NJ DEP hearing 9-7-2011

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Full-size Transcript

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Transcript of proceedings

1	NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
2	PUBLIC HEARING ON PROPOSED CONVEYANCE OF PROPERTY
3	UNDER N.J.S.A. 13:1D-51, et seq
4	NORTHEAST UPGRADE PROJECT: TENNESSEE GAS PIPELINE COMPANY
5	SEPTEMBER 7, 2011
6	401 EAST STATE STREET
7	TRENTON, NEW JERSEY 07625
8	
9	PRESENTED BY:
LO	TENNESSEE GAS PIPELINE
11	MELISSA DETTLING, Principal Environmental Scientist
12	DANIEL GREDVIG, Manager, Land Projects Group
13	JERRY CREEL, Consultant, Engineering
14	PENNY E. PAUL, Stakeholder Outreach Coordinator
15	BEFORE THE DEPARTMENT OF ENVIRONMENTAL PROTECTION
16	JUDETH PICCININI YEANY, ESQ., Chief Bureau of Legal Services & Stewardship, Green Acres
17	RICHARD BOORNAZIAN, Administrator, Green Acres Program
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1 MS. YEANY: We just wanted to go on the record and say we are going to wait a few 2 minutes and kick things off at 4:15. We have the 3 room until about 6:30, so we'll start our 4 presentation in about 10 minutes. In the meantime, 5 6 there's maps in the back if you'd like to examine 7 the route, and there are copies of the Power Point 8 presentation that we are going to give today. Thanks. 9 10 (A discussion takes place off the 11 record.) 12 MS. YEANY: We are going to go on the 13 record. I won't ask if people can here me, because I can hear myself in the back of the room. 14 15 Judeth Yeany from the Green Acres program here at the DEP. I'm going to give an overview of why we 16 17 are here today. 18 Up in front we have some DEP 19 representatives, who I'll introduce in a minute, and 20 some representatives of the Tennessee Gas Pipeline project who will give us an overview of the project. 21 22 I'm with the Bureau of Legal Services and 23 Stewardship with the Green Acres program, and a lot 24 of you know our program because we acquire land on

behalf of the State to be added to our state parks

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and forest and wildlife management areas. What we also do is when people come to DEP to ask to acquire rights in those properties, we assist the divisions in working their way through those requests.

So the reason we are here today is that we have a request pending from the Tennessee Gas Pipeline Company -- is this too loud? We have a request pending from Tennessee Gas Pipeline Company to lease right-of-way through several state parks for the purpose of installing a 30-inch natural gas transmission pipeline parallel to an existing gas pipeline that's been in the park since the 1950s.

Tennessee Gas refers to this project as the Northeast Upgrade Project, and as it's currently proposed, portions of the project would cross High Point State Park in Montague Township,
Long Pond Iron Works Park in Ringwood Borough and West Milford, and Ringwood State Park in Ringwood Borough and Mahwah Township. As I mentioned, there's a pipeline in the ground in all these locations. It was installed in 1954 under a 50-year easement that was granted by the predecessor agency to the DEP. That easement has expired but it was replaced by a 20-year lease that allows the company to maintain the pipeline in place.

At this point we are being asked to lease additional right-of-way to the company to allow for the construction of this new line parallel to the existing line. The reason that we are conducting this public hearing is we have a process we have to follow whenever somebody asks us to convey property, and the statute defines the conveyance as a permanent transfer of more than an acre or leases of 25 years or more.

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So when we get a request of that nature, we have a process that we have to follow and it's a fairly detailed one, and it involves first that we have to analyze the transaction and write a report for public review listing the pros and cons and advantages and disadvantages of the transaction. We released that report in July, and it's been posted on Green Acres' website. We can give you information about how to find it. And we have already conducted two local hearings on this project, one of them was August 17th in Montague Township and the second one was August 18th in Ringwood Borough. So we are also required by the statute to have a hearing here in Trenton, and this will be the third of the three public hearings that we are going to conduct on this project. In the

event the project receives all other approvals that are needed, and there are quite a few other approvals that are needed for the project, in the event it receives all other approvals, the question before us is whether we would agree to the company's request to enter into this lease to use this property.

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Some of you may know that the construction of intrastate natural gas transmission pipelines is regulated by a federal agency known as the Federal Energy Regulatory Commission or the FERC, and Tennessee had applied to FERC back in the spring for what's called a certificate of public convenience and necessity to obtain approval to construct the project. If a certificate is issued, it would represent an approval by FERC of both the route of the project and a verification that the federal agency believes there's a need for the project.

So one of the things we've been trying to make clear is that we don't have jurisdiction over the route necessarily, although we are a participant in the FERC process and are certainly expressing concerns to FERC about aspects of the route that cause us concerns as far as the

areas that we regulate, but in the end we don't approve the route, and we do not make a finding of whether there's a need for the project. So for this project to be constructed, the certificate would have to be issued. FERC would make those findings about the route and the need for the project and would still require any other state, federal, local approvals that would be needed for a project of this nature. The certificate doesn't exempt the project from any of those approvals, and there are other DEP approvals that would be needed for this project, most notably through our land use program, but we are not here specifically today to talk about those approvals except as they might ultimately affect the lease that we would enter into for the property.

So, as I said, we are participating in the FERC process. We've certainly made filings with FERC expressing related concerns about this project, and we would encourage you to participate in that process to express your concerns about the need for the project or the route. But in the end, if the project gets the federal approval and gets all the other approvals, the question that we are here to discuss today is whether we should enter into this lease.

So we are going to have the company give an overview of the project as far as the specific route and the acreages that they are proposing to use. One of the things I wanted to mention is just kind of a terminology issue which is that when you see the slides, they will be referring to permanent right-of-way for the project, but we are proposing to lease this to them. We are not proposing to sell it to them or permanently convey to them. It's the terminology.

You'll also hear discussion about temporary work space which would not be included in the lease request but would be handled by us under a separate document called a right of entry. I'm trying to think, so I have with me today Rich Boornazian, administrator of the Green Acres program, and we have other DEP representatives in the audience who are available to answer questions that might come up about other aspects of the project.

I'm going to turn this over to

Melissa Dettling from Tennessee Gas to introduce the

other company representatives to give an overview of

the project. I will talk at the end before we open

it up to public comments about the proposed

compensation for the lease and how we approach that
for this project.

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Anything else you want me to mention before I turn it over? Okay.

MS. DETTLING: I'm going to stay here if that works. Can everyone hear me in the back there? Just let me know if I need to speak up any more. My name is Melissa Dettling. I'm the environmental project manager from Tennessee Gas Pipeline working on the Northeast Upgrade Project. Here with me is Penny Paul who's at the end, and she is our stakeholder outreach coordinator. We've got Jerry Creel, who is our project manager, and Dan Gredvig, who's our land project manager.

So we are going to go through a project overview and a few other things. We are going to go over some of the items that are in our application and then we'll open it up to questions. If we do have questions, because we have a court reporter here, we'll ask that you try and speak slowly, state your name, spell your last name for her so she can get it in the record for you, but leading into that, I'm going to turn it over to Penny Paul to start out the presentation and I'll pick up from there.

MS. PAUL: Thanks, Melissa. Can we have the next slide? As Melissa said, I'm the stakeholder outreach coordinator for Tennessee Gas Pipeline. Tennessee Gas Pipeline is a wholly owned subsidiary of the El Paso Corporation. El Paso Corporation provides natural gas and related energy products in a safe, efficient, and dependable manner.

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The Tennessee Gas Pipeline system spans over 13,000 miles and we have over 90 billion cubic feet of working gas storage. The pipeline spans from the Mexican border up to the Canadian border, and we supply markets throughout the Northeast including major metropolitan cities in New York, New Jersey and Boston, the Midatlantic and the Southeast. We have over 50 years of experience in pipeline system design, construction and operation, and we are prepared to meet the demands of a growing market with the integrity and commitment to service that has made us one of the safest, most reliable pipelines in the United States.

This slide shows which our research has shown, which is consistent with research by industry associations and that of the federal government, that over the next ten years there will

be an increase in demand for natural gas, especially in this area. This slide shows in New Jersey specifically over the next ten years there will be a demand of between 400 million and 500 million cubic feet, the high end of that span representing peak months.

The benefits of our project, right now the Northeast gas storage struggles to meet peak day winter requirements and strains regional pipeline capacity. This project will help alleviate strain on infrastructure and provide access to natural gas supplies across the country. Access to increased supply will provide supply liability, diversification, price and competition which will benefit Northeast consumers.

As was mentioned before, the federal energy regulatory commission requires we show compelling public need. It is our position that we meet that need by transporting natural gas to meet increasing demand for energy in the Northeastern U.S. The project will help alleviate demand by increasing pipeline capacity to the high-demand markets in this area. The project will also assist with the Federal Energy Regulatory Commission's goal of providing more natural gas to markets by

providing access to natural gas supplies in the

Northeast supply area. Natural gas is a cleaner

source of fuel than either coal or petroleum, and

this project is consistent with New Jersey Energy

Master Plan.

