Results of analyses of the stresses imparted to the longitudinal and girth welds along the pipe indicate that they are less than half what is allowable in standard pipeline design practice, again even with only 3-ft. of cover (if the pipeline is installed in a trench that is backfilled with excavation spoil that is compacted back to its natural medium dense condition and operating at NOP or MOP). Even though the results of the stress analysis indicate that as little as 3-ft depth of cover prevents the development of unacceptably high stresses in the pipe wall, it should be recognized that the pipeline will be installed in a deep trench and the actual level of backfill compaction will be difficult to control so the assumptions about soil density in the analysis may be optimistic. In any case, operational issues primarily related to inadvertent sudden or gradual removal of cover that could expose the pipe to impact damage from equipment, and future interference with installation of environmental management measures dictate that greater depth of cover should be pursued. Based on the assumption that up to 3-ft. of cover could be removed inadvertently by ongoing landfill operations, at least 6-ft. of cover would seem prudent. However, 6-ft. of cover would be required to protect WMAL's own buried environmental management facilities from damage in

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future. These buried facilities would include landfill gas collection system piping, electrical control lines, and potable water supply pipes. The presence of a 36-in. high pressure natural gas pipeline with only 6-ft. of cover would create buried utility conflict and an unacceptable safety hazard when the environmental management measures need to be installed. For this reason we recommend that WMAL insist that up to 9-ft. of cover be provided over the pipeline, if it is to be placed along the route that Transwestern proposes, particularly if the backfill is not compacted to the in situ density of the native soils.

Achieving the greater depth of cover requires deeper trenching which increases construction cost, potentially creates the need for a wider permanent easement, a wider temporary easement and creates potential problems with encroachment on the existing steel towers along the SRP/APS powerline easement. Even if 9-ft. of cover is provided, interference with future northward expansion of landfill Phase III will not be avoided. Therefore we recommend that WMAL pursue with Transwestern the idea of alternative routing of the pipeline around the landfill property.

EVALUATION OF ALTERNATIVE ROUTING

We have identified two possible alternative routes for the pipeline, one that would traverse the southeastern, southern and southwestern limits of the NWRLF property (referenced as Route B in this discussion), and one that would traverse the northeastern, northern and northwestern limits of the NWRLF property (referenced as Route C in this discussion). Even though Route C is slightly shorter than Route B, we eliminated Route C from detailed evaluation due to restricted space for pipeline construction between West Deer Valley Road and Landfill Phases I and II, the need for the pipeline to cross beneath the Main Landfill Entrance Road and the need for two crossings of the DOE/WAPA powerline easement. We recommend that WMAL consider Route B as the preferred alternative location for the proposed pipeline installation. Installation of the pipeline along Route B would significantly reduce future constraints on landfill operations, eliminate the hazards from scraper operations discussed above and allow the unimpeded implementation of future environmental management measures.

The recommended preferred alternative pipeline route that has been identified (Route B – as shown in Figures 1 and 2) - lies adjacent to the east boundary of the SE ¼ of Section 21 and the NE ¼ of Section 28, follows the southern boundary of the NWRLF property through Section 28 and the NE ¼ of Section 29 and runs northwesterly to the mid-section point of Section 20. Alternate Route B is longer than proposed Route A, but installation of the pipeline along Route B could be completed using the installation configuration proposed by Transwestern without hindering Transwestern's future operation and maintenance of the pipeline, without constraining current and future landfill operations, without creating any potential for damage to the pipeline, without restricting future northward expansion of landfill Phase III, and without impeding implementation of future environmental management work. Several small radius bends, that may need to be pre-fabricated, are required for the new pipeline to follow Route B but there is space available such that these bends need not be tighter than between five times and fifteen times the pipe diameter (radii between 5 and 15D or between 15-ft. and 45-ft.), as shown on Figure 2.

COMPARISON OF ALTERNATIVES

One factor to be considered when comparing alternative routes is relative pipeline installation costs, if they can be readily and reliably determined. Cost estimates are presented below for pipeline installation along Route A and Route B. In preparing the installation cost estimates we assumed that the average per mile cost for pipeline installation can be determined from the information presented in Exhibit K of Transwestern's "Application for a Certificate on Public Convenience and Necessity" (CPCN) for the Phoenix Pipeline Project. That document indicates that the 259-mile project is

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estimated to cost \$558,289,004 which is approximately \$2,155,556 per mile, or \$408.25 per lin. ft. This amount includes an average \$256,487 per mile, or \$48.58 per lin. ft. in right-of-way (or easement) acquisition costs. Therefore the pipeline material supply and physical construction cost is estimated at \$359.67 per lin. ft. The actual cost for pipeline installation across the NWRLF property will differ from the average cost calculated from the total cost for the 259 mile long project. However, the average cost should provide a reasonable basis for relative comparison of the installation costs along Route A versus the installation costs along Route B.

In the calculations below the estimated right-of-way (or easement) acquisition costs are not indicated because easement costs will be the subject of future negotiations between WMAL and Transwestern and are likely not reliably represented by the average per mile cost calculated from the information in the CPCN Application.

The installation cost estimates presented below for Route A represent two scenarios:

1. Construction of a 6-ft. deep trench with 1.0H:1.0V side-slopes providing 3-ft. of cover;
2. Construction of a 12-ft. deep trench with 1.5H:1.0V side-slopes providing 9-ft. of cover.

The additional cost in scenario 2 is calculated on the basis of the additional soil excavation volume required to deepen the 6-ft. deep trench with 1.0H:1.0V side-slopes to 12-ft. deep and widen it to 1.5H:1.0V side-slopes (to provide 9-ft. of cover over the pipeline), assuming that the additional soil can be removed, stockpiled, replaced and compacted at a cost of \$10.00 per cu. yd. In scenario 2 it is also assumed that additional excavation will be required to develop a minimum 25-ft. wide equipment access bench approximately 5-ft. below ground surface to facilitate lifting the pipeline into the deeper trench (due to the limited reach of side boom equipment). Consequently a wider permanent easement would be required for future pipeline maintenance and a wider temporary easement would be required to facilitate this construction. The estimated difference in excavated volume between these two scenarios is approximately 12.63 cu. yds. per lin. ft.

The cost estimate presented below for Route B represents conventional construction with 1.0H:1.0V trench side-slopes and 3-ft. of cover. The pipeline length through the NWRLF property along Route A is estimated at 7,890-ft. (1.49-miles) and the pipeline length around the NWRLF property along Route B is estimated at 13,770-ft. (2.61-miles) based on site survey drawings.

Route A - Pipeline Installation Cost (conventional construction to provide 3-ft. cover)

Pipeline material supply and physical construction cost:
 7,890-ft. @ \$359.67 per lin. ft. = \$2,837,796.30

Conventional installation along Route A (without easement costs) **\$2,837,796.30**

It should be noted that the volume of soil that would need to be excavated to provide 9-ft. depth of cover is more than four times that to provide 3-ft. depth of cover. The permanent easement and temporary workspace configuration proposed by Transwestern along Route A will not readily accommodate a 12-ft. deep trench to provide 9-ft. of cover. A wider permanent easement and a wider temporary workspace will be required to facilitate both initial construction and future pipeline maintenance. The acquisition of additional permanent easement width and compensation for the additional temporary workspace width to provide 9-ft. of cover will add significantly to the cost of installing the pipeline along Route A. In addition, the deeper trench and the equipment access bench excavation work may require the implementation of temporary support measures for both the steel pole line to the south of the proposed pipeline trench and the steel tower line to the north. This would

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further increase the cost of installing the pipeline along Route A but has not been included in the estimate below.

Route A - Pipeline Installation Cost (with extra depth mitigation costs to provide 9-ft. cover)

Pipeline material supply and physical construction cost:
7,890-ft. @ \$359.67 per lin. ft. = \$2,837,796.30
Additional trenching (for 9-ft. cover) – 99,650 cu. yd. @ \$10.00 per cu. yd. = \$996,500.00
Installation along Route A with 9-ft. cover (without easement costs) **\$3,834,296.30**

Route B - Pipeline Installation Cost (conventional construction to provide 3-ft. cover)

Pipeline material supply and physical construction cost :
13,770-ft. @ \$359.67 per lin. ft. = \$4,952,655.90
Construction along Route B with 3-ft. cover (without easement costs) **\$ 4,952,655.90**

The cost estimate for construction of deeper trench along Route A that is presented above does not consider potential additional costs to Transwestern associated with future maintenance of a pipeline 6-ft. deeper than usual. The cost of constructing a series of continuous concrete slabs along the entire length of Route A has not been estimated for scenario 1 because this solution to protecting the pipeline from equipment loading and potential damage is not acceptable to WMAL for reasons stated previously (would hinder future excavation for future environmental management measures such as stormwater control ditches, sediment settlement ponds and infiltration basins and installation of a landfill gas collection system, etc.) and is likely not attractive to Transwestern from the perspectives of both construction costs and hindrance to future maintenance.

The cost estimate for conventional installation with 3-ft. of cover along Route B is approximately \$1.12 million higher than the cost estimate for construction with 9-ft. of cover along Route A (\$4.95 million minus \$3.83 million) but this does not include the cost to WMAL of the loss of potential future airspace. Figure 3 illustrates WMAL's northward expansion plans at the site after the SRP/APS easement expires in 2028 and the impact on potential future airspace. The loss of potential future airspace can be calculated by determining the volume of the wedge that would be available if the northern limit of Phase III were to be shifted northward a distance of 330-ft. along the full length of Phase III. This northward expansion is constrained by the requirement for a 100-ft. setback from the permanent DOE/WAPA powerline easement. Based on information provided by WMAL, the estimated volume of the potential future airspace that will be lost is 14,996,458 cu. yds. We have not attempted to calculate just compensation due to WMAL resulting from the loss of this potential future airspace due to the installation of the pipeline along Route A. This has been addressed by others. However, from a qualitative perspective it seems clear that the financial implications of lost potential future airspace are significant when compared to the pipeline construction costs along alternative Route B.

Douglas A. Jordan
Jordan Bischoff & Hiser

June 15, 2007
063-1419

-9-

CLOSURE

We trust that the information presented above meets your present requirements. If you have any questions or if we may be of further assistance please contact the undersigned.

Sincerely,

GOLDER ASSOCIATES INC.



