

1  
2 COMMONWEALTH OF PENNSYLVANIA  
3 HOUSE OF REPRESENTATIVES  
4 HOUSE CONSUMER AFFAIRS COMMITTEE

5  
6 IRVIS OFFICE BUILDING  
7 ROOM G-50  
8 HARRISBURG, PENNSYLVANIA

9 WEDNESDAY, SEPTEMBER 8, 2010  
10 1:00 P.M.

11  
12 PUBLIC HEARING ON  
13 HOUSE BILL 1817  
14 NATURAL GAS INTERSTATE COMPACT

15  
16  
17 BEFORE:

18 HONORABLE JOSEPH PRESTON, JR., CHAIRMAN

19 HONORABLE ROBERT W. GODSHALL  
20 HONORABLE CHRIS SAINATO  
21 HONORABLE ROB W. KAUFFMAN  
22 HONORABLE KAREN D. BEYER  
23 HONORABLE SHERYL M. DELOZIER  
24 HONORABLE BRIAN L. ELLIS  
25 HONORABLE SCOTT PERRY

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ALSO PRESENT:

HONORABLE CURT SCHRODER

GAIL M. DAVIS, EXECUTIVE DIRECTOR (D)

MARCI SANTORO, LEGISLATIVE ASSISTANT

BETH ROSENTEL, RESEARCH ANALYST

TIM SCOTT, RESEARCH ANALYST

COLIN FITZSIMMONS, EXECUTIVE DIRECTOR (R)

AMANDA RUMSEY, COUNSEL

BRENDA S. HAMILTON, RPR  
REPORTER - NOTARY PUBLIC

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## P R O C E E D I N G S

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CHAIRMAN PRESTON: Good morning. The hour of 1:00 having come and gone by, I'd like to call to order the Consumer Affairs Committee public hearing.

This is a public hearing on House Bill 1817 being introduced by Rep. Schroder, which we'll introduce in a moment, dealing with the Natural Gas Interstate Compact.

And -- and I guess I'd just like to be able to say that during this term we have given, I think, everybody a chance -- everyone a chance to be able to have the experience of what we're trying to do from an energy concept as this country and as Pennsylvania and our own legislative districts go through an awful lot of change.

That being said, if I could start to my left and to the audience's right -- no -- to the audience's left and to my right -- or our right up here, we will start at the members and have them introduce themselves and the county they represent.

REP. BEYER: I think you mean me, correct?

Rep. Karen Beyer, Lehigh and Northampton County.

REP. GODSHALL: Bob Godshall, Montgomery

1 County.

2 REP. KAUFFMAN: Rob Kauffman, Franklin and  
3 Cumberland Counties.

4 REP. ELLIS: Brian Ellis, Butler County.

5 REP. SAINATO: Chris Sainato, Lawrence and a  
6 small section of Beaver County.

7 REP. PERRY: Scott Perry, York and Cumberland.

8 CHAIRMAN PRESTON: Joe Preston, Allegheny  
9 County.

10 Also, we're also going to be blessed by having  
11 the great Rep. Delozier --

12 REP. DELOZIER: Bad timing.

13 CHAIRMAN PRESTON: -- also coming up. No,  
14 you're always in the best of timing.

15 And as I said before, we've gone through an  
16 awful lot of dealing with the concepts, learning  
17 something about the energy business, dealing with gas,  
18 electric, water, and other different sources, along with  
19 the telecommunications, dealing with the PUC, the  
20 consumer advocates, small business advocate, and a wide  
21 myriad, and I'd like to think that we've also had from  
22 the meetings, the bills and the hearings we've had, we've  
23 always had numerous people to ask, openly discuss every  
24 question. I think other than sometimes me being a little  
25 behind, I don't think I've really refused anybody to not

1 have a public comment.

2 That being said, today, again, we're dealing  
3 with the Natural Gas Interstate Compact which is a -- a  
4 bill being sponsored by Rep. Schroder. And if he'll come  
5 forward.