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 $\label{eq:continuity} \mbox{I'm going to turn it over to Melissa}$ $\mbox{Dettling.}$

 $\label{eq:ms.def} {\tt MS.\ DETTLING:} \quad {\tt Judeth\ wanted\ to\ say\ a}$ couple more things.

MS. YEANY: Before Melissa gets into the details of the project, I wanted to mention something just as far as our conceptual approach to this project. Some of you are aware that in 2010 there was an approval the Department issued for a project known as the 300 Line Project, and it's currently under construction in North Jersey. When the company came to us for the Northeast Upgrade Project and we started discussing whether we would lease additional right-of-way to them, we tried to set up a framework for this project to make clear that we wanted them to take advantage of all possible opportunities to both avoid the use of state property and where that can't be avoided to minimize the impacts on the state property.

So one of the things Melissa will

1 talk about, and you'll see in the diagram, is that the company is considering ways to do that. 2 3 numbers, as I mentioned the company has already filed for a certificate with FERC, and to do that they needed to lay out a proposed route and to specify what the acreage would be that would be 6 associated with that route. So the numbers you will 8 see on these slides do represent what we would consider to be a worst case scenario, because they 10 are based on FERC filing prior to us asking the company to examine avoidance and minimization, so we 11 12 do fully expect that the numbers in any final lease 13 if we do approve this at the end of the of the day would be lower than in the current FERC filing, but 14 until such time as we pin down avoidance and minimization and the company actually amends its filing with FERC, we are relying on the numbers in 17 the FERC filing, so, again, we consider any numbers 18 19 that are discussed today to be a worst case scenario. We did calculate proposed compensation 20 21 based on those numbers, but we fully expect them to 22 change before we would ever execute a lease with the 23 company, and that's something that as we go through 24 this process, if we do agree to lease this area and if the numbers are amended, we would certainly share

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that information prior to obtaining any approvals
for the project.

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So I'll turn it over to Melissa for just an overview of the project.

MS. DETTLING: Thank you. Let me go into the project description for the Northeast Upgrade Project. Here is a map that shows, the map that Penny Paul showed before showed the entire natural system for Tennessee Gas Pipeline. This is the pipeline system that is shown here in blue is existing. It's referred to as the 300 Line for Tennessee Gas. The boxes that you see along that system are existing compressor stations that Tennessee Gas operates. The -- they are lines along there that are double blue lines which are areas where the pipeline system has already been or is currently being looped for another pipeline project.

There's a pipeline project referred to as the 300 Line Project which is currently under construction, and it had proposed approximately 120 -- well, it is building 127 miles of pipeline looping of that system through Pennsylvania and New Jersey currently. The areas that are shown in red on this map are the pipeline loops that are being proposed for this separate project, which is the

Northeast Upgrade Project. There's approximately, let's see, 39.6 miles for the entire project, but only a portion of that is in New Jersey, so if you see up here the pipeline loops, that segment's shown in red. The compressor stations that are shown in a pale green are existing. The compressor stations that are shown in pale green up there are existing. We are not proposing to build any compressor stations, but we'll be doing upgrades or modifications at those systems to assist with the increased capacity of the system that will result from the looping of the red segments of pipe that you can see.

The pipeline loops that we are proposing are numbered as they fall downstream of the existing compressor stations, so if you read in our reports that they have a numbered loop which is for example Loop 323 or 325, those are pipeline loop segments that fall downstream as we refer to it from our existing compressor station, so Loop 323 that's being proposed for the Northeast Upgrade Project is approximately 16 miles, and seven of that I believe is in New Jersey. Am I right with that? Yes. It crosses the state boundary there.

Then Loop 325, which is the 7.6 miles

shown to the furthest west is referred to as Loop

325 that we are proposing, and there's a triangle

there at the end which is an existing meter station,

Mahwah meter station, that we are proposing

modifications at as well.

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The project is scheduled to be in service November 1, 2013 if it were to be approved, and, as Penny had stated before, it's proposing an incremental volume of capacity of 636,000 decatherms a day of natural gas capacity. Pipeline looping, as you'll hear us referring to, there is an existing pipeline system, as I stated. Now, we do a review of exactly the capacity that's needed for adjusted project that's being proposed and we look at where the best areas are that we can add either pipeline compression or looping to increase capacity and also reduce environmental impacts by building a new pipeline within an existing corridor that Tennessee Gas already maintains.

So to do that, we will tie into the existing system on one end of the pipeline loop and the new loop will run parallel to and adjacent, sharing a portion of the existing easement with the existing system. So you'll have two lines that are parallel, adjacent. This is being proposed as an

offset of approximately 25 feet, and it will tie into the existing system on either end if there's not another loop that's there for it to tie into.

It allows more gas to run through that area by paralleling and running through the system and then tying back in right where the delivery points are.

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Here's a model that shows a typical pipeline construction sequence. We'll discuss in the reports different project construction activities that may require different work space needs or timing needs, and so this just gives you an idea. The ideal pipeline construction process would be a sequential process where the crews can move through one following the other doing surveys, staking, clearing, grading, things of that nature, all in an order, and it goes through the way that we would inspect the pipe, put it in the ground, restore it. It also -- this is a good depiction and you can see in the back as well because it gives you an idea when we are discussing work space needs and why we need the work space that we do, where we need to put soil set off to the side, where the equipment needs to work and also where we need to have safe lanes for travel along the equipment as well.

The next slide just gives you a

general project timeline. As Judy stated we are in the FERC process. We are regulated by them. We entered into a pre-filing process with FERC and we've -- we are well into the pre-filing process and have filed our actual certificate application in March of this year. That's being reviewed. FERC will then prepare an environmental assessment which we are anticipating for them to issue this fall. We've requested a certificate if granted to be issued in January of 2012 which would allow us to commence construction in fall of 2012 and get in service in November of 2013.

Now through the FERC process, we do our own environmental analysis. When we submit a certificate application to FERC, we prepare resource reports which show the analysis of field work and studies that we've done. We issue that to FERC. They do a review of it and then make a determination of their own environmental assessment of our data, so throughout the entire FERC pre-filing process, we've been meeting with agencies, doing field work, consulting with agencies and land owners and others to get input on the project.

Okay, now we are going to go into the Northeast Upgrade Project where it intersects with

DEP-owned state parks. We will be discussing High Point, Long Pond Iron Works, Ringwood State Park and Ramapo Mountain State Park. The next map just shows an overview. You can see the yellow, the black line on this figure is our existing pipeline system. yellow lines on this are the proposed pipeline loops for the Northeast Upgrade Project, so on the top of the map there you can see the section of Loop 323 which would end, we've overlaid on there the state park land that it would be crossing, which is High Point State Park, down toward the bottom here you have Loop 325 and where it would be crossing the Long Pine Iron Works and Ringwood State Park. It's hard to see that there's an access road that is existing that we are proposing to use and that crosses the Ramapo Mountain State Park. We'll show maps with more detail.

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We'll go into High Point State Park first. As I stated, the line in yellow is the proposed pipeline loop. Along that, it's hard to see in this, but you might be able to see it in the back if you see a close-up of the map, along the pipeline loop that we are proposing we number mile posts. Those are numbers that you can use anywhere along the proposed system to reference crossings of

streams, wetlands, anything that we do analysis on it, you'll see it referred to and tied in with a mile post marking, and those are shown on the map.

You can see where the portion of the yellow proposed line crosses the shaded High Point State Park area there.

MR. MOSS: The yellow, is that the blocks it's going through, the block and lots?

MS. DETTLING: Yes, it is, correct.

When we go into the next slide, you'll see we have
the block and lots here lined out for High Point
State Park. The length that each of that block and
lot is crossed by the proposed loop and then we've
got the calculations for the proposed easement and
temporary work space that would be needed for the
project and the totals down there at the bottom, and
as Judeth said, for the FERC process we use
temporary and permanent to refer to either the
right-of-way the pipeline will stay in as opposed to
the work space that will no longer be maintained by
us following the construction, and that's where we
are refer to temporary and permanent, but as Judeth

We are also requesting to use access roads, existing access roads, that are in the park,

stated, it will be a lease in this case.

and so we've lined that, these out here and the work space that we'll need to use. In some areas the roads may need to be improved and in some areas we may need to put mats down or improve or do some grading, some graveling and maybe widen some areas for pull-offs, turn-outs and where the equipment will need to be passing, so that's where the acreage comes in there.

Next slide shows just a brief summary. We've done in-depth environmental analysis in all of these areas, and you can find more information that we'll give you later in the resource reports that we filed as part of our certificate application, and I've just pulled out a few highlights to go over.

The proposed pipeline loop that crosses High Point State Park would cross eight water bodies and 24 wetlands. There are two natural heritage priority sites in High Point State Park that would be crossed by the proposed pipeline loop. Those areas have been summarized also in our report and field surveys were done. Those priority sites were designated and the additional surveys we did in those areas.

I put a survey of federally listed

species, and some of those also are found in the park. Also in the FERC resource support you'll also find extensive results of state listed species surveys and analysis that's done for habitat.

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We'll go into the other state parks.