Anthony H. Rice, P.E. (AZ)
Principal Geotechnical Engineer / Practice Leader

Attachments: Figure 1 – Proposed Pipeline and Alternative Routes
Figure 2 – Detail of Proposed and Alternative Pipeline Easements
Figure 3 – Potential Future Airspace Along SRP/APS Powerline Easement

cc: Vincent Murphy, Waste Management, Inc., Phoenix, AZ
Sandra Rizzo, Bracewell & Giuliani LLP, Washington, DC

AHR/km

FIGURES

Golder Associates

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Non-Internet Public

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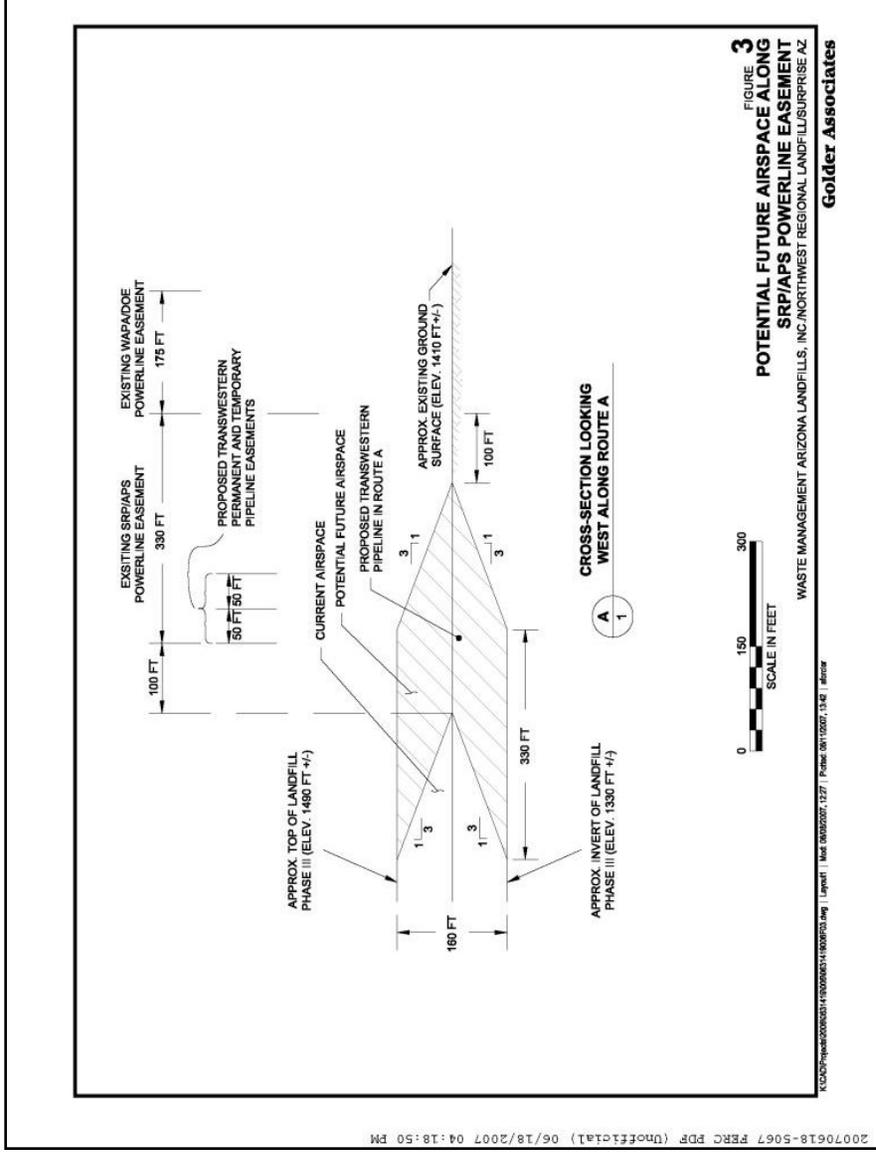
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II-739

UNITED STATES OF AMERICA
 FEDERAL ENERGY REGULATORY COMMISSION

Transwestern Pipeline Company, LLC)
) Docket No. CP06-459-00
)

**Supplemental Comments by Miller Holdings on the
 Draft Environmental Impact Statement**

CO22-1

Miller Holdings submits the following supplemental¹ comments on the draft Environmental Impact Statement (EIS) recently promulgated in response to Transwestern Pipeline Company's proposed Phoenix Expansion Project.

Miller opposes the location of the proposed pipeline route in Coolidge, Arizona. Transwestern's pipeline would run directly through a master planned community for which Miller has received *final plat approval* and is ready to begin construction. Miller suggests that Transwestern collocate its pipeline with an adjacent El Paso Natural Gas ("EPNG") pipeline. The draft EIS already requires Transwestern to collocate with EPNG in other parts of Pinal County where developments are planned. Miller requests that the final EIS include its property in this list of developments where collocation is required.

I. Identification of the Parties

CO22-2

Miller Holdings Management, LLC ("Miller") is the manager of 11 Mile Road Investors, LLC, Kleck Road Investors, LLC, Sunshine Road Investors, LLC, Randolph Road Investors, LLC, Windsor Road Investors, LLC, Bartlett Road Investors, LLC, Coolidge Corner Retail, LLC and McCartney Main and Main, LLC, collectively the owners of land in Coolidge, Arizona that is being developed as the Verona master planned community. Development is being managed by Omega

¹ Miller previously commented on the draft EIS in its Motion to Intervene dated May 25, 2007 (docket submittal 20070525-5023). Miller also asserted its position in the letter from Omega Management Services, Inc. dated February 13, 2007 (docket submittal 20070411-0236).

CO22-1

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

CO22-2

Miller Holdings, Inc.'s description of the background and list of interested parties are noted. See the response to comment CO22-1.

II-740

CO22-2
(cont'd)

Management Services, Inc. (“Omega”), another related entity. The City of Coolidge has given final plat approval for a portion of the Verona project that lies directly in the path of Transwestern’s proposed pipeline.

Miller’s and Omega’s interests are similar to, but distinguishable from, other parties located in Coolidge and Pinal County, Arizona.

II. Communications

Communications concerning this proceeding should be served on Miller as follows:

John R. Dacey Gammage & Burnham, PLC 2 North Central Avenue, 18th Floor Phoenix, Arizona 85004 (602) 256-4491 jdacey@gblaw.com	Jim Boyden Miller Holdings, Inc. 16009 North 81st Street Scottsdale, Arizona 85260 (480) 947-5100 jim@omegams.com
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III. Background

On September 15, 2006, Transwestern applied under section 7(c) of the Natural Gas Act for a Certificate of Public Convenience and Necessity to construct and operate a natural gas pipeline spanning the Southwest United States, including Pinal County, Arizona.

Based on information provided in Transwestern’s application and by other parties, FERC issued the draft EIS in April 2007. Miller is submitting these comments in response to the suggestions made in the EIS.

IV. Comments

General Comments

CO22-3

Transwestern has publicly stated a desire to “avoid those residential subdivisions with immediate development plans.”² Despite this statement, Transwestern has ignored several large, planned developments that would be

CO22-3 See the response to comment CO22-1.

² Resource Report no. 8 at 5-6.

CO22-3
(cont'd)

negatively impacted by its proposal. This omitted information was available in local governmental offices and had been provided directly to Transwestern.

As a result, landowners, local governments, and numerous other stakeholders have shouldered the burden in analyzing the impacts of Transwestern’s proposal. Miller and other landowners have repeatedly sought Transwestern’s cooperation in planning the pipeline in conjunction with their developments, to no avail.

By ignoring immediate development plans in one of the fastest growing regions in the country, Transwestern is leaving it to FERC and other interested parties to deal with feasibility, environmental, and other details posed in specific areas. Although Miller and others are now submitting their objections *en masse*, the process is not supposed to work this way. Transwestern should have identified and coordinated with Miller and other landowners from the beginning.

Treatment of Master Planned Communities in Pinal County

CO22-4

Fortunately, the draft EIS does not give in completely to Transwestern’s proposed route. It discusses in detail whether Transwestern should collocate its pipeline on the already-existing EPNG easement that runs adjacent to the proposed route.

The draft EIS does not recommend universal collocation, citing safety and reliability concerns and concluding that these potential disadvantages outweigh the advantages. (EIS § 3.2.4.6).

But the draft EIS concludes that collocation is desirable in Pinal County where master planned communities are being developed. (EIS § 3.5.2.5). The “primary concern” cited in the EIS is that Transwestern’s proposed right-of-way would “affect the constructability and value of the lots” in Pinal County. Transwestern’s proposal would also force developers and local governments to incur “significant time and resources to replan developments that have already been approved and engineered.” According to the draft EIS, these additional negatives

CO22-4 See the response to comment CO22-1.

CO22-4
(cont'd)

posed by Transwestern’s proposal in areas being planned for development tip the scales in favor of collocation for those areas.

The draft EIS identifies four developments in Pinal County that have received “tentative plat approval, and are in the final stages of engineering design.”

It recommends that Transwestern work with EPNG in these areas:

Transwestern shall work with EPNG to develop variations of the Phoenix Lateral that would avoid the placement of permanent right-of-way of platted lots within Terrazo, Solano Ranch North, Maratea, and Vista Canyons developments.

So while the draft EIS does not require universal collocation, it does require collocation in Pinal County where developments have been designed and approved.

Miller’s Master Planned Community

Miller is in the process of developing its own master planned community, Verona. The problem with the draft EIS is that **there is no discernible difference between Verona and the four developments where collocation is required.**

There is nothing unique about the four developments where collocation is required. The EIS should treat Miller’s project like the others. Again, Transwestern caused this problem by not identifying master planned communities from the beginning.

In fact, the Verona project is actually further along than the standard cited in the draft EIS for requiring collocation—“tentative plat approval.” The City of Coolidge has granted final plat approval for a portion of the Verona master planned community that would be directly affected by the proposed pipeline. A copy of the meeting minutes from the City Council’s grant of final plat approval is attached as Exhibit B. And similar to the City of Casa Grande for the four developments identified in the draft EIS, the City of Coolidge has passed a resolution requesting collocation in order to not disrupt imminent development plans. A copy of this resolution is attached as Exhibit C.

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CO22-4
(cont'd)

In order to receive final plat approval, Miller had to prepare and submit all of the project's lotting exhibits, civil engineering plans and plats. Considerable resources were expended in developing Verona's lotting layouts, master grading, drainage, sewer, water, paving, utility plans and all offsite infrastructure plans. The City of Coolidge had to review all of these plans and work with Miller to develop a project consistent with the City's plans for expansion, a process that has taken well over three years to complete.

All of the project's engineering is complete. All required approvals have been granted. Miller is fully entitled and ready to begin construction at Verona.

Impact of the Draft EIS and Transwestern's Pipeline

The proposed location of Transwestern's pipeline would cause a planning nightmare for Miller and the City of Coolidge.

The picture below is a snapshot of a portion of the Verona project. The blue lines on top mark the boundaries of the already existing EPNG easement, which is approximately 150 feet wide. Miller had to plan around this easement, which spans the entire project, in preparing Verona for construction.

The red line underneath the easement shows Transwestern's proposed pipeline, which runs approximately 50 feet south of the preexisting easement. As you can see, Transwestern's pipeline would run directly through the Verona project. Miller worked around the EPNG easement in planning Parcels 1-4, 1-5, and 1-6. These parcels consist of 78.2± acres and 398 lots, and these are among the parcels for which the City of Coolidge has granted final plat approval. Miller is ready to begin construction on these parcels.

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CO22-4
(cont'd)

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Transwestern's proposed pipeline, however, threatens to undo countless hours that Miller and the City of Coolidge have already put towards the Verona project. The proposed route goes directly through lots planned for Parcel 1-4, and it cuts off necessary space for drainage and retention basis for Parcel 1-6. Redoing these parcels (which are ready and approved for construction) affects the spacing and plans for every other parcel in the Verona project.

The City of Coolidge has granted final plat approval for nine parcels: Parcels 1-1, 1-4, 1-5, 1-6, 1-8, 1-9, 1-10, 1-11, and 1-12. The proposed route spans the entire project (as does the EPNG easement), not just the above snapshot. Miller would need to rehire its civil engineers to redo all of the plans, including sewer, water, grading, paving, and drainage. The entire approval process would have to be redone. Pinal County is currently expanding at an explosive rate, and the delays caused by Transwestern's pipeline would threaten Miller's ability to capitalize on this market and provide housing for the area.

