

NEW INTERSTATE NATURAL GAS FACILITIES IN SCHOHARIE COUNTY: FERC REVIEW PROCESS

The Schoharie County Planning and Development Agency

Latest in Schoharie County

Tennessee Gas Pipeline

- Doing some ground work.

Cabot – Williams (Constitution Pipeline)

- Requested start of FERC Pre-application process on April 5, 2012. FERC Docket # PF12-9

Constitution Pipeline (CW)

- 30 inch, 120 mile pipeline
- Extend from Susquehanna County, PA to Schoharie County, NY
- Proposed completion in late 2014/early 2015.
- 31.6 miles in Schoharie County
- Includes 32,000 horsepower compressor facility in Town of Wright

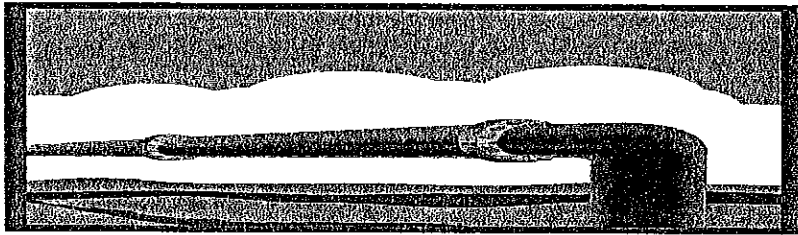
Who Is FERC?

The Federal Energy Regulatory Commission (FERC) is charged by Congress with evaluating whether interstate natural gas pipeline projects proposed by private companies should be approved.



The Process

- FERC approves the location, construction, operation of interstate pipelines, facilities, and storage fields involved in moving natural gas across state boundaries.



What Else is Proposed Besides The Pipeline?

- Other above ground facilities such as taps, valves, metering stations may be involved.
- New compressor station is proposed in Town of Wright.
- See handouts for more information.



FERC Pre-Filing Environmental Review Process

- Cabot-Williams – entering process in April 2012 (takes about 6 months)
- Pre-filing Process is not a formal application
- Process helps company “fine-tune” a route and find out local concerns/issues
- Public input – Company holds Open House in each County and FERC holds scoping session in NY State.
- Opportunity for more public input at formal application stage

How Do I Make My Views Known?

There are two ways to make your views known to FERC:

First: If you want FERC to consider your views on the various environmental issues involved in the location of the facility, you can simply do so by writing a letter.

FERC undertakes several levels of environmental analysis. FERC affords you the opportunity to comment at various stages in this process. By filing comments, your views will be considered and addressed in the environmental documents or a final order.

Additionally, you will be placed on a mailing list to receive environmental documents in the case.



Second: You may file to become what is known as an intervenor. You may obtain instructions on how to do this at the FERC website.

Becoming an intervenor is not complicated and gives you official rights. As an intervenor, you will receive the applicant's filing and other FERC documents related to the case and materials filed by other interested parties.



Being An Intervenor



- You will also be able to file briefs, appear at hearings and be heard by the courts if you choose to appeal FERC's final ruling.
- However, along with these rights come responsibilities. As an intervenor you will be *obligated* to mail copies of what you file to all other parties at the time of filing. In major cases, there may be hundreds of parties.



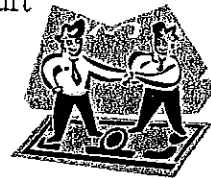
How Is The Pipeline Route or Compressor Station Location Selected?

- The pipeline company proposes the route or location, which is then examined by FERC.
- The applicant must study alternative routes or locations to avoid or minimize damage to the environment, and FERC, intervenors, or any commentator may also suggest alternatives and modifications to reduce the effects on crops, water supplies, soils, and more.



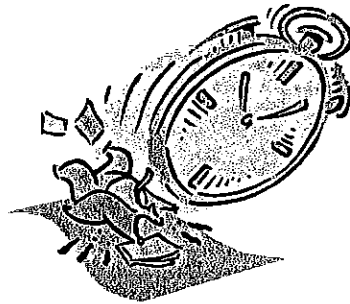
How Do Pipeline Companies Obtain A Right-Of-Way?

- The pipeline company negotiates with landowners who are compensated for signing an easement document.
- Landowners may be paid for loss of certain uses of the land during and after construction, loss of any other resources and any damage to property.
- If FERC approves the project and no agreement with the landowner is reached, the pipeline may acquire the easement under eminent domain with a court determining compensation under state law.