This is Loop 325 where it would cross Long Pond Iron
Works State Park and Ringwood State Park and where
Bear Swamp Road, which is existing that we would be
proposing to use, travels through Ramapo Mountain
State Park. And same thing with this map. It's got
the lots and blocks identified by mile post also.
Here's a summary map -- summary layout of the
impacts that the project would be proposing on Long
Pond Iron Works State Park, and we've done the same
analysis for the Ringwood State Park broken out by
lot and block for Long Pond Iron Works State Park.
And then we've also identified the access roads that
we'd be proposing to use and the work space that
would be needed on those. Thank you.

Long Pond Iron Works State Park we would have two water body crossings, the Monksville Reservoir we are proposing to cross via horizontal directional drill, the one up river. Two wetland crossings, no natural heritage priority sites, and then I've done a summary there of federally listed

species potentially occurring and the results to date.

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We are proposing to construct the entire Northeast Upgrade Project within times where there are no restrictions for tree clearing due to migratory bird restrictions. There is a portion on Loop 323 that will be adhering to a timing restriction for Indiana bats, but that is not in an area where it's crossing the state parks.

We are looking at potentially using a pipe yard area that's referred to as Jungle
Habitat. It's in Long Pond Iron Works State Park.
It's approximately 35 acres in size. Approximately
27 acres of that is paved. The remaining area is
forested. We would not be proposing to use that
area, but it's still under review on whether we'll
be proposing to use that for the project. It is
part of the application at this time and we are
looking into it. There's a figure here that shows
you where it lies and it is, as you can see at the
top of the map there, you can see where the
Monksville Reservoir is so you can kind of get an
idea of where it falls in the park.

Ringwood State Park we'd be proposing to cross approximately seven water bodies, two

perennial, five intermittent, 17 wetlands. There are no natural heritage priority sites, and I've done a summary here of federal species surveys.

Ringwood Creek we still have ongoing surveys reports with mussels so you can see even when we enter into the FERC process and we go through all the consultations with agencies we continue to consult with them, and any concerns that are brought about we will continue to do additional field surveys as needed, and if there are species that are identified in those areas, we would do either work space reductions or we may have to change our route to avoid these areas, or we may have to do some type of relocation program or monitoring during construction.

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Bear Swamp Road as I mentioned, it's an existing road and we are proposing to use the road, it crosses Ramapo Mountain State Forest. We would be proposing to cross approximately 7,000 linear feet that crosses through there. There's the figure, you'll see the yellow and black line there, that's the Bear Swamp Road we would be proposing to use it and the orange line that's at the top of the yellow and black is the proposed pipeline for the Northeast Upgrade Project that we'd be accessing

with that road. We are only proposing to use it for minimal use, possible improvements to the existing roadbed where needed and side trimming of woody vegetation. We are not proposing to use Bear Swamp Road for heavy construction equipment to be accessing the work space.

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The next slide is going to go into recreation and trails. The proposed project crosses the Appalachian Trail in High Point State Park at approximate mile post 14. We've prepared a crossing plan specific to that trail. It includes work space reductions and the process that we'll be going through to keep the trail open. When it can't be kept open, it specifically goes into times when it can't, what will be done, whether we'll be having areas where we'll be able to reroute recreational hikers to possibly the Iris Trail which is in that area or we may be able to minimize by just keeping some construction activities when hikers can't go through at the minimum. That's been prepared and given to New Jersey DEP for review, so we are still in the process of getting that plan reviewed and approved.

We are also preparing a general trails crossing plan. The list that we have up here

are preliminary as is our plan. We are looking into doing the same, a similar plan to what we are doing for the Appalachian Trail where we will be able to identify the trails being crossed, identify the timing that may be needed, safety measures that may be needed and mitigation measures that we'll take to keep the trails open as long as possible and limit the time when hikers will not be able to use it to the bare minimum. The trail plan will also go into ATV use. There will be safety measures that may be taken, working with the state to possibly be putting in some gates and other things which will keep unsafe activities in those areas.

State land alternatives. When we were going through this application process, we looked at how could this project be built and if this project could be built without impacting any of these state parks. So to do that, we looked at routes that would be completely avoiding the park itself. So we looked at the map. We put a line on where the pipeline would leave the existing corridor and go around the park to the north and to the south. We then did alternative analysis on our proposed route compared to the two alternative routes and we put numbers together that would show

what the distance impacts would be, what the impacts would be to environmental resources as well as land owners, and as you can imagine, by not looping an existing pipeline easement, by not utilizing an easement of an existing corridor, you would have, as you can see, the purple line to the north and orange and black line to the south would have additional mileage as well as additional green field impacts to areas that were not previously disturbed, and all that analysis is in the report comparing what the impacts would be on those alternative routes. We did the same analysis for all three parks and that, all those numbers are in the report.

As part of our analysis, we also looked at some other reductions, and I'm going to hand this over to Dan Gredvig to discuss those.

MR. GREDVIG: Thank you. My name is Dan Gredvig, and I'm with Tennessee Gas Pipeline.

Tennessee Gas Pipeline's proposed plan to further reduce project impacts to the Jersey state owned lands. One of the things that we are trying to do is looking at, as mentioned a number of times, is trying to reduce our footprint, trying to reduce by sliding over our construction footprint to avoid areas of existing non-disturbed vegetation, looking

reducing from 100-foot wide right-of-way down to a 75-foot wide right-of-way. We plan to follow subject to different plans and different permits and reviews and then we also, when we are looking at reductions and minimizing our right-of-way, we still have to build a safe project and we have to be able to build one that's economically viable for us to construct.

On the next slide you can see that we've got our typical construction layout, shows our originally adopted plan of being offset from our existing pipeline. At the bottom of the left-hand side you see the red denotes the area that we are planning to move over to minimize that impact to non-disturbed areas. On the right-hand side we've got our wetlands and preparing zones where we minimize our net down to 70-foot wide right-of-way.

Another consideration that we need to be considering during this process is the conservation restrictions. For parcels that are acquired with Green Acres non-profit acquisition funds, the NJDEP holds a conservation restriction on the properties. In addition to the proposed 25-year lease of the lands owned in fee by the State,

Tennessee is seeking the permanent release of a portion of these conservation restrictions. commissioner's approval is required for release of the conservation restrictions. Tennessee is complying with the legal requirements for the partial release in accordance with the act. The parcel that we are talking about is Passaic River Coalition properties. They are encumbered by Green Acres restrictions we are presently negotiating with Passaic River Coalition to come to a -- an agreement on the terms of our compensation offer to them for the release of that easement or those properties across their tract of land. Compensation for that partial release of conveyance restriction across the Passaic River Coalition properties will be satisfied by the compensation for the diversion in accordance with the compensation requirements that meet the act. On the next slide you can see the

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On the next slide you can see the impacts to the Passaic River Coalition property.

We've got the mile post location along our pipeline.

We have the tract number and block and lot.

The next slide shows the impact of the permanent easement, temporary work space, additional temporary work space and the totals.

1 Turn it back over to Melissa. Thank

2 you.

MS. YEANY: You can put that slide back up. For the proposed lease there's three components to the compensation that has either been proposed by the company or requested by DEP at the moment. The first is that there would be a rental payment from the company to the DEP for its occupation of state property, both for temporary work space during the construction period for the project and for the right-of-way itself during the 25-year lease for the right-of-way.

We have proposed at this time to assess the rental at a rate of 15 cents a square foot. We would anticipate that the construction period would be approximately two years and that we would charge rent for approximately 145 acres of temporary work space during that two-year period. Their number includes the Jungle Habitat acreage which, as Melissa indicated, the company may or may not use, and those numbers are subject to further reduction, but during the time that the project is under construction, we would charge 15 cents a square foot during the construction phase.

We would then continue to charge 15

cents a square foot for the 25-year duration of the lease and we would apply 2-1/2 percent annual escalation of that rental rate starting in year one. So if you calculate that out using the current numbers as they were proposed to FERC and talking about roughly 30.21 acres of what the company would describe as permanent right-of-way and again approximately 143 -- 45 acres of temporary work space, the maximum rental payment that we would anticipate for that acreage would be \$8.6 million.

We've also asked the company to do something that we requested for the 300 Line Project which was to give the State replacement land at a four to one ratio for any areas that are to be occupied by the pipeline under the 25-year lease and any areas of temporary work space that need to be blasted as part of the construction, so we would consider the blasting to be a permanent alteration of the temporary work space and we would subject it to the four to one replacement land requirement, again, using those current numbers, not knowing what the temporary work space numbers might be yet but using the current number of 30.21 acres of anticipated right-of-way, we would being looking at approximately 120 acres that the company would be

obligated to purchase and turn over to the State, and we do have concerns and suggestions to the company about the quality of that acreage and where it should be located and hopefully in close proximity to some of their holdings, and we've asked them to consider specific parcels that we would be interested in.

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The third component of the compensation would be mitigation measures that we would require of the company above and beyond any that are required by other departments statutes, approvals, permits but which would be intended to provide compensation to the department and to the public for other aspects of the construction of the project that would have an impact on state property, so I am going to turn it over to Melissa to explain it a little more about that, but the general goal there is that there are some construction-related impacts of the project that would not be covered by our other permit programs and by other approvals that might be needed for the project that we would want to see the company provide appropriate mitigation for in an effort to adequately protect the public interest in these properties.