By chance, Transwestern's proposed pipeline would have the greatest impact on the parcels that are ready for immediate construction. But the effect of Transwestern's proposed pipeline is not limited to just those parcels that are ready for construction. As shown by the overall site plan (Exhibit A), the Verona project

II-745

CO22-4
(cont'd)

is expansive. Miller is in the process of obtaining pre-plat approval for the remaining parcels. If Miller is forced to redo Parcels 1-4, 1-5, and 1-6, that causes a shift in adjoining parcels as well. The end result is Miller having to re-plan the entire Verona development.

Fortunately, the solution is simple. As with other developments in Pinal County, Transwestern should collocate its pipeline within the existing easement on Miller's land. The EPNG easement is only 50 feet north of the proposed location, so Transwestern can make the adjustment relatively easily—especially as it is already collocating in other areas of Pinal County. Collocation obviates the need for Miller and the City of Coolidge to redo plans for a master planned community that has been fully approved and is ready for immediate construction. Collocation with the EPNG pipeline is simply a more efficient and practical use of the land. It avoids wasting public resources, private resources, and land.

V. Conclusion

CO22-5

Transwestern has gone on the record stating its desire to avoid immediate development plans:

Further, Transwestern routed its pipeline to avoid those residential subdivisions with immediate development plans.³

The City of Coolidge has also passed a resolution stating its preference for the Transwestern pipeline to be collocated with EPNG where desirable for economic and environmental reasons.⁴

And the draft EIS furthers this goal for most of Pinal County by requiring Transwestern to collocate in four identified master planned communities. But there is no reason for the EIS to treat Verona any differently. Verona is actually further along, has received final plat approval, and is ready for construction.

³ Resource Report no. 8 at 5-6.

⁴ Exhibit C.

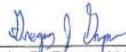
CO22-5 See the response to comment CO22-1.

CO22-5
(cont'd)

Miller requests that the final EIS include Verona in the list of Pinal County developments where Transwestern should collocate.

Respectfully submitted this 18th day of June, 2007.

GAMMAGE & BURNHAM, P.L.C.

By 
John R. Dacey (AZ bar #004962)
Gregory J. Gnepper (AZ bar #024085)
2 North Central Avenue, 18th Floor
Phoenix, Arizona 85004
Attorneys for Miller Holdings, Inc.

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EXHIBIT A

Non-Internet Public

FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE
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EXHIBIT B

NOTICE OF REGULAR MEETING
COMMON COUNCIL OF THE CITY OF COOLIDGE
MONDAY, MARCH 26, 2007 - 7:00 P.M.
COUNCIL CHAMBERS - 911 S. ARIZONA BOULEVARD
PINAL COUNTY, COOLIDGE, ARIZONA

ACTION MINUTES

CALL TO ORDER: 7:13 P.M.

1. Roll Call: *Present: Mayor Shope, Vice-Mayor Thompson, Councilmembers Judy Rotz-Lopez, Paul Prechel, Richard Lister, and Gilbert Lopez. Councilmember Bonnie Palmer was absent.*
2. Proclamation - "National Child Abuse Prevention Month".
** Mayor Shope read the Proclamation - "National Child Abuse Prevention Month".*
3. Monthly report on the Downtown Revitalization Program.
**Senior Planner Laybourn advised Council on a monthly report on the Program.*

BUSINESS:

CONSENT AGENDA - ALL CONSENT ITEMS WERE REVIEWED INDIVIDUALLY. ALL CONSENT AGENDA ITEMS MAY BE ENACTED BY ONE MOTION AND APPROVED. ANY ITEM MAY BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED SEPARATELY IF A MEMBER OF THE COUNCIL SO REQUESTS. CONSENT ITEMS ARE MARKED WITH AN ASTERISK (*).

4. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 41.5 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010A and 401-24-010C, known as "Verona at 11 Mile Corner - Parcel 1". **Discussion and action.**
**Consent Item.*
5. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 21.9 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010A, known as "Verona at 11 Mile Corner - Parcel 4". **Discussion and action.**
**Consent Item.*
6. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 23.79 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010B, known as "Verona at 11 Mile Corner - Parcel 5". **Discussion and action.**
**Consent Item.*
7. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 32.24 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010A, known as "Verona at 11 Mile Corner - Parcel 6".

Discussion and action.

***Consent Item.**

8. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 28.09 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010A, known as "Verona at 11 Mile Corner - Parcel 8".
Discussion and action.
***Consent Item.**
9. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 22.12 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010A, known as "Verona at 11 Mile Corner - Parcel 9".
Discussion and action.
***Consent Item.**
10. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 32.49 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010A, known as "Verona at 11 Mile Corner - Parcel 10".
Discussion and action.
***Consent Item.**
11. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 25.42 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-010A and 401-24-004B, known as "Verona at 11 Mile Corner - Parcel 11".
Discussion and action.
***Consent Item.**
12. * Final Plat request submitted by Omega Management Services, Inc. for a development consisting of approximately 26.02 acres, more or less, located northeast of 11 Mile Corner Road and Randolph Road, legally described as Section 6, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 401-24-004B, known as "Verona at 11 Mile Corner - Parcel 12".
Discussion and action.
***MOTION was made by Councilmember Gilbert Lopez to approve Consent Items #6 - #14 also to include stipulations no pop outs on 5 feet side set backs. SECOND was made by Councilmember Lister and passed with (5) Five YES votes and (1) One NO vote from Councilmember Prechel.**
13. Consider appointments to the Coolidge Library Board. **Discussion and action.**
***MOTION was made by Councilmember Rotz-Lopez to approve of the appointments to the Coolidge Library Board. SECOND was made by Councilmember Gilbert Lopez and passed unanimously.**
14. **Resolution No. 07-14;** A Resolution of the City Council of the City of Coolidge, Arizona, authorizing the preliminary steps to be taken to become a participating employer in the Public Safety Personnel Retirement System on behalf of the full-

time (normally works 40 or more hours per week), paid municipal firefighters of the City of Coolidge who are or were regularly assigned to hazardous duty in the State of Arizona. **Discussion and action.**

**MOTION was made by Councilmember Gilbert Lopez to adopt Resolution No. 07-14 A Resolution of the City Council of the City of Coolidge, Arizona, authorizing the preliminary steps to be taken to become a participating employer in the Public Safety Personnel Retirement System on behalf of the full-time (normally works 40 or more hours per week), paid municipal firefighters of the City of Coolidge who are or were regularly assigned to hazardous duty in the State of Arizona. SECOND was made by Vice-Mayor Thompson and passed unanimously.*

15. Final Plat request submitted by TWJ Associates, LTD on behalf of Coolidge-Kenilworth and Nafziger Lawrence LLC and Coolidge-Kenilworth and Nafziger/Walnut Ridge LLC for a development consisting of approximately 89.828 acres, more or less, located east of Nafziger Road and North of East Coolidge Avenue, legally described as part of the southwest quarter of Section 24, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 209-22-004A and 209-22-003B, known as "Kachina Heights Phase I". **Discussion and action.**

**MOTION was made by Councilmember Gilbert Lopez to approve of the Final Plat request submitted by TWJ Associates, LTD on behalf of Coolidge-Kenilworth and Nafziger Lawrence LLC and Coolidge-Kenilworth and Nafziger/Walnut Ridge LLC for a development consisting of approximately 89.828 acres, more or less, located east of Nafziger Road and North of East Coolidge Avenue, legally described as part of the southwest quarter of Section 24, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, APN 209-22-004A and 209-22-003B, known as "Kachina Heights Phase I". SECOND was made by Councilmember Lister and passed with (4) Four YES votes and (2) Two NO votes from Vice-Mayor Thompson and Councilmember Prechel.*

16. Minor General Plan Amendment submitted by Mr. Scott McCoy, Earl, Curley & Lagarde on behalf of Wassef Revocable Family Trust (Crosspointe), amending 44 acres, more or less, from Very Low Density Single Family Residential to Low Density Single Family Residential, located on the east of Bogart Wash, ½ mile east of Attaway Road, on the north side of State Route 287. **Discussion and action.**

**MOTION was made by Councilmember Lister to approve of the Minor General Plan Amendment submitted by Mr. Scott McCoy, Earl, Curley & Lagarde on behalf of Wassef Revocable Family Trust (Crosspointe), amending 44 acres, more or less, from Very Low Density Single Family Residential to Low Density Single Family Residential, located on the east of Bogart Wash, ½ mile east of Attaway Road, on the north side of State Route 287. SECOND was made by Councilmember Gilbert Lopez and passed unanimously.*

17. **Resolution No. 07-15:** A Resolution of the Mayor and City Council of the City of Coolidge, Pinal County, Arizona, approving and adopting the Pre-Annexation and Development Agreement between the City of Coolidge and Ben Fatto Limited Partnership; Viel Gluck Limited Partnership; DMGT L.L.C.; LeSueur Investments: LaPaglia, L.L.C.; and LeSueur Investments: LaPaglia OIO, L.L.C., in compliance with A.R.S. §9-500.05, for a development known as "AVIARA". **Discussion and action.**

**MOTION was made by Councilmember Rotz-Lopez to adopt Resolution No. 07-15 A Resolution of the Mayor and City Council of the City of Coolidge, Pinal County, Arizona, approving and adopting the Pre-Annexation and Development Agreement between the City of Coolidge and Ben Fatto Limited Partnership; Viel Gluck Limited Partnership; DMGT L.L.C.; LeSueur Investments: LaPaglia, L.L.C.; and LeSueur Investments: LaPaglia OIO, L.L.C., in compliance with A.R.S. §9-500.05, for a development known as "AVIARA". SECOND was made by Councilmember Prechel and passed unanimously by roll call vote.*

18. **Resolution No. 07-16;** A Resolution of the Mayor and City Council of the City of Coolidge, Pinal County, Arizona, approving and adopting the Pre-Annexation and Development Agreement between the City of Coolidge and Lonesome Valley Farms Limited Partnership; A. Gail Robertson, Trustee of the Alice Gail Robertson Family Trust, U/T/A dated June 12, 1997; and Alice Gail Robertson, in compliance with A.R.S. §9-500.05, for a development known as "LONESOME VALLEY FARMS". **Discussion and action.**

**MOTION was made by Councilmember Gilbert Lopez to adopt Resolution No. 07-16 A Resolution of the Mayor and City Council of the City of Coolidge, Pinal County, Arizona, approving and adopting the Pre-Annexation and Development Agreement between the City of Coolidge and Lonesome Valley Farms Limited Partnership; A. Gail Robertson, Trustee of the Alice Gail Robertson Family Trust, U/T/A dated June 12, 1997; and Alice Gail Robertson, in compliance with A.R.S. §9-500.05, for a development known as "LONESOME VALLEY FARMS". SECOND was made by Councilmember Rotz-Lopez, and passed unanimously by roll call vote.*

19. **Ordinance No. 07-13;** An ordinance of the Mayor and Common Council of the City of Coolidge, extending and increasing the corporate limits of the City of Coolidge, Pinal County, State of Arizona, pursuant to the provisions of Title 9, Chapter 4, Article 7, Arizona Revised Statutes and amendments thereto, by annexing thereto certain territory contiguous to the existing city limits of the City of Coolidge consisting of 1,111 acres, more or less, and located in Sections 19, 30 and 31, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, known as the "AVIARA 2 ANNEXATION". **Discussion and action.**