6 And as you come forward, I'd like to be able to  
7 say from the agenda, I think that, as members will always  
8 note, that we've always represented and given everybody  
9 an equal chance from every different forms of opinion.

10 That being said, I'm glad that you're here,  
11 Representative, and you may open and introduce yourself  
12 and start your testimony.

13 REP. SCHRODER: Well, thank you very much,  
14 Chairman Preston. I appreciate your willingness to hold  
15 this hearing and for your opening remarks.

16 Thank you to Chairman Preston, Chairman  
17 Godshall, and the members of the House Consumer Affairs  
18 Committee for scheduling this hearing on House Bill 1817,  
19 the Mid-Atlantic Area Natural Gas Corridor Compact.

20 Under the Federal Natural Gas Act of 1938,  
21 states are granted the authority to enter into interstate  
22 compacts for purposes of siting interstate natural gas  
23 transmission lines. It's important to note that this  
24 only applies to pipelines that cross states' borders,  
25 Maryland and Pennsylvania, for example, the 36-inch,

1 42-inch pipelines that take natural gas to East Coast  
2 markets and other areas.

3           Such a compact would not apply to gathering  
4 lines and intrastate, those lines that are only contained  
5 within Pennsylvania. I would note that the PUC is  
6 working on a proposal to obtain jurisdiction for safety  
7 purposes over the intrastate lines.

8           Why is legislation to take siting authority for  
9 intrastate pipelines away from the Federal Energy  
10 Regulatory Commission, or FERC, and placing it in an  
11 Interstate Compact being proposed?

12           Well, from what I have seen, and based upon the  
13 experience of Chester County residents and  
14 municipalities, the current system of siting natural gas  
15 pipelines is broken.

16           Now, understand, that it works just fine from  
17 the perspective of the pipeline company because FERC acts  
18 primarily as a rubber stamp to accommodate the wishes of  
19 the pipeline company to take the least expensive route to  
20 their destination.

21           When this happens, individual and commercial  
22 property owners pay the price. The use of their land is  
23 devoured by pipeline easements and natural and historic  
24 resources are often threatened. The individual is left  
25 without recourse to plead their case to a distant and

1 unresponsive federal bureaucracy, known as FERC, whose  
2 only mission seems to be to facilitate the pipeline  
3 company's desires.

4 In order to level the playing field and provide  
5 a review and approval process that will facilitate  
6 reasonable pipeline expansion while protecting our  
7 citizens, neighborhoods, and natural resources, I have  
8 introduced this legislation.

9 An interstate compact will bring  
10 decision-making closer to the people and force pipeline  
11 companies to be more responsive to the needs and concerns  
12 of the community.

13 We will no doubt hear vigorous objections from  
14 the natural gas and pipeline industry, either today or in  
15 the future. Keep in mind, however, that their legions of  
16 engineers, legal experts and lobbyists have worked the  
17 current system for many years.

18 This comfort level is enhanced by the revolving  
19 door nature of individuals who learn the game while  
20 employed at FERC, then take the high-paying jobs with the  
21 pipeline companies where they utilize their inside  
22 knowledge of the process. A new process that eliminates  
23 the current one is a threat to their dominance and I say  
24 rightfully so.

25 House Bill 1817 will require, first, that the



1 need for the pipeline be considered. It will also take  
2 into consideration:

3 Areas designated for protection or  
4 conservation, including agricultural land, monuments,  
5 historic sites, wilderness areas, scenic rivers,  
6 waterways, et cetera.

7 Consideration of the impact on the environment,  
8 such as fish and wildlife population.

9 It would require that rights-of-way be  
10 minimized in size. This has been a huge problem as  
11 companies seem to want to maximize right-of-way in order  
12 to facilitate future pipeline expansion of width or even  
13 running a parallel pipeline in the future.

14 We also need to consider impacts on historic,  
15 cultural, or archaeological resources.

16 These are all necessary -- excuse me -- these  
17 are necessary and important protections that are either  
18 not required to be considered by FERC or are ignored.