So I'll let Melissa explain some of

the other kind of key requirements that they are already working their way through and some of the additional measures that might be considered.

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MS. DETTLING: Okay. So what I've done is I've just done a little summary here of some of the other mitigation measures that we would be proposing for the project and not just proposing, but be required to do. First is No Net Loss Reforestation Act. In any state-owned lands, we are required to follow the No Net Loss Reforestation Act quidelines. We've prepared a No Net Loss Reforestation Plan to outline all of the restoration, reforestation we would be proposing in all the temporary work spaces. In areas we'd be requesting for a lease on our right-of-way, we'll be working with the State to identify areas where we can plant trees and reforest, possibly on state lands outside of our work space. If those areas cannot be identified, then we would be looking at monetary compensation for any trees that couldn't be planted as last resort. That plan was submitted and we have public meetings to present it to the public and it's still I believe -- except they are still out for public comment on those plans. They were dated August 2010.

We would also be required to do mitigation for any -- for wetland and riparian zone impacts for fresh water wetlands and flood hazard area permitting that we will be doing with DEP Division of Land Use Regulation, so we have draft mitigation plans that we'll be submitting with our permit applications which have not been submitted with the State at this time. Once they are, we'll be proposing mitigation off-site and on-site mitigation for wetland and riparian zone areas impacted by the project.

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The next bullet item Judeth already mentioned, which is the land replacement at a ratio of four to one for any new right-of-way areas that would be proposed. We are also going through an appraisal, timber appraisal process to compensate the State for timber value.

There's rare species habitat
mitigation that will be negotiated. Not all of that
have been identified. There are areas that may be
impacted. We'll look at either remediation or
monetary.

Loop 325 of the project is proposing to cross the Highlands region, and we'll be working with the Highlands to do mitigation. I've put an

example of Highlands region they have designated resource areas in the Highlands, and so we do an analysis through that through our environmental reporting as well where we identify any resource areas that are being impacted and whether they can be restored and mitigated on-site or whether it's compensation or mitigation that's needed off-site.

One is prime groundwater recharge areas. We would be proposing to mitigate a portion of those off-site of the project. There certainly is forest mitigation in the Highlands region but where we cross state lands the No Net Loss Reforestation Act takes precedence over the requirements, so it's still planting and reforestation, but it's just part of the No Net Loss guidelines.

2.0

So that's just a brief summary of the other mitigation measures that will be taken above and beyond that we'll be taking beyond the lease compensation.

MS. YEANY: As I mentioned earlier, this is the third of three public hearings that we've scheduled on this lease proposal. We will leave the record of this public hearing open for another two weeks and we'll accept additional written comment. We have established an information

1 page for this project off of the Green Acres website. If you go to the Green Acres website on 2 3 the right, there's a box that says what's new. There is a link to the Northeast Upgrade information page, and we have been placing information on there as it's become available to -- the report that 6 you've heard us mention is available there. We did 7 8 post a copy of the version of the Power Point that was presented at the two local public hearings is 9 10 now available there. There's some information about the No Net Loss process. We do anticipate that the 11 12 transcripts of the first two public hearings will be 13 available very shortly, and they will be posted on 14 that website when they are available. We will be 15 working to try to summarize and respond to the public comments that we've received on this 16 17 proposal, and when those responses are available, they'll be posted there too. We are also going to 18 19 post any submissions that people make at the public 20 hearings. We haven't compiled that yet from the 21 first two hearings, but we had some photos and other pieces of information submitted that we will make 22 23 available on the website. 24 Just procedurally, if we decide to go 25 through with this project and this proposed lease,

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as I mentioned, it requires a lot of other approvals. We initiated the request of discussing whether we should approve this lease because the process we have to go through is pretty lengthy, but we were asked at the previous hearings whether we were somehow fast tracking this or the lease is a done deal, and I can assure you that we are not going to take a lease request to be approved by the Commissioner or State House Commission before the other approvals are in place, and by statute, we cannot seek that approval until 90 days after this hearing is held, so at the earliest that we could even legally take this to anybody to get it approved would be early December of this year.

So although we will have to close the record for public hearing so that we can summarize the comments and kind of comply with other requirements of the statute, there certainly will be additional opportunities to give input on this project. Particularly, as Melissa mentioned, there's trails plans being developed that we haven't been able to make available for comment, and if you wanted to be involved in that, let us know. We have the room until 6:30 today. I know that some of the people present have testified at the prior public

hearings and we do have your testimony on the record, so to the extent you are able, we'd ask you to either raise new issues or summarize your previous testimony, and as I said, we will make the transcripts available online once we get them from the court reporters, so those will be a matter of public record.

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I don't think we are going to have to ration time too much, but we will ask you to keep your remarks as brief as possible so we can accommodate everybody's comments.

MR. BOORNAZIAN: From the previous two public hearings, one discussion I've heard a lot about is Marcellus shale. What I want to point out is that Tennessee Gas is essentially a transportation company. It doesn't matter where the gas comes from. Marcellus shale and the public hearings happen around any kind of shale production. As you know, there's no shale production in New Jersey at this time. It doesn't really matter where the gas comes from. It could come from Texas. It could come from anywhere along on the map. The blue line could come from any one of those stations along there. It doesn't matter where the gas comes from.

What matters is where it goes through New Jersey's

public land, so we will -- if you feel the necessity to bring up Marcellus shale, feel free to mention it. We've already heard a lot of comments about it, but this is the wrong venue to talk about where the gas comes from. Tennessee Gas is really the transportation company to get it from some point A to some point B for New Jersey customers. Thanks.

MS. YEANY: Okay, we do have a mike up there? If people would like to testify. Thanks. To the extent we can, we are going to try to answer questions on the record. If there's things we can't answer, we'll have to follow up on that, but if we can answer the questions today, we will.

Kate, do you want to go first?
MS. MILLSAPS: Yeah, I actually had

questions but I just want to say -- Kate Millsaps,
K-a-t-e M-i-l-l-s-a-p-s, New Jersey chapter of the
Sierra Club. It's just really disheartening that
again and again officials from the Christie
administration come out and defend fracking for the
natural gas industry. By banning fracking, we have
our DRBC representative who is a DEP employee coming
to the DRBC blackmailing them, telling them to adopt
natural gas rules before their September meeting,
and now we have the Green Acres program telling us

that although Williams is buying gas from their -I'm sorry, the TGP is buying gas from their
subsidiary in the Marcellus shale to transport it,
that has nothing to do with this, but I did have
questions actually pertaining to the project.

2.4

I received email updates on the Barnegat Bay about what Christie is doing and the administration is doing to address pollution problems, storm water management. Would the DEP be able to set up something similar to that major infrastructure? When the No Net Loss hearings are announced, it would just be emailed to us when they come in for their land use permits, we would get a notification that that was submitted. Just so that everybody is on the same page, we all know what's going on.

When they came in, when TGP came in previously for their No Net Loss for the 300 Line Project, nobody really knew when the hearings were and they just kind of flew under the radar. We would appreciate if we could have an email list similar to the Barnegat Bay list to let us know since it's a major project.

SCOTT: We'll consider that, Kate.

MS. MILLSAPS: Thank you, Scott. I

1 did have a concern that in the mitigation commitments it said that for the replacement land it 2 3 would pretty much follow what happened with the 300 Line Project. Would that \$7,500 cap remain in place 4 if no replacement land was identified? 5 MS. YEANY: We haven't committed to 6 7 any kind of \$7,500 per acre cap for this project, 8 and we are hoping that we have enough of an idea of what the replacement land would be before we would 9 10 get the approvals before we would get into that discussion. 11 12 MS. MILLSAPS: I would urge you not 13 to allow that cap to be put in place again. For the access roads, what's, what's the definition of a 14 15 two-track road? What's the definition of a path? I understand I guess that Bear Swamp Road is on there 16 17 as a gravel and paved, so what's the distinction? MS. DETTLING: You are asking what 18 19 gravel paved -- you want us to --2.0 MS. MILLSAPS: What exactly type of 21 access road are you proposing to use at High Point, a hiking trail? 22 23 MS. DETTLING: So you are just --24 okay. All of them in the park, so if we get a little better idea, I guess Jerry can maybe speak to 25

this better. What we've done in our FERC analysis is identify what the current conditions are, so I think that's what you are referring to.

MS. MILLSAPS: Right.

MS. DETTLING: We'll identify the current conditions, and, Jerry, I don't know if you want to speak to this. Hiking trail wouldn't be proposed as an access road, but I know there are some roads that are used for minimum use now that we would be proposing to use that may need improvements.

Jerry, you can try and answer this better.