** MOTION was made by Councilmember Ordinance No. 07-13 An ordinance of the Mayor and Common Council of the City of Coolidge, extending and increasing the corporate limits of the City of Coolidge, Pinal County, State of Arizona, pursuant to the provisions of Title 9, Chapter 4, Article 7, Arizona Revised Statutes and amendments thereto, by annexing thereto certain territory contiguous to the existing city limits of the City of Coolidge consisting of 1,111 acres, more or less, and located in Sections 19, 30 and 31, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, known as the "AVIARA 2 ANNEXATION". SECOND was made by Councilmember Prechel and passed unanimously by roll call vote.*

20. **Planned Area Development (PAD)** request submitted by LeSueur Investments for a development consisting of approximately 734 acres, more or less, located north of Martin Road, south of Vah Ki Inn Road, east of Macrae Road and west of Skousen Road, legally described as a portion of Section 19 and 30, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, APN'S 209-10-008, 209-19-010, 209-19-012, 209-19-014, 209-19-015, 209-28-002 and 209-28-003, known as "AVIARA". **Discussion only.**

** Senior Planner Laybourn advised Council on the Planned Area Development known as "AVIARA". There was discussion only.*

21. **Ordinance No. 07-14;** An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, rezoning certain parcels of land from the Pinal County designation of General Rural (GR) to Planned Area Development (PAD) zoning classification consisting of approximately 734 acres, more or less. The parcel of land is legally described as parcel numbers 209-10-008, 209-19-010, 209-19-012, 209-19-014, 209-19-015, 209-28-002 and 209-28-003, generally located north of Martin Road, south of Vah Ki Inn Road, east of Macrae Road and west of Skousen Road in a portion of Sections 19 and 30, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona. **Discussion and action.**
** MOTION was made by Vice-Mayor Thompson to adopt Ordinance No. 07-14 An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, rezoning certain parcels of land from the Pinal County designation of General Rural (GR) to Planned Area Development (PAD) zoning classification consisting of approximately 734 acres, more or less. The parcel of land is legally described as parcel numbers 209-10-008, 209-19-010, 209-19-012, 209-19-014, 209-19-015, 209-28-002 and 209-28-003, generally located north of Martin Road, south of Vah Ki Inn Road, east of Macrae Road and west of Skousen Road in a portion of Sections 19 and 30, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona. SECOND was made by Councilmember Gilbert Lopez and passed with (5) Five YES votes and (1) One NO votes from Councilmember Prechel.*

22. Planned Area Development (PAD) request submitted by Rose Law Group, PC on behalf of Lonesome Valley Farms, LLC for a development consisting of approximately 764.5 acres, more or less, located south of Highway 87, north of Kenilworth Road between Macrae Road and Skousen Road, legally described as parcel numbers 209-18-001, 209-18-002B, 209-18-002C, 209-18-002D, 209-19-001, 209-19-002, 209-19-004, 209-19-003 and 209-19-005, known as "DOUBLE R RANCHES". **Discussion only.**
**Senior Planner Laybourn advised Council on a Planned Area Development known as "Double R Ranches". There was discussion only.*

23. **Ordinance No. 07-15;** An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, rezoning certain parcels of land from the Pinal County designation of General Rural (GR) to Planned Area Development (PAD) zoning classification consisting of approximately 764.5 acres, more or less. The parcel of land is legally described as parcel numbers 209-18-001, 209-18-002B, 209-18-002C, 209-18-002D, 209-19-001, 209-19-002, 209-19-004, 209-19-003 and 209-19-005, generally located south of Highway 87, north of Kenilworth Road between Macrae Road and Skousen Road in a portion of Sections 18 and 19, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona. **Discussion and action.**
** MOTION was made by Vice-Mayor Thompson to adopt Ordinance No. 07-15 An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, rezoning certain parcels of land from the Pinal County designation of General Rural (GR) to Planned Area Development (PAD) zoning classification consisting of approximately 764.5 acres, more or less. The parcel of land is legally described as parcel numbers 209-18-001, 209-18-002B, 209-18-002C,*

209-18-002D, 209-19-001, 209-19-002, 209-19-004, 209-19-003 and 209-19-005, generally located south of Highway 87, north of Kenilworth Road between Macrae Road and Skousen Road in a portion of Sections 18 and 19, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona. SECOND was made by Councilmember Rotz-Lopez and passed unanimously by roll call vote.

24. **Ordinance No. 07-16;** An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, amending Article 3 Section 301 and Article 6 Section 6001 of the City of Coolidge Zoning Code to add distance requirements between Deferred Presentment Companies (Pay Day Loan Companies) and between Auto Title Loan Businesses. **Discussion and action.**
** MOTION was made by Councilmember Gilbert Lopez to table this item. SECOND was made by Vice-Mayor Thompson and passed unanimously.*

25. Consider approval of the Annual Inflation Adjustment of Development Fees increase of 2.86%, based on the Engineering News Record Construction Cost Index that will become effective July 1, 2007. **Discussion and action.**
**E.C. Director Bruce advised Council on considering approval of the Annual Inflation Adjustment of Development Fees increase of 2.86%, based on the Engineering News Record Construction Cost Index that will become effective July 1, 2007. There was discussion only.*

26. Consider approval of purchasing six (6) 2007 Chevy Impalas with equipment packages from Garrett Motors in the amount of \$127,966.34 for the Police Department, waiving the sealed bid process in the best interest of the City. **Discussion and action.**
**MOTION was made by Councilmember Lister to approve of purchasing six (6) 2007 Chevy Impalas with equipment packages from Garrett Motors in the amount of \$127,966.34 for the Police Department, waiving the sealed bid process in the best interest of the City. SECOND was made by Councilmember Gilbert Lopez and passed unanimously.*

27. Review the Airport Fund Budgets proposed for Fiscal Year 2007/2008. **Discussion and action.**
** Grants Coordinator Dusenberry advised Council on the Airport Fund Budgets proposed for Fiscal Year 2007/2008. There was discussion only.*

28. Consider approval of the petition received relative to the formation of the Martin Valley Community Facilities District, and adoption of **Resolution No. 07-17;** A Resolution of the Mayor and Council of the City of Coolidge, Arizona, declaring intent to form a Community Facilities District; ordering and declaring formation of the tax levying Martin Valley Community Facilities District (City of Coolidge, Arizona); approving the Development Financing Participation and Intergovernmental Agreement No. 1 with such District; and declaring an emergency. **Discussion and action.**
**MOTION was made by Councilmember Rotz-Lopez to table this item. SECOND was made by Councilmember Prechel and passed unanimously.*

REPORT FROM THE MAYOR-COUNCIL AND/OR CITY MANAGER
** Mayor, Council, and City Manager Flatley each had reports to make at this time.*

CALL TO THE PUBLIC

**None at this time.*

ADJOURNMENT

**MOTION was made by Councilmember Rotz-Lopez to adjourn the meeting at 8:21 p.m. SECOND was made by Councilmember Prechel and passed unanimously.*

ACTION MINUTES WERE POSTED ON THE WEBSITE MARCH 27, 2007 BY MONICA MARTINEZ, SECRETARY CITY HALL, 130 W. CENTRAL AVE., COOLIDGE, AZ 85228.

II-757

EXHIBIT C

RESOLUTION No. 07-01

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, DECLARING ITS PREFERENCE FOR ALIGNMENT OF THE TRANSWESTERN PIPELINE WITHIN THE CITY LIMITS AND THE PLANNING AREA OF COOLIDGE.

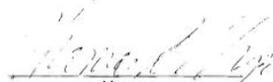
WHEREAS, the Transwestern Pipeline Company is seeking to locate a natural gas pipeline within the City Limits and the Planning Area of the City of Coolidge; and

WHEREAS, the Mayor and City Council believe that the alignment of the pipeline within the El Paso Natural Gas rights-of-way is preferable over all other alignments, and endorses this alignment; and

WHEREAS, the City Council urges both Transwestern and the Federal Energy Regulatory Commission to consider the economic and environmental consequences of the proposed alignment, and re-align the pipeline within the El Paso Natural Gas rights-of-way.

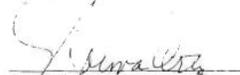
NOW THEREFORE, BE IT HEREBY RESOLVED by the Mayor and City Council of the City of Coolidge, Arizona, that the City, in order to reduce the overall impact on the community of Coolidge, encourages the Federal Energy Regulatory Commission to adopt an alignment for the Transwestern Pipeline utilizing the El Paso Natural Gas rights-of-way.

PASSED AND ADOPTED by the Mayor and City Council of the City of Coolidge, Arizona, on this 8th day of January, 2007.



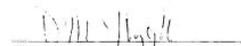
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

II-758

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Transwestern Pipeline Company, LLC

Docket No. CP06-459-000

SUPPLEMENTAL COMMENTS
OF UNS GAS, INC.
IN SUPPORT OF THE TRANSWESTERN
PHOENIX EXPANSION PROJECT

UNS Gas, Inc. ("UNS") hereby respectfully files these supplemental comments in support of the above-captioned proceeding. In support of these comments, UNS demonstrates as follows:

I.

COMMUNICATIONS

The names, titles, and mailing addresses of persons who should be served with communications concerning this matter are:

Erik Bakken, Counsel
UniSource Energy Corporation
Mail Stop UE201
P.O. Box 711
Tucson, AZ 85702
ebakken@tep.com*

David Hutchens, General Manager
Fuels & Wholesale Power
Tucson Electric Power Company
Mail Stop SC115
P.O. Box 711
Tucson, AZ 85702
dhutchens@tep.com*

John A. Cogan, Managing Member
The Johnco Group, LLC
P.O. Box 1177
Harvey, LA 70059
coganja@aol.com*

II.

DESCRIPTION OF FILING

On September 15, 2006, Transwestern Pipeline Company, LLC ("Transwestern") filed an application under section 7(c) of the Natural Gas Act ("NGA") and Parts 157 and 284 of the

* Parties to be served with all filings and issuances in this proceeding.

Commission's regulations, seeking authority to construct and operate: (i) approximately 25 miles of 36-inch diameter pipeline loop in two segments on its existing San Juan Lateral in San Juan and McKinley Counties, New Mexico (San Juan 2008 Expansion Project), (ii) a new 259 mile pipeline consisting of 36-inch and 42-inch diameter pipe extending southward from Transwestern's existing mainline near Ash Fork in Yavapai County, Arizona through Coconino and Maricopa Counties, Arizona and terminating at the beginning of El Paso Natural Gas Company's ("El Paso") East Valley Lateral near the City of Coolidge in Pinal County, Arizona ("Phoenix Pipeline"), and (iii) customer laterals, meter stations, and ancillary facilities ("Phoenix Pipeline Project").

In addition, Transwestern seeks authority to acquire an undivided interest in the East Valley Lateral and to use such facilities to render service in conjunction with the Phoenix Pipeline Project. The projects are collectively known as the Phoenix Expansion Project, all as more fully set forth in the application which is on file with the Commission and open for public inspection.