How Long Will The Right-Of-Way Be There?

- Part of it is temporary and will be restored immediately after construction. The permanent right-of-way will remain until FERC determines it may be abandoned by the company. This can be 20 to 50 years or more.



Who Pays Taxes On The Right-Of-Way?

- The landowner pays taxes on the right-of-way unless a local taxing authority grants relief. The pipeline simply has an easement across the portion of the land.



If A Pipeline Is Being Abandoned Will It Be Removed From My Property?

- FERC may decide there are environmental or other conditions that should determine the disposition of the pipeline. If not, the easement agreement that you or previous owners of the land signed may stipulate whether the pipeline is to be removed. You may also come to some agreement with the company on what they will do with the pipeline. Usually, above-ground facilities are removed.



Must Companies Post Bonds To Guarantee Performance?

- No, but FERC inspects the right-of-way during and after construction to ensure that the terms of its certificate have been met.



Can The Pipeline Company Come on Private Property Without Permission ?

- State or local trespass laws prevail until a certificate is issued by FERC.
- Once a certificate is issued or an easement/survey agreement or court order is obtained the company may come onto your land. Usually the company will notify you in advance.



When Can They Start To Build?

- Construction cannot commence until FERC issues a certificate, the applicant accepts it, and the applicant receives all other necessary permits and authorizations, including compliance with environmental conditions attached to the certificate.
- Once a certificate is issued, construction may start within a few weeks of the company having completed any outstanding studies or having met other preconditions set by FERC.



Can The Company Place More Than One Pipeline On My Property?

- FERC grants a certificate and states that eminent domain may only be used for the proposed pipeline and related facilities on the exact location described.
- If the company wishes to install another natural gas pipeline under FERC jurisdiction, it must obtain additional approval from FERC.
- Other utilities may wish to use an adjacent or overlapping easement, but they would have to obtain approval from the landowner or from permitting authority.



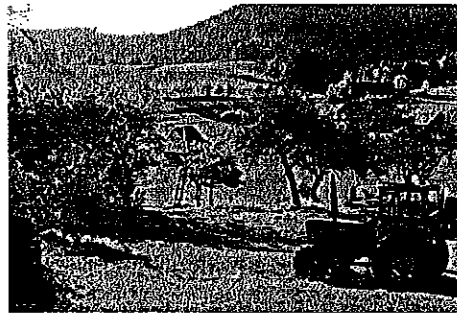
Can I Receive Service From The Pipeline?

- No, not in most cases. Generally speaking, interstate pipelines are operating at pressures incompatible with direct residential use, which is provided by local distribution companies.



How Soon After Construction Will The Company Restore The Land?

- FERC rules require restoration as soon as the trench is backfilled and weather permits.



What Authorization Allows The Pipeline Company To Use Eminent Domain?

- If FERC authorizes the project and the necessary easements cannot be negotiated, an applicant is granted the right of eminent domain (Section 7(h) of the Natural Gas Act and procedures set forth under the Federal Rules of Civil Procedure (Rule 71A)). Under these conditions, the landowner could receive compensation as determined by the courts.

What If My Property contains Endangered Species, Wetlands, Or Archeological Sites?

- Endangered species must be protected from the effects of construction and could affect the location of the pipeline or other facilities.
- In case of wetlands, if proper crossing procedures are used and no alternatives are available, they may be used for a pipeline right-of-way.



- If an archeological or historic site is eligible for listing in the Nation Registry of Historic Places, impact to it must be minimized.
- It will either be excavated and studied, or the pipeline will be rerouted to avoid it.
- Landowners who want them usually are permitted to keep any artifacts after they are properly studied.



Closing Summary FERC Process

- If a proposed pipeline route is on, or abuts your land you will probably first learn of this from the company concerned as it plans and studies the route during either FERC's voluntary Pre-filing Process or in the application development process;
- Once a company files an application requesting FERC to issue a certificate authorizing the construction of a pipeline project, the company will mail you a copy of this brochure and application;
- FERC staff will prepare an environmental study of the proposal. Either an Environmental Impact Statement or an Environmental Assessment;

Closing Summary FERC Process

- For major construction projects, local media may be notified and public meetings may be held;
- The Public will have the opportunity to express their views and have them considered. They will also have the opportunity to learn views of other interested parties;
- FERC may approve the project, with or without modifications, or reject it;
- If it is approved and the landowner fails to reach an easement with the company, access and compensation for use of the landowner's land will be set by the court.