MR. CREEL: I think all of the access roads are pretty well identified on the drawings as well as when our permanent application goes in it will have all the trails. We have maps of all the trails, and in some cases there are a couple cases where the access road is co-located with a hiking trail. For example at Monks Trail, while that particular trail follows that access road around the Monksville Reservoir edge, it is, in fact, a wider path that is used by vehicles for maintenance by the park, so it's not like it's not an existing access road. We are not taking any simple trails,

particularly hiking trails, and then widening them or doing anything like that to use them as an access road. All the access roads are existing roads and two-track versus path is just a characteristic of the road and what it looks like today. Two-track being, you know, it's well-defined where, you know, the vehicles go, and a path being, you know, you don't see those two tracks as well defined, but it's clearly, you know, the width and space available for vehicular traffic and not just a foot path.

MS. MILLSAPS: And could you further explain this ten-foot give back at the end of the project?

MR. CREEL: Sure. There is an existing 50-foot easement that the 24-inch pipeline is installed in today, and one of the potential mitigations that was considered was a reduction on, of the existing what we would term a permanent easement, permanent lease. It's instead of the 25 feet from the center line of the pipe to the edge of the area that is currently being maintained or can be maintained, we have considered a reduction of that 25 feet to either five feet or ten-foot less to, and that would be kind of a give back. That would be the permanent acreage that is currently

maintained for the 24-inch pipeline. Part one of the consideration was to just give part of that back and just not maintain that anymore.

MS. MILLSAPS: So it's permanent right-of-way now that has no habitat, nothing on it. It's currently being mowed by the company. That would be given back and lessen the acreage that would be purchased for the Green Acres program as mitigation?

MR. CREEL: Actually, it's not working that way. It would just be pretty much a one-to-one reduction in the right-of-way, and I'll let others address the compensation piece of that.

MR. GREDVIG: It's a good question.

Like Jerry said, the ten-foot give back was an idea
that we threw onto the table as a way of offering
some additional mitigation to the impacts that we
were creating with our construction. So far we
haven't reached a conclusion or an agreement with
the department to determine if that's something that
we want to do. It's something that we have as an
existing right for our existing pipeline to protect
our existing pipeline, and so to give it up, it
would mean that we would have less of a buffer on
that one side of our pipeline. Something that we

1 are still willing to consider and talk about, but it is still in that stage.

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MS. YEANY: Perhaps I can ask you whether that's something you would think is valuable as a component. It's something that the company proposed to us. As Dan said, they haven't made a final decision as to whether that's really on the table or not. It hasn't been clear to us whether our constituents feel that has ecological value or any kind of value to it.

MS. MILLSAPS: I think we would prefer to see that if this project had to go through, that they bought higher value land instead of trying to cut off on their mitigation commitments by giving back something that's mowed, has herbicides on it instead of having to purchase. I mean, there's obviously nothing that can replace some of these areas under choosing to destroy natural heritage property sites but we would rather have much higher value land than right-of-way.

MS. YEANY: That's helpful to know.

MS. MILLSAPS: That was all my

questions. Thank you very much.

MS. YEANY: Just introduce yourself.

MR. MOSS: We are going to stay with

- the Sierra Club. Robert Moss, M-o-s-s, and I'm

 currently the Green Acres issues coordinator and for

 the New Jersey chapter, and I do have some things

 that are a little different from what Kate covered,

 and first I want to do some housekeeping stuff that

 came up during the presentation.
 - I would ask the Tennessee Gas people to review their numbers on Jungle Habitat. I didn't get them down -- I didn't get them down exactly but something like 27 acres were paved out of the 35 acres total? That sounds much too high to me. That would be about three-quarters of that parcel.
 - MR. GREDVIG: The overall parcel of Jungle Habitat is much larger than what we are even looking at.
- MR. MOSS: So the 35 acres, it's just
 the part of it that you are considering?
- MR. GREDVIG: Yes.
- MR. MOSS: Okay.

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- MR. GREDVIG: The larger polygon is much larger.
- MR. MOSS: That's good. I would also
 just mention by way of impact that that as of ten
 years ago when I last saw the property, it was

revegetation with natural vegetation or for recreational fields. I just want to note that.

It's not a useless piece of land.

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The next point, the Appalachian Trail is a national scenic trail, and the a federal law assigns the overall management to the Appalachian Trail Conservancy. I would think they should be consulted. This trail is heavily used by long distance backpackers, and I would think, I would certainly propose that it should not be entirely closed, even for short times. If it's necessary to build a temporary, what do you call it, bridge, not a bridge, but a temporary walking bridge over here.

MR. GREDVIG: Or shoe fly around.

MR. MOSS: I know the Iron Ridge

Trail. That's fine. If that's not possible, rather than close it it should be kept open by some kind of overpass for foot traffic and I do urge you to consult the Appalachian Trail Conservancy. The DEP manages it within DEP land here in New Jersey, but the overall management is at a federal level.

MR. GREDVIG: We have had discussion at the federal level. It is, as you say, under the jurisdiction of the New Jersey Department of Environmental Protection, so we are taking our

- direction and guidance from the DEP, but we are also cognizant of the fact that it needs to be have a plan for crossing, and that's our detailed plan we've prepared and are working towards.
- 5 MR. MOSS: Please consider foot 6 bridges if necessary.
- MS. YEANY: Just for the record, the

 New York/New Jersey Trail Conference representatives

 attended both of the first two hearings and the

 Appalachian Trail came up at both hearings. I think

 they'll be involved in whatever consultation and are

 keeping tabs.
- MR. MOSS: Did they say anything on the tabs on the point?
- MS. YEANY: I think the comments were pretty similar.

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MR. MOSS: The alternatives analysis, that's such a big topic. I can't go into detail now. I would speak for an hour on that. I would urge that that be reworked a little bit in this presentation, just, for example, and I'm not saying where the alternative routes should be, but in the first slide, and I think this happened in Ringwood too, but High Point the southern alternatives goes through Stokes State Forest, which, for the purposes

of DEP's approaching this would have the same status as High Point. That is not an alternative that would solve the problem of avoiding protected land.

DEP is considering High Point for this purpose under the same protections as the local things. It's under the Green Acres regulations, but High Point -- Stokes State Forest is contiguous to High Point State Park, so going south doesn't get you anything there. I think that also happened in some of the other maps.

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I would urge you to just reconsider doing that, consider redoing that in some way, and, again, I can't -- my real proposal would be totally unacceptable.

The other thing I wanted to go into,
I'm a little bit disappointed in some of the ways
DEP is approaching at least the some of the ways
that have come out in statements both here and in
the July report that Judeth mentioned, Judeth
mentioned that DEP and this meeting here does not
involve the approval of the need for the project
which of course is true from the federal point of
view. However, she continues specifically the
question here is what we are getting at is whether
to enter into this lease, whether DEP should enter

1 into any of these leases; however, that depends partly on whether there's compelling public need 2 3 under our regulations and if that's in the statute, but it's certainly under regulations currently. And 4 that, I don't know all regulations or constitution provision says that is automatically satisfied by 6 7 FERC approval of the need. And the Club has 8 developed proposed enhancements to the regulations. We are very clear on that that should stand 9 10 independently of any federal approval, whether there's compelling public need for this project for 11 12 purposes of diversions. Judeth also mentioned it is 13 not a permanent conveyance, most of it or maybe none 14 of it. However we also want to emphasize, and she 15 did touch on this, any temporary conveyance that involves permanent alterations on the land should be 16 17 considered for diversion purposes the same as a 18 permanent conveyance. 19 And just one more thing, the July

And just one more thing, the July
2011 report that Judeth mentions, on page 11, I'd
just like to read a section of it and touch on a
topic that's my favorite thing that I'm beating upon
these days. It says on page 11, "Avoidance of state
property by developing new pipeline -- this is
referring to alternatives by developing new pipeline

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corridors would result" -- I'm sorry let me start

again. I have ellipses, if you know it by heart.

"Avoidance of state property by developing new

pipeline corridors would result in the construction

of longer loops and cause significantly more impacts

to residential areas and areas of environmental

concern."

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Now I want to concentrate on that residential areas. This statement the Club, the New Jersey chapter, the Sierra Club believes is contradicting the purpose going back to 1961 or '62, the purpose of our Green Acres program which is permanent protection. Now, until recently it didn't matter. It's now 2011, we are out of land. New Jersey is effectively at build-out. There are some major exceptions. Peter Kellogg owns 6,000 acres in Hopatcong. He's an exception. There is essentially no -- very, very little open land that's not already protected, and the rest of the land is developed one way or the other. The idea of permanent protection comes into a clash with this reality. We can't any longer say oh, we can't avoid the parks because it's going to impact residential. When we are at build-out, and we are, our goal is permanent protection, the only other choice is if you want to

build, you've got to tear something down. I know that's a tough choice and not everybody is getting that yet, but we have to get that now, if we want to keep our open space. We are at the point where you can't just say go get some private land, so that particular aspect of the statement when we look at alternatives, and this is a very general comment. We can't just say avoid something that's already built. As we go on that, will cause us to over a number of decades, not too many decades, lose all of our open space. We have to force people who want to build to take something down, and that's going to be more and more true as we go on. That's what I'm working on. Kate's an employee, I'm a volunteer. Thank you.