Transwestern is requesting a determination for rolled-in rate treatment of the facilities for the San Juan 2008 Expansion Project with the cost of service for existing Rate Schedule FTS-4 and including the East Valley Lateral acquisition costs in Transwestern's proposed Rate Schedule FTS-5.

III.

STATEMENT OF INTEREST

UNS, an existing customer of Transwestern and also one of the anchor shippers for the Phoenix Expansion Project and an intervening party in the above-captioned proceeding, has substantial interests that will be directly affected by the outcome of this proceeding.

IV.

UNS STRONGLY SUPPORTS MUCH NEEDED PIPELINE INFRASTRUCTURE FOR THE SOUTHWESTERN UNITED STATES

For many years, the state of Arizona has advocated for further development of natural gas infrastructure within the state. This development is needed not only to meet the rapidly growing demand for natural gas associated with population growth and power generation, but also to provide a competitive

II-760

Companies and Organizations

CO23-1

CO23-1

Section 1.1 has been revised to incorporate UNS Gas, Inc.'s comments in support of the project including the purpose and need of the proposed project.

CO23-1
(cont'd)

alternative to El Paso, the historical sole pipeline provider for the majority of the state. Recognizing these needs, the Arizona Corporation Commission ("ACC"), on December 18, 2003, issued its Policy Statement ("ACC Policy Statement") formally recognizing the critical shortage of interstate natural gas infrastructure in the state of Arizona. The ACC Policy Statement encourages the development of alternative natural gas supply options, including one or more new interstate pipelines and natural gas storage facilities. The ACC Policy Statement endorses voluntary efforts from the Arizona utilities to plan for their present and future gas supply needs, and encourages their participation in such activities.

UNS is the sole entity regulated by the ACC who is not solely supplied by El Paso. In an early 1990s Transwestern expansion project of its mainline pipeline, which traverses the northern part of the state of Arizona, UNS availed itself of the opportunity to interconnect with Transwestern in its Flagstaff and Kingman, Arizona, service areas. Transwestern and UNS entered into long-term transportation service agreements. Integrating Transwestern into the service areas historically served solely by El Paso has provided UNS, and its customers, with the benefits of enhanced service reliability and flexibility, and a competitive alternative to meeting existing needs and future growth of its LDC market.

The Transwestern Phoenix Expansion Project will: 1) extend these same benefits into new areas of the state where UNS and other entities have been served historically only by El Paso and 2) further the development of infrastructure within the state of Arizona as advocated by the ACC Policy Statement. For these reasons, UNS supports the Transwestern Phoenix Expansion Project and requests that the Commission expeditiously approve Transwestern's application.

Respectfully submitted,

/s/

Erik Bakken
UniSource Energy Corporation
One South Church
Mail Stop UE201
P.O. Box 711
Tucson, AZ 85702

Dated at Tucson, Arizona,
this 19th day of June, 2007

II-763

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 22, 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, Docket No. CP06-459-000: Correction of Errata in the Comments of Jerry Witt on Transwestern Pipeline's Proposed Phoenix Expansion Project Draft Environmental Impact Statement, filed on June 13, 2007

Dear Ms. Bose:

CO24-1 Attached for filing in this proceeding is a corrected page 3 of the above-referenced comments. There are 2,317 lots on 742 acres in the Midway Planned Area Development that would be affected by the adoption of a 600-foot setback, not 573 lots on 319 acres. In addition, the economic impact of such a setback could be at least \$22.3 million, not \$29 million.

I certify that on this 22nd day of June, 2007, this letter and the attached corrected page were served by electronic mail upon each person designated on the official service list you have compiled in this 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

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CO24-1 The correction to page 3 of the comments filed in a letter dated June 13, 2007 (see comment letter CO7) is noted. See the response to comment CO7-3.

CO24-1
(cont'd)

impact a substantial number of lots (approximately 2,137) on 742 acres (while only 18 acres are included in the permanent ROW.) This represents an enormous economic impact to the development – at least \$22.3 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.

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.

II-764

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 22, 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, Docket No. CP06-459-000: Correction of
Erratum in Supplemental Comments of WVSU Holdings, L.L.C. on Draft
Environmental Impact Statement, filed June 18, 2007.

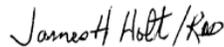
Dear Ms. Bose:

CO25-1 Attached for filing in this proceeding is a corrected page 24 of Attachment A to above-
referenced comments. The economic impact of a 600-foot setback on the Midway
Planned Development could be at least \$22.3 million, not \$29 million as currently
indicated.

I certify that on this 22nd day of June, 2007, this letter and the attached corrected page
were served by electronic mail upon each person designated on the official service list
you have compiled in this 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

CO25-1 The correction to page 14 of the comments filed in a letter dated June 18,
2007 (see comment letter CO16) is noted. See the response to comment
CO7-3.

II-766

CO25-1
(cont'd)

Comments on Chapter 4: Environmental Analysis				
Comment #	Page #	Paragraph #	Document Text	Response Comment
			<p>Surprisingly, the DEIS does not address, or even refer to, the findings of this report. In fact, almost everything about the proposed routing is contrary to the best practices the TRB study recommends. WVSV therefore maintains that the ROW width for the preferred alternative does not meet the latest recommendations for residential areas.</p> <p>The Buckeye Alternatives allow the complete physical separation of the pipeline and populated areas – the optimal result from the TRB study’s perspective. The DEIS’s safety analysis should take this into account when evaluating these alternatives. If the route through WVSV and other developments remains the preferred alternative, then greater ROW widths should be considered, in which case the the 1,730.7 acres of additional ROW mentioned in the DEIS is potentially an undercount of additional acreage impacts.</p> <p>Of course, the impacts on Master Planned Communities of greater setbacks would be high and would dramatically increase to cost of the preferred alternative. For example:</p> <ul style="list-style-type: none"> • Sun Valley Development – impacts to approximately 746 acres at an estimated cost of \$22.4 million.* • Enterprise Ranch Development – impacts to 81.5 acres at an estimated cost of \$ 2.4 million.* • Midway Planned Area Development – impacts to 742 acres at an estimated cost of at least \$22.3 million.* • Elaine Farms – impacts ranging from \$3.2 million to \$7 	

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& GIULIANI

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

June 27, 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

Response of Waste Management Arizona Landfills, Inc. to
Transwestern Pipeline Company, LLC Compliance Report

Dear Secretary Bose:

Please find enclosed for electronic filing in the above-captioned proceeding the Response of Waste Management Arizona Landfills, Inc. ("WMA") to Transwestern Pipeline Company, LLC's ("Transwestern") June 18, 2007 filing in response to the Federal Energy Regulatory Commission's ("Commission") April 27, 2007 directive that Transwestern assess the minor modification to the route of the Phoenix Expansion Project recommended by Waste Management Arizona Landfills, Inc. (the "WMA Variation"). In the Draft Environmental Impact Statement ("DEIS"), the Commission required Transwestern to provide a detailed analysis of the WMA Variation on or before the June 18, 2007 comment date on the DEIS.

Because Transwestern filed on the date DEIS comments were due rather than prior, WMA was unable to respond on the DEIS comment date. WMA sought an additional 21 business days to respond. Transwestern suggested 7 business days. While not obligated to do so, WMA is submitting this response within the timeframe suggested by Transwestern. WMA respectfully requests that the Commission consider the information provided in this response.

Companies and Organizations

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Kimberly D. Bose
June 27, 2007
Page 2

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
Mr. Douglas A. Sipe, Office of Energy Projects, Room 62-54

CO26-2
(cont'd)

convenience and necessity to construct and operate facilities collectively known as the Phoenix Expansion Project (the "Project"). In those comments, WMA expressed its safety and reliability concerns regarding Transwestern's proposal to construct a portion of the Project within an electric line easement that bisects WMA's Northwest Regional Landfill given WMA's present and planned future operations at the Northwest Regional Landfill.

On January 12, 2007, the Commission issued a deficiency letter to Transwestern,² indicating that Transwestern had not addressed adequately serious concerns raised by WMA and other third parties regarding adverse impacts of the Project. On February 1, 2007, Transwestern responded to the deficiency letter.³ In WMA's February 16, 2007, responsive comments,⁴ WMA indicated it had enlisted engineering and other professionals at Golder Associates Inc. ("Golder"), a corporation providing ground engineering and environmental services, to study the effects of Transwestern's proposed routing of the pipeline on the landfill operations, and to consider the effect of landfill operations on the pipeline. Golder proposed an alternate route in which the pipeline would be built at the southern edge of the Northwest Regional Landfill rather than bisecting the landfill as currently proposed, in order to alleviate safety

² *Transwestern Pipeline Co., LLC*, Docket No. CP06-459-000 (Jan. 12, 2007) (deficiency letter).

³ *Transwestern Pipeline Co., LLC* February 1, 2007 Deficiency Letter Response, Docket No. CP06-459-000.

⁴ *Waste Management Arizona* February 16, 2007 Comments, Docket No. CP06-459-000.

CO26-2
(cont'd)

and operational concerns without affecting other landowners or requiring any meaningful addition to the length of the pipeline ("WMA Variation").

On April 27, 2007, the Commission released the DEIS for the Project.⁵ In the DEIS, the Commission was sympathetic to the WMA concerns and believed that further exploration of the WMA Variation was appropriate. The Commission required that "Transwestern file *detailed information* regarding the [WMA] route variation and further justification for the proposed alignment for analysis in the final EIS."⁶ The DEIS provided that "[b]ased on information provided by WMA, construction of the proposed alignment across the Northwest Regional Landfill would appear to pose significant safety and operational concerns for both the pipeline and the landfill facility. The WMA Variation would appear to alleviate those concerns."⁷

Since the Commission could not assess whether other concerns were associated with the WMA Variation, Commission Staff required that Transwestern prepare a report ("Transwestern Report") of the land requirements, other potentially affected landowners, and impacts that the WMA Variation would have on cultural, biological, and other resources.⁸ The Transwestern Report was to "include . . . further justification for the proposed alignment, including a detailed description of the specific construction and operational measures that would be implemented to alleviate WMA's concerns about the crossing of its . . . Landfill

⁵ *Transwestern Pipeline Co., LLC*, Draft Environmental Impact Statement for the Phoenix Expansion Project, Docket No. CP06-459-000.

⁶ DEIS, at ES-6, 5-15 (emphasis added).

⁷ *Id.*, at 3-37.

⁸ *Id.*, at 5-19

CO26-2
(cont'd)

and ensure the integrity of the pipeline if the proposed alignment is approved.⁹
The Transwestern Report was required to be filed during the DEIS comment period so that it could be analyzed in the final EIS.¹⁰

On the very last day of the DEIS comment period, June 18, 2007, Transwestern filed the Transwestern Report in response to the DEIS requirement to assess the WMA Variation. The Transwestern Report is comprised of a mere three pages. One page is a textual discussion of Transwestern's construction plans along its preferred route bisecting the WMA property,¹¹ a second page purports to compare the proposed route that bisects the landfill to the WMA Variation,¹² and a third page provides an aerial photograph.¹³ This hardly constitutes the "detailed information" the Commission required Transwestern to provide.

For its part, on the June 18, 2007 DEIS comment date, WMA filed a detailed report prepared by Golder discussing the nature of the safety and reliability concerns associated with the Transwestern proposal to bisect its landfill. The Golder report presented and considered means by which these concerns could be alleviated somewhat, including burial in a 12 foot deep trench allowing for 9 feet of cover and/or a continuous concrete slab over the entire

⁹ *Id.*

¹⁰ *Id.*

¹¹ Transwestern Pipeline Co., LLC June 18, 2007 Response to DEIS, Request No. 10, Docket No. CP06-459-000 ("Response to Request No. 10").

¹² *Id.*, Attachment A, Table 10-1 ("Table 10-1").

¹³ *Id.*, Attachment B, Figure 10-1 ("Figure 10-1"). This page was filed by Transwestern with the Commission as non-internet public and was not served on the service list on June 18, 2007. WMA was provided a copy on June 20, 2007, in response to its request to be served with all information pertinent to the WMA Variation.

CO26-2
(cont'd)

route through the WMA property.¹⁴ However, the Golder report concluded that these remedies were sub-optimal and would cause other problems. Golder recommended that the WMA Variation be pursued as a reasonable and preferred alternative to avoid the safety and reliability issues.

II. TRANSWESTERN'S RESPONSE IS DEFICIENT

CO26-3

The Transwestern Report is deficient. While the Golder response represents a *bona fide* effort to study the safety and reliability issues recognized by the Commission, and was prepared by licensed industry professionals, the Transwestern Report evidences bias and contains incorrect, unreliable, and misleading data.

The Transwestern Report does not respond to the Commission's DEIS directives in any meaningful way,¹⁵ is replete with quite substantial errors, and represents an attempt by Transwestern to push its proposed route, regardless of legitimate safety concerns and operational issues that could be avoided through the pursuit of the WMA Variation -- a very reasonable alternative that avoids these safety, reliability and operational issues with little, if any, additional effort. The Commission cannot overlook these issues in the face of the serious negative consequences that are associated with adopting the Transwestern proposed route.

¹⁴ Waste Management Arizona June 18, 2007 Comments to DEIS, Golder Report at 5-8, Docket No. CP06-459-000.

¹⁵ For example, while the Commission required that Transwestern provide a "detailed description of the specific construction and operational measures that would be implemented to alleviate WMA's concerns," Transwestern merely indicates that it will work to identify and incorporate "proper load protection" but provides no details as to what those will be and whether they will fully mitigate the impacts without causing other concerns.

II-773

Companies and Organizations

CO26-3 See the response to comment CO26-1.

CO26-3
(cont'd)

The Commission should not abide Transwestern's transparent attempt to circumvent the Commission's directives. As recommended by Region IX of the Environmental Protection Agency, the Final Environmental Impact Statement ("FEIS") fully should describe and evaluate the WMA Variation.¹⁶ Transwestern's agenda-driven, inaccurate and deficient response cannot be relied upon by the Commission for any purpose. WMA herein provides additional information upon which the Commission may rely in adopting the WMA Variation. Together with the Golder report, the Commission should use this information to reject the Transwestern preferred route in the FEIS and adopt the WMA Variation.

III. TRANSWESTERN'S RESPONSE IS REPLETE WITH ERRORS AND CANNOT BE RELIED UPON

CO26-4

As it pertains to the WMA Variation, the Transwestern response included three documents: the Response to Request No. 10 of the DEIS; Table 10-1 which purported to compare the currently proposed alignment to the WMA Variation; and Figure 10-1, an aerial photograph of the WMA property.

The Transwestern Report contains multiple errors. Each will be discussed in turn.

First, Transwestern represents that because its preferred route is through an existing utility easement corridor, its route "thereby eliminates any other disturbance to Waste Management current and future use of their property due to either Transwestern's construction or operations."¹⁷ This statement is patently

¹⁶ United States Environmental Protection Agency Region IX June 18, 2007 Comments to DEIS, Attachment at 1, Docket No. CP06-459-000.

¹⁷ Response to Request No. 10.

II-774

Companies and Organizations

CO26-4 See the response to comment CO26-1.

CO26-4
(cont'd)

false. In addition to its quite obvious misrepresentation given the disruption that necessarily will be caused by pipeline construction activities taking place side-by-side with heavy landfill operations, the statement is flawed in attempting to completely negate the impact of an underground pipeline based upon the existence of overhead transmission lines.

The Commission already appropriately has recognized the impact of the Transwestern proposal on WMA in requiring further study of the WMA Variation.¹⁸ WMA's heavy scraper equipment, with weight loadings that exceed those permitted on the highways of the State of Arizona, do not pass over transmission lines, but would pass over the pipeline if the proposed route is permitted. Moreover, the Golder report concluded that the pipeline route in the proposed location "would present a potentially significant safety hazard to site personnel, waste haulers, the public, and the integrity of the landfill and would significantly constrain current and future landfill operations."¹⁹ In addition, Golder reported that the proposed route:

would hinder future access and the construction of environmental management measures, such as a landfill gas collection system, electrical control lines, potable water supply pipes, stormwater control ditches, sediment settlement ponds and infiltration basins along a corridor common to past, existing and future proposed landfill operations.²⁰

The "concrete crossings" that Transwestern has offered will do nothing to permit the planned environmental management measures to proceed. In addition, while

¹⁸ DEIS, at 3-37.

¹⁹ Waste Management Arizona June 18, 2007 Comments to DEIS, Golder Report at 2, Docket No. CP06-459-000.

²⁰ *Id.*, Golder Report at 2-3.

CO26-4
(cont'd)

WMA now has unfettered access over the easement except where steel poles, steel towers and other infrastructure are placed in the ground, those "equipment crossings" would limit WMA's access over the easement to a few discrete locations. Landfill operations are not static operations such as those that may occur in other industrial operations. As landfill cells are filled, other cells are developed. Points of entry and exit are added and roads may be built to facilitate these operations. WMA has disclosed plans to start landfill operations in Phase III, which will require access locations to vary and alter traffic patterns and frequency. As WMA has indicated, at that time it will require access to the entire length of Phase III spanning most of the east to west landfill.²¹ Simply stated, WMA requires access across the existing transmission line easement at virtually all locations, and not just at a few "equipment crossings" as Transwestern has suggested. It is unclear why Transwestern would represent incorrectly the existence of no impact on WMA (i.e. Transwestern's assertion that use of the proposed route "eliminates any other disturbance to Waste Management current and future use of their property due to either Transwestern's construction or operations.") in the face of such obvious and uncontroverted impacts on WMA of the proposed route.

Second, Transwestern claims that the transmission line easement that is maintained by Salt River Project Agricultural and Improvement District ("SRP") and in which Transwestern proposes to construct the pipeline expires in 2043.

²¹ Waste Management Arizona February 16, 2007 Comments, Attachment A Golder Report at 2, Docket No. CP06-459-000.

CO26-4
(cont'd)

SRP was provided a 50 year easement in late 1978.²² The expiration of that 50 year term will occur in 2028, not 2043.²³

Third, in perhaps its most significant error, Transwestern represents that the minor rerouting through the south portion of the WMA property would add a whopping "14.7 miles to the [pipeline] route." Yet Transwestern's own Table 10-1 shows that the reroute will only add 1.14 miles to the route.²⁴

Fourth, in an attempt to increase the perceived third party impacts, in Table 10-1, Transwestern identifies a total of five additional landowners (other than WMA) who would allegedly be affected by the WMA Variation. WMA is the entity identified as "Sanifill of Arizona" on Table 10-1. Transwestern identifies these five additional landowners as implicated, each for the purpose of "Extra Temporary Workspace" that Transwestern allegedly seeks during some portion of the pipeline construction phase to accommodate construction of six bends in the pipe along the WMA Variation. Transwestern has provided no justification to indicate why the "Extra Temporary Workspace" must lie outside the landfill property. In point of fact, since the WMA Variation still would be built fully within the landfill property, Transwestern has provided no reason why it could not use "Extra Temporary Workspace" within the landfill property. WMA is fully prepared to cooperate in providing Transwestern with access to the "Extra Temporary

²² Response to Request No. 10.

²³ SRP did not dispute the 2028 expiration date in its filing in this docket. Salt River Project Agricultural Improvement and Power District June 18, 2007 Comments to DEIS at 4-5, Docket No. CP06-459-000.

²⁴ Table 10-1 indicates that the WMA Variation is 2.62 miles of pipeline and the proposed alignment requires 1.48 miles of pipeline (2.62-1.48 = 1.14 miles).

CO26-4
(cont'd) | Workspace" within the landfill property. Table 10-1 also contains some other
minor inconsistencies with respect to areas and property descriptions, when
compared to the aerial photograph.

IV. CONCLUSION

CO26-5 | The Commission should issue an FEIS that adopts the WMA Variation.
Transwestern has abrogated its responsibility to provide forthright, accurate and
responsible information to the Commission. WMA has provided credible and
compelling evidence that the WMA Variation is the preferred route.

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 27, 2007

Companies and Organizations

26

CO26-5 See the response to comment CO26-1.

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing pleading this 27th 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

II-779



El Dorado Holdings, Inc.

June 16, 2007

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

ORIGINAL

FILED
OFFICE OF THE
SECRETARY
2007 JUN 26 A 9 03
FEDERAL ENERGY
REGULATORY COMMISSION

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

Dear Ms. Bose:

CO27-1 Thank you again for holding a public meeting in Buckeye, Arizona on June 6, 2007 and for allowing us to comment on the draft Environmental Impact Statement for the proposed Transwestern gas pipeline project referenced above.

After reviewing additional information, we have decided to withdraw our opposition to 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.

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

Regards,

Tom Hennessy, PE
General Manager, Douglas Ranch

II-780

Companies and Organizations

CO27-1 El Dorado Holdings, Inc.'s withdrawal of its 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 (see comment letter CO8) is noted.

ORIGINAL

**Friends of the Agua Fria National Monument
PO Box 43860
Phoenix, AZ 85080**

June 18, 2007

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.: Room 1A
Washington, D.C. 20426

Reference Docket No. CP06-459-000

Dear Ms. Bose,

FILED
SECRETARY
2007 JUL -2 P 2:35

The Friends of the Agua Fria National Monument ("Friends") are grateful for the opportunity to submit these comments concerning the Transwestern Pipeline Company, LLC's (Transwestern) proposed expansion of its natural gas pipeline system. Our group was formed in October 2004, with encouragement from the BLM. Our mission statement includes the following purpose:

"[T]he Friends is organized to protect, preserve, and promote appreciation and enjoyment of the ecological, archeological, scenic, and scientific resources and values of the Monument. We accomplish our mission ... in consultation and coordination with the BLM."

Currently there are approximately 120 paid members of our group, with 40 others who have expressed interest in notifications via our e-mail list.

We appreciate the time and effort that the staff at the Federal Energy Regulatory Commission has spent in preparing the Draft Environmental Impact Statement and considering the many challenges and interests in a project of this magnitude. Like your staff, our group also had to consider the many interests in the monument.

CO28-1 | The establishment of Agua Fria National Monument set in place a new mandate that these lands be managed in a different way. The Presidential Proclamation requires the Bureau of Land Management (BLM) develop a management plan that doesn't simply maintain monument objects in their current condition, but instead requires a plan that actively promotes their protection. In your Impact Statement, you refer to Alternative E within the Draft Management Plan created by the BLM, as the measure with which to base your decisions within the monument. Alternative E states, in part, that it would direct the:

"Narrow(ing of) the existing utility corridor (designated by the Phoenix RMP [BLM 1988a] in the Black Canyon RCA), so that the utility corridor's eastern boundary follows the easternmost boundaries of any existing rights-of-way that are within the corridor identified in the Phoenix RMP."