MS. YEANY: If I could respond to a couple of your points. On the alternatives, I mean, we are going to be drawing our own conclusions about avoidance, minimization, how we think the company analyzes the alternatives. We will look at the issue that you raise, but, again, we would encourage you, for purposes of the FERC process, to make those concerns known to FERC if you feel that they haven't adequately analyzed the alternatives.

As I mentioned, we are participating

in that process. We actually have intervenor status and we are trying to stay involved and influence those discussions.

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MR. MOSS: Does that mean it's my understanding that it's not eminent domain, so New Jersey could say no, right?

MS. YEANY: Certainly the issuance of a certificate would give the company power to exercise eminent domain in certain situations and certainly against private property owners, and we are aware of them having brought condemnation actions against municipalities and counties in New Jersey. There's not a reported condemnation case against the State in New Jersey, so I would consider that could be an unsettled question, but that gets to another point I was going to make to respond to something you said, which is that the regulations you are referring to are local Green Acres diversion rules, and I'm aware of the comments that you submitted as far as how we might strengthen those.

Generally we try to apply the same principles to state property. Those rules technically don't apply to this transaction, because this is state property and not local property. We try not to treat the properties differently, but

1 just so you understand that distinction, but the thing is that the whole reason that the federal 2 3 government is involved in issuing these certificates, at least I believe reflects some 4 5 finding long ago that there is a public interest and 6 potentially competing public interest involved in 7 these transactions. Otherwise, the federal 8 government wouldn't have seen the need to get involved in siting the pipelines in the first 9 10 place, so as I said, it's a somewhat unsettled question as to how far that could go against the 11 12 State of New Jersey, but it has been our 13 understanding in the past that there's a finding of public need involved in the issuance of a 14 15 certificate in the first place, so --16 MR. MOSS: Could I just say, that would be if it should come to the extreme case, that 17 would be under existing laws and, federal laws and 18 19 regulations. 2.0 MS. YEANY: Yes. 21 MR. MOSS: Not requiring -- okay, 22 that I wasn't clear on. 23 MS. YEANY: Okay, thanks. 2.4 Jeff, do you want to testify yet. 25 MR. TITTLE: Sure, Jeff Tittle,

1 director New Jersey Sierra Club, and for me, this is a very tough project, very tough location. My 2 3 family has been in the Wanaque area for the last 80 years. I'm a third-generation property owner, so 4 besides all the environmental aspects, I know every piece of this area and I've worked as a volunteer, 6 7 as a planning board member, as an environmental commission member in saving most of the tracts that 8 9 we are now desecrating with this pipeline, 10 Muscarelli tracts, Aupau, the Riverview tract. I can go on and on. And so for me -- Tranquility 11 12 Ridge, Sterling Forest, I can go on and on, Cranbury 13 Pond, Ramapo Land Company. Each and every one of 14 those acquisitions, and many of those acquisitions 15 came at a high price, sometimes politically for people, sometimes for monetary standpoint, but 16 17 together the State of New Jersey put together the largest area of open space we have north of the 18 19 Pinelands, and this is a critical area that has been 20 considered environmentally sensitive since the first 21 state plan in 1935 and going way back before. 22 You have to understand that some of 23 these lands are very historic. Many forests that 24 were reforested in this area in the even '90s were

actually done by Gifford Pinchon, who was a good

1 friend of the Hewitts who owned most of this land. That was owned by the Ringwood Company, some of the 2 3 same tracts we are going through. There are a lot of things that have to be looked at from a state perspective as well as a federal. I was head of the local road association. I actually enforced the 6 7 wider dams so the school bus could pass, and now we 8 are putting pipeline and protection of Long Pond Iron Works and on and on, but going back and Abraham 9 10 Hewitt, who was the founder of Cooper Union College and who gave the original lands to Ringwood State 11 12 Park and its decendents, this land was given to the 13 State, those pieces of it, for permanent protection, 14 and you should read his will, because there is 15 intestate protections for the Ringwood Manor 16 properties, including View Shed, it says very 17 clearly, and I've been involved with one of the town of Ringwood and one of the radio stations which is 18 19 in the View Shed that the view from Ringwood Manor 20 shall not be obstructed, that the waters through the 21 Hewitt properties which are all the Ringwood Manor properties shall always be drinkable and swimmable. 22 23 This pipeline will be putting pollution into those 24 streams. This project will be putting siltation. 25 Look at Lake Lookout, which I know

- 1 quite well, and the problem that you see there.
- 2 Last time I was by Lake Lookout, I saw a black bear
- 3 going swimming in there and now he's a brown bear.
- 4 We don't really have them in this part of the
- 5 country.
- The other concern that I have is
- 7 there are a lot of questions that have to be
- 8 answered. First and foremost, you are going through
- 9 national historic landmarks. Ringwood Manor is
- 10 considered by the National Park Service as a
- 11 | landmark the same as Mount Vernon, and that View
- 12 Shed has to be looked at. The View Shed from
- 13 Skylands Manor, also a national Manor. Long Pond
- 14 Iron Works State Park has a national landmark,
- 15 | national historic district, that you are cutting
- through, and those issues haven't been looked at.
- 17 In fact, when I was looking at the
- 18 map, I love the fact they keep using USGS that
- 19 doesn't show Monksville Reservoir. Shows the
- 20 properties. Try to figure out where the reservoir
- 21 is, but you still don't have the reservoir. That's
- 22 a second issue. Protection of the reservoir in that
- 23 situation and the impact of siltation.
- 24 Other questions I have is some of the
- 25 properties I believe in this area, and my memory may

be a little hazy, it's been a 30-year plus battle to save some of the these properties, I believe there were land and water conservation funds used in the acquisition, if there is there's a probation against, see Earl Prucus versus New York State Power Company, circa 1972. There has to be a review of what properties were a potential purchase in the water conservation. I know Congressman Frelinghuysen was bringing those monies in. I said you need to look at the deed restrictions on some of our own properties. There are restrictions.

Basically for us, this area of New Jersey, and I'm going to talk about the western half, is really one of the most critical areas. It is the Yellowstone and Yosemite of New Jersey and it gets more visitors, by the way, between the hiking trails, whether it's the Appalachian trails or all the local trails we set up over 90 years ago, throughout the region. More importantly, this is the water supply for 2 million people and how do you get through a reservoir without causing impact? How do you go through a watershed without causing impact?

Quite frankly, I believe that these lands are not replaceable. You cannot mitigate for

lands that have some of the oldest rocks in the world. You cannot mitigate for the View Shed from Skylands or Ringwood Manor. You cannot mitigate for construction of this pipeline of critical habitat and water supply areas. You cannot mitigate for drilling through reservoirs or through trout streams.

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Replacement lands, where are you going to get them? What, are you going to go up to the Adirondacks? That is where you find equal values. You go up to New Hampshire and buy land? The point that I'm making is the State of New Jersey has invested billions of dollars in protecting this area. Replacement cost of the Wanaque Reservoir alone would be more than \$2 million. The lands that have been purchased, 75 percent of Ringwood is open space, and even with all that open space, we passed The Highlands Act to protect it on top of that. We upgraded all the streams to C-1 up there at Highlands waters.

This is an area that should be off limits for this kind of development. This is an industrialization of the most important water supply, watershed in the State of New Jersey where the public has spent billions of dollars protecting

that resource, and now we are putting a pipeline through it that can go somewhere else because it's a speculative pipeline to bring Marcellus shale into New York City. It's not being used anywhere along this corridor. It's being used in other places, and there are other places this pipeline can go. Down Route 80. Over Route 17. Doesn't have to go through the middle of the Highlands preservation area. Doesn't have to go through New Jersey's most important environmental and scenic treasures.

And then you go to the western side. Delaware Water Gap, national recreation area. Our only really big piece of open space. We've got Stokes State Forest and High Point, again, important valuable recreation areas that were passed on for generations to be used, not to be destroyed through the gas pipeline cutting through the middle of it, cutting a scar, and it's a scar, and the way I would describe it is you have a bunch of parked new cars and somebody takes a knife and just runs down the side. It's only a little bit of scratch. You do it through a thousand cars, you impacted the value of a thousand cars dramatically because of the wider impact of that little scar. That's what this scar is.

So for us, we think that, quite frankly, we are pretty much -- we are very upset at this administration, because they held up the Smith Bill saying that the DEP was coming out with their own regulations. We haven't seen them and yet we are going to push this pipeline through when values haven't been set properly.

The Smith Bill was held up, and we haven't seen DEP rules to fix some of the problems we know are there when it comes to mitigation and lease value is a small piece of it. How do you deal with what the impact is going to be? Is there no build alternatives? Is there alternatives that we haven't seen? More importantly, we need to ask the question what's the impact going to be on those resources that the people of New Jersey have depended and paid for to be protected and that people have donated to the State and what their restrictions that may or may not be, there's still a lot of work to be done. This project is the wrong project in the wrong place. Thank you.

MS. YEANY: This is probably a good time to give our reporter a quick break. We'll reconvene in 10 minutes.

(A brief recess is taken.)

MS. YEANY: We are going to go back on the record in the interest of not ending too late so people can get home.

Just to respond to a couple of different points that Jeff Tittle raised in his testimony, I think one of Tennessee's consultants is going to give a little guidance on the land and water conservation issue, and, Jeff, I also wanted to point out some of the issues that you raised as part of national historic landmark status.