Further, Alternative E also states:

Companies and Organizations

CO28-1 | As discussed in section 3.4.2.3, the Agency Staffs support the proposed alignment of the Phoenix Lateral that would entirely avoid the AFNM.

Section 4.9 describes the results of cultural resources surveys completed and the mitigation that would be implemented to avoid or reduce impacts on cultural resources near the monument. The BLM, which manages the monument, has been closely consulted regarding the identification and preservation of cultural resources in proximity to the monument and other federal lands crossed by the project.

Companies and Organizations

II-782

CO28-1
(cont'd)

"No new utility corridors would be designated within this MU."

The Friends fully supports all of these recommendations. The construction of the existing pipeline, which originally occurred prior to the proclamation of the monument, caused considerable disruption of the natural and cultural resources. We are pleased to see that your preferred action recognizes the importance of not further disrupting the area and further recognizes that any alternative which affects the monument is not viable.

One portion of alternative "E" reads:

"Alternative E would adjust the western boundary of the Black Canyon corridor 1 mile west of the true center of Interstate 17 and would widen the corridor to 2 miles where it crosses the Black Mesa/Bumble Bee Cultural Resource Priority Areas. A new corridor southwest of Agua Fria National Monument would be added to extend the Black Canyon utility corridor completely across BLM's land south and west of Black Canyon City."

The Friends are not entirely clear on the intent of this statement, however, if it means the existing pipeline will not be expanded any further into the monument, and any cultural resources that impact the interpretation of the cultural resources within the monument, we also support this statement.

We continue to be concerned that any alternatives are even considered that impact the monument, and hope that any further discussion of plans which negatively impact the monument are ceased.

CO28-2

This project will likely also negatively affect the planned Black Canyon Heritage Park, an ongoing project we are involved in. The Heritage Park is located along the Agua Fria River between the Old Black Canyon Highway and I-17 in Black Canyon City. This project seeks to fully restore the riparian habitat of this stretch of river, develop recreational trails and install interpretative signs, maintain a native and endangered fish pond, provide environmental education, and serve as a visitor contact station for public lands in the area, particularly Agua Fria National Monument. We request that Transwestern pay close attention and work closely with the Friends and other groups, such as the Black Canyon City Community Association, to ensure that the pipeline does not negatively affect this project.

CO28-2

The Friends of the Agua Fria National Monument's request that Transwestern work with this group and others is noted. Section 4.7.5 has been revised to include a discussion of the proposed Black Canyon Heritage Park.

CO28-3

Finally, we are somewhat concerned that the entire emphasis of the commission's recommendations are based on a document that currently is only in the draft form (the Bureau of Land Management Draft Resource Management Plan), and in fact this plan may indeed be altered before it is finalized, significantly affecting Transwestern's pipeline plans.

CO28-3

Section 1.5.1 has been revised to incorporate the BLM's determination that a land use plan amendment is not required for the Phoenix Expansion Project to be in conformance with the Phoenix RMP and the reasons for this determination. Therefore, any revisions to the Agua Fria National Monument and Bradshaw-Harquahala Draft RMP would not affect the Commission's recommendations regarding the proposed project or the BLM's decision that the project is in conformance with the applicable RMP.

CO28-4

We thank the Federal Energy Regulatory Commission for its willingness to consider our comments and recommendations before development of the proposed pipeline.

The Friends of the Agua Fria National Monument look forward to continuing to work with Federal Energy Regulatory Commission staff in protecting the Monument for archeological

CO28-4

The comments of the Friends of the Agua Fria National Monument regarding the Commission's consideration of its comments and future cooperation in protecting the AFNM for archeological study of its ancient sites, for its sustaining environment, and for the appreciation of future generations are noted.

CO28-4 study of its ancient sites, for its sustaining environment, and for the appreciation of future
(cont'd) generations.

Sincerely,



Scott Jones
Board Secretary
Friends of the Agua Fria National Monument

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

July 10, 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, Docket No. CP06-459-000: Addition to Supplemental Comments of WVSV Holdings, L.L.C., filed June 18, 2007.

Dear Ms. Bose:

CO29-1

At the public hearings held on June 6 and 7, 2007, and in written comments filed on June 18, 2007, WVSV Holdings, L.L.C. and its affiliates ("WVSV") have expressed serious concerns about the Draft Environmental Impact Statement ("DEIS") for the Phoenix Expansion Project. WVSV's comments have strongly challenged the adequacy of the DEIS's analysis of alternatives to the pipeline's proposed routing through the Phoenix metropolitan area and have recommended adoption of one of the Buckeye Alternatives (identified in DEIS §3.4.2.5) as the project's preferred route.

Two filings occurred after WVSV's June 18 filing that, taken together, have a significant impact on this proceeding. First, on June 19, 2007, the U. S. Environmental Protection Agency ("EPA") filed its comments on the DEIS. The EPA expressed concern about the potential cumulative effects of the proposed route on sensitive wetland, riparian, and special species resources and to Maricopa County air quality. According to the EPA, these concerns were heightened by the "many proposed transportation, utility and commercial/residential development projects in the region." As a result, the EPA recommended that the Final Environmental Impact Statement "fully analyze alternative pipeline options."

Then, on June 26, 2007, El Dorado Holdings, Inc. ("El Dorado") withdrew its opposition to the Buckeye Alternatives. See Letter of Tom Hennessey, El Dorado's General Manager, dated June 16, 2007 and filed in this proceeding on June 26, 2007.

Companies and Organizations

29

CO29-1

The EPA agrees with the FERC and Agency Staffs' conclusion that the proposed alignment in the Buckeye area would result in fewer adverse environmental impacts than either of the Buckeye Alternatives (see comment letter FA4), a conclusion that the EPA would not have reached had it deemed the analysis of the Buckeye Alternatives to be deficient. Rather, as indicated in its detailed comments, the EPA's recommendation to fully analyze pipeline alternatives is in reference to two variations: the Waste Management Arizona Variation and the Pinal County EPNG Collocation Variations, where the draft EIS sought additional information to finalize the alignment of the Phoenix Lateral through those areas before commencement of construction.

In its withdrawal of opposition to the Buckeye Alternatives, El Dorado Holdings, Inc., does not assert that the Buckeye Alternatives would not impact its planned Douglas Ranch project. Section 3.4.2.5 has been revised to include additional information regarding planned development in the Buckeye area.

CO29-1
(cont'd)

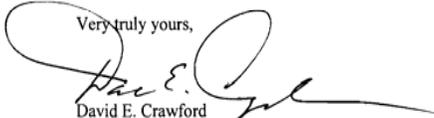
By itself, the importance of El Dorado's action cannot be overstated. El Dorado's withdrawal clearly establishes that the Buckeye Alternatives would have far fewer impacts on planned developments in the Phoenix metropolitan area than the route proposed by the Applicant and endorsed by the DEIS. As a result, adoption of one of the Buckeye Alternatives as the Final Environmental Impact Statement's preferred route would not constitute a case of simply "trading impacts," (as alleged by the Applicant in its comments filed on June 18, 2007), but rather the implementation of the best option for minimizing the adverse impacts of the Phoenix Lateral on the environment.

Considered along with the EPA's comments, however, El Dorado's withdrawal emphasizes the need for a complete reworking of the DEIS's alternatives analysis. WVSV is convinced that when all costs and environmental impacts are factored into the analysis, the Buckeye Alternatives will be the most economically and environmentally viable alternative for locating the Phoenix Lateral.

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

I certify that on this 10th day of July, 2007, this letter was served by electronic mail upon each person identified on the official service list you have compiled in this proceeding.

Very truly yours,



David E. Crawford
Counsel to WVSV Holdings, L.L.C.

II-785

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Thomas C. Jensen
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July 12, 2007

VIA E-MAIL

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

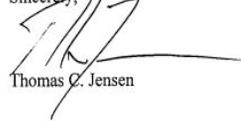
Re: Transwestern Pipeline Phoenix Expansion Project -- CP06-459-000

Dear Secretary Bose:

Please accept for filing the attached Comments by Mainspring Casa Grande, LLP; Miller & White 815, LLP and Anderson & Miller 694, LLP on Transwestern Pipeline Company's Response to the Commission's Draft Environmental Impact Statement on the Phoenix Expansion Project.

Thank you for your assistance.

Sincerely,



Thomas C. Jensen

CC: Service list

Brussels Charlotte Chicago Dallas Kansas City Los Angeles New York Phoenix St. Louis
San Francisco Short Hills, N.J. Silicon Valley Washington, D.C. West Palm Beach

II-786

II.

BACKGROUND

On April 27, 2007, the Commission staff issued a Draft Environmental Impact Statement on Transwestern Pipeline Company's ("Transwestern" or "Applicant") proposed Phoenix Expansion Project ("DEIS"). The DEIS contained an unambiguous and laudable directive to the Applicant to "work with EPNG to develop variations of the Phoenix Lateral that would avoid the placement of permanent right-of-way on platted lots within the Terrazo, Solana Ranch North, Maratea, and Vista Canyons developments." (DEIS, 3-38). Mainspring, M&W and A&M, filed comments to the DEIS on June 14, 2007. The Applicant filed a response to and comments on the DEIS on June 18, 2007, the final day that comments were due.

III.

COMMENTS

a. **The Applicant Did Not Do What the Commission Told It To Do and the Response Does Not Justify the Applicant's Position.**

CO30-1

Our June 14, 2007 comments on the DEIS expressed doubt that the Applicant would adequately respond to the Commission's directives. As forecast, the Applicant's most recent submission continues the pattern of disdain for Commission direction and disregard for the interests of stakeholders. The Applicant did not do what the Commission asked it to do. And what the Applicant does proffer is unjustified and imprudent.

The Applicant has proposed a slight modification to its original alignment, but again asks the Commission to allow it to site its pipeline and impose permanent easements where the Commission told it not to: "platted lots within the Terrazo, Solana

Companies and Organizations

CO30-1

Based on the information before it in preparing the draft EIS, the FERC concluded that the placement of permanent right-of-way on platted lots within four planned developments in Pinal County could apparently be avoided by implementing slight variations to Transwestern's proposed alignment.

Transwestern complied with mitigation measure number 11 of the draft EIS by working with EPNG and conducting detailed field surveys to determine the actual dimensions of EPNG's right-of-way across the planned developments and the location of EPNG's existing pipelines within the right-of-way. The distance between the nearest EPNG pipeline and lot lines within the planned developments was found to range from 22.5 to 45 feet, not 45 to more than 50 feet as previously understood. Based on this new information, Transwestern developed variations that would substantially reduce, but not entirely eliminate, the direct impact of the project on the developments. These variations are a reasonable balance between the desire of the developers and local planning agencies to avoid direct impact on the developments and significant replanning, and the necessity to provide Transwestern and EPNG sufficient room in which to safely operate their facilities. Section 3.5.2.5 has been revised to address these variations.

Approval of the variations would include the placement of temporary easements on the planned developments. These easements would expire upon completion of construction activities.

EPNG's future plans pertaining to expansion or maintenance of its facilities are beyond the scope of this EIS.

CO30-1
(cont'd)

Ranch North, Maratea, and Vista Canyons developments.” Even with the proposed “new” alignment, more than 80 lots will be impacted by permanent easements, and more than 100 lots impacted by temporary easements. The number of platted lots affected is reduced by about one-quarter. However, the adverse consequences of the proposed new alignment, in terms of disruption to the master planned communities and the parties involved in developing and approving those plans are no less than the adverse impacts of the original proposal. The new alignment is as problematic as the original and the Commission should reject it on those grounds alone, though there are ample additional reasons for rejection.

The Commission should also reject the proposed alignment because the Applicant has not produced any justification for it. In the Applicant’s most recent submission, the company provided a scant three paragraphs of text along with five large format exhibits containing no explanatory information. Figures 11-1a through 11-1g (which cover the area including Mainspring, M&W and A&M’s master planned developments) were partially revised from earlier submissions, yet without any explanation of the justification for or consequences of the changes. The parties to this proceeding and the Commission are again forced to engage in a guessing game as to the Applicant’s intentions and rationale for proposed activities.

The DEIS instructed the Applicant to “develop variations of the Phoenix Lateral that would avoid the placement of permanent right-of-way on platted lots within the Terrazo, Solana Ranch North, Maratea, and Vista Canyons developments.” (DEIS 3-39). In explaining the basis for this instruction, the Commission staff expressly noted that “direct impact...on the referenced lots could be avoided by slight variations in The

CO30-1
(cont'd)

Applicant's proposed alignment." (DEIS, 3-38). Indeed, Commission staff went further than mere instruction and baseline findings, offering suggestions on proposed alternatives. (*Id.*). Commission staff noted at least two potential solutions: (1) narrowing the Applicant's proposed right-of-way; and (2) partially overlapping the Applicant's right-of-way with the adjacent right-of-way owned by El Paso Natural Gas ("EPNG"). (*Id.*). The DEIS implicitly recognized the feasibility and desirability of coordination between two adjacent pipeline operators by requiring coordination between them: "The Applicant shall work with EPNG..." (DEIS 3-39) (emphasis added).

The Applicant does not dispute or claim to not understand the intent of the Commission's instructions in the DEIS. Indeed, the Applicant notes that "Commission staff has requested Transwestern to work with certain developers in the Casa Grande area to resolve existing routing issues by placing its pipeline alignment into the existing EPNG pipeline easements to preserve residential lots lines..." (The Applicant Response, at page 2). But, as with prior submissions by this Applicant in response to direct Commission instructions, this response quickly veers off course.

The Applicant's misdirection begins with the claim that an alignment adjacent to the EPNG alignment is "consistent with the requirements of the draft EIS," despite the plain language of the EIS to the contrary.

Following this distortion of the Commission's mandate, The Applicant seeks to skirt its duty to find the way to make collocation work by offering a sweeping and unsubstantiated claim: encroachment by planned residential developments "has left insufficient space for current and future construction, operation and maintenance...without some redesign [of the developments]." There is no evidence in

CO30-1
(cont'd)

the record of this proceeding to substantiate that claim. Indeed, all the evidence shows that the contrary is true: prior filings by the Applicant show no site along the EPNG right-of-way where the amount of space between the platted lots and the closest EPNG line is inadequate for safe collocation without taking permanent easements on the platted lots. The burden is on the Applicant to show precisely why and where collocation would be improper. We are aware of no encroachment on the EPNG right-of-way in the areas covered by the Mainspring, M&W and A&M developments. Even if there is encroachment on the EPNG right-of-way somewhere, it does not inherently follow that the Applicant's line cannot be properly sited within the EPNG right-of-way in the areas of the Mainspring, M&W and A&M developments.

The Applicant continues its flawed and unresponsive reasoning by asserting that the developments themselves are "preliminary" in nature -- a statement in absolute conflict with and fully rebutted by a significant volume of record evidence to the contrary. Mainspring, M&W and A&M highlighted the Applicant's flawed assertions regarding the nature of the planned communities in our earlier submissions. Despite the plain language of the DEIS that recognized the significant resources expended by the parties, the City of Casa Grande, and Pinal County to develop and approve these master planned communities, the Applicant nevertheless continues to rely on, and ask the Commission to embrace, the false premise that these developments can be easily moved or modified.

Rather than attempt to justify its position with facts, information and analysis, the Applicant offers multiple distractions and distortions while asserting that its current plan is "consistent with the requirements of the draft EIS." The Applicant asks that the

CO30-1
(cont'd)

Commission's mitigation measures be withdrawn, but offers no good reason for the Commission to do that. The Commission should require the Applicant to do what it was told to do.

b. The Applicant's Written Response Conflicts with Its Own Proposed Alternative Alignment Contained in Its Exhibits and With the Applicant's Prior Submissions.

Alignment sheets submitted by the Applicant that cover the areas of the Terrazo, Solana Ranch North and Maratea developments add confusion to the Applicant's position because they directly conflict with the Applicant's narrative response to the Commission. The alternative alignment proposals contained in Figures 11-1a through 11-1e demonstrate the feasibility of the very approach derided in the Applicant's written submission.

The proposed alternative alignment submitted by the Applicant as shown in the alignment sheets relies on permanent use of the EPNG right-of-way, while continuing also to call for permanent and temporary taking of lands in Terrazo, Solana Ranch North and Maratea. The Applicant's proposed alternative alignment intrudes on the EPNG right-of-way by at least 22.5 feet, and places the Phoenix Lateral a distance of 35 feet from the nearest EPNG pipeline. This proposal belies the Applicant's assertion in the DEIS Response that there is "insufficient space for current and future construction, operation and maintenance of multiple interstate pipelines without" redesign of master planned communities.

The alignment sheets provided by the Applicant are inconsistent with the Applicant's statements in another way, as well, since they do not reveal the "encroachments" alleged to be present with respect the EPNG easement.

CO30-1
(cont'd)

The alignment sheets prepared by the Applicant demonstrate that the Transwestern pipeline can be sited fully within the EPNG right-of-way. They do not demonstrate that the new pipeline requires permanent or, for that matter, temporary easements in the Terrazzo, Solana Ranch North, and Maratea developments. In most locations along the proposed route shown in the alignment sheets, the distance between the Applicant's pipeline and the nearest EPNG line is proposed to be 35 feet, an arbitrary distance that is by no means a minimum set-off under any applicable legal requirements..

As we documented in our filing of April 3, 2007, the minimum distance between the edge of the platted lots and the closest EPNG pipeline is at least 50 feet in all but one location, where the distance is 45 feet. Accordingly, as we outlined in our prior submission, this minimum distance would allow for 25 feet of separation from the EPNG line in all areas of the proposed alignment. That area is sufficient for placement of the new line without requiring permanent taking of any of the platted lots, and represents a practical solution that would be entirely consistent with industry standards, applicable rules, and the express directive from the Commission included in the DEIS.

c. The Applicant's Proposal for Temporary Easements Would Set the Stage for Permanent Conflict with Landowners and Communities.

The Applicant has proposed placing temporary easements on at least 100 platted lots in the Terrazo, Solana Ranch North and Maratea developments. It is not entirely clear from the Applicant's materials, but it appears that the Applicant intends to carry out all construction, operation, and maintenance activities on the side of the proposed pipeline away from the existing EPNG pipeline.

The Applicant's submission asks the Commission to adopt a short-sighted view of the impact of the proposed Phoenix Lateral on the Casa Grande area communities -- and

CO30-1
(cont'd)

vice versa. The Applicant is asking that the Commission approve an alignment that will guarantee ongoing conflict with the owners of the lots in the master planned communities. Those communities were specifically planned to avoid conflict with EPNG's Commission-certificated lines. Now, the Applicant is asking the Commission to create on the company's behalf exactly the type of conflict all the other parties sought to avoid.

The Applicant's proposal to take permanent easements in the planned communities is problematic in its own right, as demonstrated above and in previous filings. But it is important to recognize that the so-called "temporary" easements sought by the Applicant in the Maratea, Terrazo, and Solana Ranch North developments are, in fact, not one-time issues, but would likely represent a permanent problem for the communities, the pipeline, and the Commission.

If the Commission accepts the Applicant's premise that the company should not have to carry out construction related activities near or over the EPNG lines, then the area of the proposed temporary easement would, by default, be the areas that the Applicant would expect to be able to use for future construction, maintenance, and repair activities. The area may be open desert land today, and may still be open at the time the Applicant ultimately initiates construction, but soon thereafter that "workspace" will be occupied by backyards, pools, playhouses, streets, sidewalks, neighborhoods and people. It would be manifestly imprudent for the Commission to allow the Applicant to proceed on the assumption that the platted lots will be available as "workspace" once they are developed.

CO30-1
(cont'd)

- d. **The Final EIS Should Adopt an Alternative that Requires the Applicant to Collocate with EPNG, Avoid Permanent Right-Of-Way on the Planned Developments, and Demonstrate how Future Construction, Operation and Maintenance can be Performed without Disrupting Homes and Communities.**

The National Environmental Policy Act and Commission rules require consideration of alternatives that incorporate all reasonably foreseeable circumstances. The record in this proceeding is clear that EPNG will shortly be carrying out extensive modifications to its pipeline in the Casa Grande area to meet federal safety standards because areas north and south of the EPNG easement will soon be occupied by thousands of homes and residents.

The Commission should expand on the position it took in the DEIS to fully acknowledge those foreseeable circumstances. Not only should the Commission require the Applicant to site its pipeline in the EPNG easement, and take no permanent easements in the Terrazo, Maratea and Solana Ranch North communities, but the Commission should also require the Applicant to produce an enforceable plan for coordinating its construction, operations and maintenance activities fully within the right-of-way it will share with EPNG.

It is in the interest of the Commission and the public to require current and proposed pipelines in a specific corridor to develop and follow collaborative plans to meet federal safety standards. It is far preferable to require two pipeline operators to coordinate their activities than to ask that communities be moved for the convenience of one company or that thousands of homeowners be perpetually ready to surrender their lands to accommodate that company's operations and maintenance actions.

We believe we are offering a significant concession by taking the view that the Applicant could be sited in the EPNG corridor. There is real risk to this position. As we

CO30-1
(cont'd)

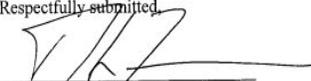
stated in our comments on the DEIS, we are concerned, and believe the Commission should be very concerned by the Applicant's approach to compliance with Commission directions. This most recent demonstration of the Applicant's disregard for Commission authority reinforces the view that, with the long-term interest of the public and the Commission's gas pipeline regulatory program in mind, the safest course would be for the Commission to require the Applicant to use a route for the Phoenix Lateral that entirely avoids the Casa Grande area or to refuse to issue a certificate for the project.

V.

CONCLUSION

Mainspring, M&W and A&M respectfully request that the Commission give full consideration to these comments.

Respectfully submitted,



Thomas C. Jensen
Michael E. Zoladz
Sonnenschein, Nath & Rosenthal, LLP
1301 K St., NW, Suite 600 East Tower
Washington, DC 20005
(202) 408-3956

Counsel to Mainspring Casa Grande, LLP
Miller & White 815, LLP
Anderson & Miller 694, LLP

July 12, 2007
Washington, D.C.

II-796

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served by email the foregoing document to all parties listed on the official service list compiled by the Secretary for this proceeding.

Dated at Washington, DC, this 12th day of July 2007.



Thomas C. Jensen
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