It's my understanding, and the company will correct me if I am wrong, that cultural resource surveys and historic review are part of the FERC process. I believe some of that is probably already covered in the resource reports that they've filed. If the information is incomplete or you disagree with the analysis, again, I think the appropriate place to comment on that would be the FERC process through SHIPO who is also participating in the FERC process, but I wanted to put on the record it's not that the issues have been completely ignored. If you want to ask the questions, come up to the mike.

MR. TITTLE: Yes, I understand that, and -- but first we need to have the inventorying of

the LWCF lands. Secondly, yes, but you own those lands. There are a national historic landmarks that are owned by the State of New Jersey, and the State of New Jersey DEP has a role separately from SHIPO, separately from the National Park Service.

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MS. YEANY: Okay, I understand the point. As I said, one of the company's consultants is going to address the status of the land and water issue.

MR. HEENEHAN: My name is Mike I'm an environmental consultant hired by Heenehan. Tennessee Gas Pipeline to do the jurisdictional determinations, and part of that work was to review all the title for all the parties, but one of the things I was requested to do was to look at the status of the land and water conservation funded properties. I have had extensive conversations with the Green Acres program whom I used to work for for 27 years the department for 37 years. I'm very familiar with the diversion and conversion process. If a property that is funded partially with land and water conservation funds is impacted by a project such as this one, under the National Park Service rules and regulations, there's a conversion process which is very much similar in a sense to the

diversion process. My understanding is a lot of our rules came out of the Land and Water Conservation

Project rules and we will very shortly be discussing these parcels we believe that are encumbered with, under the six set boundary portion of the federal regulations and are considered land and water conservation funded properties.

We will be confirming our properties with not only Green Acres but also the National Park Service. As I understand the process, having gone through it when I worked for Green Acres, actually NJDEP will be the shepherder of the project, the application that we will submit to Green Acres, to the National Park Service, and so a lot of what the National Park Service requires in terms of application information is very much similar to or identical to what Green Acres requires under their diversion process.

So to answer Mr. Tittle's requirement, there's a prohibition -- as I understand it, there isn't a prohibition. It's called conversion versus a diversion, and under the Green Acres rules we'll be compensating for the use of the Green Acres encumbranced land, and also the land and water conservation fund will require that

the state do that. Their requirement is one-to-one.

We already stated we are going to go four to one

plus the lease, so I hope that goes to answer your

question that you had.

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MS. YEANY: Thanks. I think we have a couple of other members of the public present.

Does anybody else wish to testify?

Maybe I should have asked that question before we took a break then. I think it was helpful to get some of that additional information on the record.

Okay. I think what we are going to do, I don't think we tied an end time for the hearing. I think we are going to close the record. I think I will stick around until at least 6:00 and I think we'll have other staff available until 6:00, and we'll see if anybody else has anything they want to add to the record or shows up today and then we'll close the record once again.

As I mentioned, we'll be accepting written comments for at least two more weeks. If something occurs to you after that two-week period, please feel free to contact us and let us know what your concerns are. You should check our information page on our website to see what additional information we place there, and we thank you for

- 7 MS. YEANY: Come to the mike and 8 introduce yourself.
- 9 MS. LEWIS: Yes. Pam Lewis from
 10 Watchung, New Jersey. I was at the Montague hearing
 11 and I did enter testimony.
- MS. YEANY: Having traveled to

 Montague, I appreciate you traveling down here.

 It's about the furthest corner of New Jersey you can

 get to.

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MS. LEWIS: Yes. I've been going both ways. It's worth it. I'm so upset about this whole situation, and I wanted to hope and pray that there's going to be the right course of action. I came to ask about Lake Lookover, and Lake Lookover, according to this article in the North Jersey dot-com website said, "Heavy rain forced mud into pristine lake," so there is a whole issue going on up there, and it says that the DEP came down and that this lake has been -- all the silt came into

1 the lake and muddied it up since March, okay? We heard that from the Vernon environmental 2 3 commissioners that came last -- to the Montague hearing, that they had pictures of devastation that has happened there with mud slides from the last rains, and also with oily film all over the, some of 6 7 the streams where they had put telephone poles, they said had creosote, and so now I understand that not 8 only is Lake Lookover muddy, it's gone since 9 10 Hurricane Irene, and that the mud has now -- that's not in this article, but it was told to me by 11 12 someone who saw it, that it has contaminated four 13 other ponds, okay? So I would like to know what you know about that, Judeth, and what the DEP is doing 14 15 and what is the responsibility?

I mean, this is the beginning, this is the beginning introduction of this company to our state. This is pristine area that they took on and I was told that they have integrity. I was told that at the last meeting, but I have not seen that they put the necessary precautions. You know, it says here, they put in, they put in turbidity curtains, heavy tarps to trap the sediment but they broke during the recent heavy rainfall, and there was another thing with silt. Silt barriers, they

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were described as cheese cloth like material held in place by poles. Were completely demolished.

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MS. YEANY: A couple things. I haven't personally been to the area since the previous hearings, and I'm going to have to ask Jerry Creel to describe what's happening on the ground. I am aware in very general terms that the department, both our enforcement program and other programs in the department, have been keeping close tabs on both the previous incident, what was referred to in the previous hearings as landslide activity and then certainly in anticipation of the hurricane I was informed that measures, specific measures, were being taken essentially to batten down the project as best as could be done in the time that everybody had to try to prevent further damage, so I'll ask Jerry to describe what the outcome of that was and what his specific interactions with the department have been. I mean, I think what you are

referring to as far as the sedimentation is the same thing Jeff was referring to, about the brown bears, it's the same issue.

MS. LEWIS: That pond is gone now.

MS. YEANY: I don't personally know

1 if that's true. MS. LEWIS: Jerry, have you been 2 3 there so you can comment? MR. CREEL: I haven't been there since the hurricane. 5 MR. GREDVIG: I was there yesterday. 6 7 MS. LEWIS: Did you see that it was gone? 8 MR. GREDVIG: No, it's there. 9 10 you say gone, I don't --MS. LEWIS: It's just filled in with 11 12 mud. The pond has disappeared. 13 MR. GREDVIG: No. MS. LEWIS: And it's gone into the --14 15 the pond water and the sediment has contaminated four other ponds that are nearby. 16 MR. GREDVIG: As the flow continues 17 from Bare Fort Waters into Lake Lookover, into Mount 18 19 Laurel and Upper Mount Laurel and Upper Greenwood 20 Lake, as that water flows and as there was some 21 siltation in the lake system, it was going to travel 22 along with that flow of water, so there is some 23 siltation. We are meeting with those affected 24 parties, not only with DEP but also with the lake

associations, that are affected in that area, and

1 try to find a way to remediate that problem, but the lake is not gone. I mean, it's still there. 2 3 I was there yesterday. There was heavy rainfall. Lake is still there. 4 MS. LEWIS: What did you do 5 personally on behalf of the company to prepare for 6 Hurricane Irene? 7 MR. CREEL: Well, we did a lot of 8 things, and let's just go back before the hurricane 9 10 and talk about that --MS. LEWIS: Okay. 11 MR. CREEL: -- and focus specifically 12 13 on what we call the Barefoot Waters crossing. Barefoot Waters is a water body just upstream of is 14 15 it Lake Lookover? MS. LEWIS: Lake Lookover. 16 MR. CREEL: Lake Lookover. 17 Downstream of Lake Lookover are a couple of other 18 19 lakes and ultimately gets to the Upper Greenwood 20 Lake, so there's several water bodies downstream of 21 that. Prior to the time we had a really significant eight inches of rainfall type rain event. Also 22 23 prior to the hurricane, about three weeks ago, I 24 guess, August the 16th. Prior to that time, we had

been working on our crossing of the Bare Fort Waters

wetland area, and in addition to the environmental control devices or DCDs as they are called, you mentioned turbidity curtains and silt fence and hay bales and filter cloth and all of those kinds of things.

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In addition to what we would normally put for that crossing, we had and actually had to go back and get permission from agencies to put in additional environmental controls, specifically turbidity curtains, downstream of the work area where we were crossing Bare Fort Waters. There was on, and I guess August 16th was the date, 15th, there was a huge rain that we had that overcome the environmental controls in that area, and as a result, the muddy water or the turbid water, if you will, that existed at the point of the crossing was overrun by the amount of water coming through the watershed, and it pushed water, muddy water, turbid water, cloudy water, however you want to describe it, discolored, into Lake Lookover, okay? That was a big rain.

At that point in time, the siltation impacts were generally limited to Bare Fort Waters areas and Lake Lookover. In addition to going back and beefing up the environmental controls that were

in place beforehand, before the hurricane came, we all recognized that, you know, we could expect a really significant rain event and to have potential for the same kind of thing happening after the hurricane, and so not just at Bare Fort Waters, but all along the construction area we looked at and looked at with frankly the departments, especially the land and water inspectors were out with our folks, and we looked at and in fact beefed up a number of areas of controls to prepare for what we expected to be a big rain event associated with the hurricane.

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During the hurricane or during the subsequent rain event, the water that had been muddied and the Bare Fort Waters water body and Lake Lookover was essentially swept downstream, if you will, and has gone as far as Upper Greenwood Lake, so there is some turbidity now in Upper Greenwood Lake.

Dan met with the Upper Greenwood Lake folks last night. They had a directors meeting, and we discussed, you know, a number of possible mitigation strategies. They -- I think the biggest concern for those folks is the sediment load in the lake and displacing water and having a shallow lake

1 and having that affect their value, and they've already gotten a dredging program underway, and, you 2 3 know, one of the options would be for us to participate in that to the extent that it is 4 proportional to the amount of silt that we, you 5 know, could be attributed from our project and we 6 7 are taking turbidity measurements and calculating 8 silt loads and trying to determine, you know, how much impact that we've had on the water body and to 9 10 work with both the DEP and the local stakeholders to really, you know, come up with a mitigation plan for 11 12 that. That's how it's transpired over time. 13 MS. LEWIS: Okay, well, it sounds like you are acting with good intentions. 14 15 MR. CREEL: We are certainly --16 MS. LEWIS: On top of it, you are on 17 it. MR. CREEL: We are on top of it and 18 19 certainly -- we certainly wish it, you know, that 20

certainly -- we certainly wish it, you know, that kind of event hadn't occurred while we happened to be making that crossing and while all of that stuff stirred up, but, you know, the circumstances of the timing and the big rain event, the hurricane, just conspired against us to, you know, result in that kind of impact. Certainly not, you know, the kind

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of thing you'd expect to see during normal times.

MS. LEWIS: Yeah, well, I know. You

are right. These are not really normal times.

There's a lot of weather-related craziness going on all over our country, and I think we can expect more and we need to be proactive on thinking about how we can avoid future devastation while you are there. I would hope that you are working really hard on that.

I just wondered, since this lady
Elaine Buckman, the chairman of the Lake Lookover
Property Owners Association, said that this pristine
small lake started to have the sediment in March,
so --

MR. CREEL: You know, to be fair, I wouldn't dispute that from a perspective of any and all. There's a couple of contributing streams to that water body, and we did have one small source stream where the DCD in that particular water body had failed and created, you know, a small amount of turbidity entering into the lake, but it was, you know, it was really a small amount. It was there, so, well, we've had turbidity since March, well, yeah, a little bit, but the big event was the August 15th rain event that really caused the problem.

MS. LEWIS: Well, as I said in my

1 last time before this panel, I really would like you to change directions on this project and scrap it 2 3 and find another alternative. But while you are here, I really hope that you will work real, real 4 hard to make sure that there's no more impact to 5 where you are currently building. 6 7 MR. CREEL: And I understand you are 8 from the Montague area? MS. LEWIS: No, I'm not. I'm from 9 10 Watchung. I actually drove an hour and a half to that meeting. 11 12 MR. CREEL: I assumed you were from 13 the area. 14 MS. LEWIS: I live in a very pristine 15 Watchung Reservation. MR. CREEL: If you would look, we 16 have some pictures, actually of Holiday Lake, which 17 is right there in the Montague area, and if you look 18 19 at the picture of Holiday Lake currently, after the 20 hurricane event, it looks a lot worse than Lake 21 Lookover does, and there's no pipeline construction 22 activity in the area. 23 MS. LEWIS: As long as long as you

are the caretakers over there, we are going to pin

it on you when things are not right.

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                     MR. CREEL: Well, that's okay. We'll
      take it. We'll take it.
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                     MS. LEWIS: Okay, thank you.
                     MR. CREEL: Yes, Jeff?
                     MR. TITTLE: Since we've had this
      problem at Lake Lookover, has anyone at DEP Division
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      of Parks and Forestry taken a look at Terrace Pond
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      since it's on the same area on the other side of the
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      ridge and it's an area there is no outlet.
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      there's any flow of mud, it does drain into that
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             There's also some fairly high quality wells
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      in that area, so that should be an area that the
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      division should be looking at. It's Lake Wawayanda.
                     MS. MAHON: The Division of Parks and
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      Forestry has been out on inspections. We also have
      an hourly employee who regularly inspects all
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      different locations.
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                     MR. TITTLE: This is not directly
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      next to the pipeline.
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                     MS. MAHON:
                                 Understood. I can follow
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      up on that for you. Steve Ellis keeps us pretty
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      informed, the regional superintendent there.
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                     MR. TITTLE: Terrace Pond is a very
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      unique glacier. It's purple cliffs, but it's sheaf
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      flow off the cliffs and goes down to the lake and
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1 there's no outflow. The area could be silted up.

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The other point I also wanted to make earlier but forgot was the environmental injustice impacts of going through the upper Ringwood areas and the impacts from the pipeline in taking the lands across from the area and the impact potentially of any kind of blasting to the toxic site that's there. There's a lot of problems through that stretch of pipeline. That's the perfect environmental injustice. Superfund site, two gas pipelines, electric power lines with the pipeline cutting through will have an impact, and I know Commissioner Martin's very much concerned about looking at environmental impacts.

When you are also looking about mitigation other things, you should be looking to try to help the upper Ringwood community as part of the mitigation.

MS. YEANY: Thanks.

MR. TITTLE: One of the reasons you don't want the pipeline through steep slopes.

Whatever you can't run off runoffs. 30 percent slope, there's no B&P that works.

MS. YEANY: Come on up.

MR. CEE: Thank you. I had quick

1 question, I quess, for Judeth. Michael Cee, C-e-e. When will those minutes be available to the public? 2 I think it's a concern I think that the people that 3 couldn't make it should be able to review this before September 21st, your cutoff date. What is 6 the delay? 7 MS. YEANY: The court reporter was 8 actually affected by power outages related to the hurricane. I didn't want to get into that if I 9

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actually affected by power outages related to the hurricane. I didn't want to get into that if I didn't have to. We had expected to have the transcripts by now, and certainly if anybody feels that they are not available online in time to meet that 21st deadline, you should let us know. As I said, we are not allowed by statute to get this approved by anybody until December of this year at the earliest, and the way the other permits are lining up, I don't know how that's going to play out.

19 MR. CEE: Isn't the comment period to 20 the public cut off by the 21st, September 21st?

MS. YEANY: We needed to set a deadline. We couldn't leave it completely open-ended, and part of that is because we have to summarize the comments to the extent we've received them to let the commissioner and the chair know what

1 has transpired up until now, but certainly any comments that we receive after that, I mean, 2 anything we have before us before we ever write this 3 up and recommend a course of action to the 4 commissioner we are going to take into account all 6 the information we have in front of us, so, you 7 know, we didn't want to set a deadline of November, but it's not going to be a strict cutoff of the 8 21st. 9 10 Certainly if things come up for review in the transcript you might want to make us 11 12 aware of, Kevin Koslosky would be the appropriate 13 point of contact to get your comments in to us. MR. CEE: Not for me, but the general 14 15 public, when do you think that will be up there on the site? 16 MS. YEANY: I'm told we would get it 17 within the next four or five days. 18 19 MR. GREDVIG: We hope to have it by 20 this Friday is what our hope is. 21 MS. YEANY: I have to log a couple of 22 things to get things posted. 23 MR. CEE: Is that like a pdf file? 24 MS. YEANY: Yes. We anticipate making it available as pdf.

MR. CEE: Maybe by the weekend? 1 MS. YEANY: I then have to turn it 2 3 over to somebody to ask them to post it. I would quess early next week. 4 MR. CEE: 9, 10, 11, 12, people that 5 6 couldn't make it should be able to review this. A 7 selected few that can't get here at 4:00 from the other part of the state, for instance, would like to 8 9 see. 10 MS. YEANY: We struggle with the timing of the hearings. We try to have them at 11 12 night so the people that work can attend. We tend 13 to schedule the Trenton hearings during the day 14 because the people who tend to comment at the 15 Trenton hearings are the non-profits and the people who do this work during the day. So we try to make 16 it so that people can attend one or the other. 17 18 But anyway, going back to the point 19 about the transcript, we are trying to get them out 2.0 there as quickly as possible, but if anyone feels they need more time to comment, they should let us 21 22 know. 23 MR. CEE: Can you put that on the 24 website? 25 MS. YEANY: Sure.

1	MR. CEE: That would be great because
2	of the delay in getting the transcripts. That would
3	be great. Thank you for your time.
4	MS. YEANY: Thanks. Unless anybody
5	else wants to testify, I guess I will officially
6	close the record this time and I believe it's about
7	6:08 that we are going off the record. Thanks.
8	(Whereupon the proceedings were
9	concluded at 6:08 p.m.)
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CERTIFICATE

I, DONNA BRUNCK, a Certified Court Reporter of the State of New Jersey, authorized to administer oaths pursuant to R.S.41:2-2, do hereby certify that the foregoing is a true and accurate transcript of the testimony that was taken stenographically by and before me at the time, place and on the date herein before set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties or attorneys to this action, and that I am not financially interested in the action.

I DO FURTHER CERTIFY that the within transcript format complies with Rule NJ ADC 13:43-5.9.

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