19 You will hear shortly from some Chester County  
20 residents that will convey their experience with FERC and  
21 the pipeline companies. I ask that you consider their  
22 experience and testimony, and I thank you for your  
23 consideration of House Bill 1817.

24 CHAIRMAN PRESTON: Thank you very much.

25 Are there questions from members?

1           In your -- on the analysis it appears the  
2 make-up of your -- of the designees. Let me ask you a  
3 question about the chairman of the Public Utility  
4 Commission.

5           Do you mind, for example, the chairman of the  
6 Public Utility Commission or that he -- not go with a  
7 designee but he would appoint, if he so chooses, another  
8 member of the PUC commission?

9           REP. SCHRODER: Mr. Chairman, are you asking if  
10 I would mind that or accept that as --

11           CHAIRMAN PRESTON: Uh-huh.

12           REP. SCHRODER: I'm certainly -- I would  
13 certainly be open to that.

14           CHAIRMAN PRESTON: Just raising that question.

15           REP. SCHRODER: Sure.

16           CHAIRMAN PRESTON: Because he may not and  
17 sometimes they're busier --

18           REP. SCHRODER: Uh-huh.

19           CHAIRMAN PRESTON: -- and he may choose another  
20 member of the PUC commission.

21           REP. SCHRODER: Understood.

22           CHAIRMAN PRESTON: Which would be on a scale  
23 that he would choose.

24           REP. SCHRODER: I would say that all of those  
25 issues, you know, issues of composition, are -- you know,

1 would be on the table and would certainly -- I'm  
2 certainly amenable to, you know, having discussions about  
3 any changes or suggestions that -- that you might have.

4 CHAIRMAN PRESTON: Okay. Any other?

5 REP. ELLIS: I just have one.

6 CHAIRMAN PRESTON: Representative.

7 REP. ELLIS: Thank you very much,  
8 Mr. Chairman.

9 Rep. Schroder, just real quick, in the  
10 analysis -- and in looking through -- I don't have the  
11 exact page, but it says that the compact administrators  
12 and other members of the council shall negotiate and  
13 establish a regional process.

14 So you're saying it would be different in  
15 Chester County than, say, in, you know, Beaver County  
16 where it's going into Ohio? There would be a different  
17 process for each area?

18 REP. SCHRODER: That's not the intent, Rep.  
19 Ellis. I appreciate the question.

20 I say -- when we say regional, in my mind, at  
21 least, it applies to the region that the compact  
22 comprises.

23 REP. ELLIS: Okay.

24 REP. SCHRODER: In -- in other words, a little  
25 more -- as opposed to or contrasted to the more national

1 standard that FERC operates under right now.

2 REP. ELLIS: Thank you.

3 CHAIRMAN PRESTON: Well, thank you very much.  
4 Appreciate your testimony. Appreciate your thought and  
5 idea.

6 REP. SCHRODER: Thank you, Chairman Preston.

7 CHAIRMAN PRESTON: We'll start to hear from  
8 additional people.

9 Next, we'll hear from Michael Love, who is the  
10 Vice President, Governmental Affairs, for UGI Utilities,  
11 Incorporated.

12 Glad to see you here. I guess we've kept you  
13 busy. I saw you in Johnstown last week. So...

14 MR. LOVE: Yeah.

15 CHAIRMAN PRESTON: You get a chance to see the  
16 beautiful state of PA in a lot of different ways.

17 MR. LOVE: And it is beautiful. Forgive me  
18 that I forgot to bring copies of my testimony, which I'll  
19 make sure that I e-mail to each and every one of you.

20 And in the spirit of disclaimers, I want to  
21 make sure, as I told many of you when I was up in  
22 Johnstown, is that my company non-utility affiliate is  
23 building a gathering line that would go through  
24 Clearfield, Centre, Clinton, Lycoming, into Tioga, and  
25 then into New York.

1           So we would be one of the lines governed by  
2 this proposed bill because we would be going across the  
3 state. So I want to make sure everybody understands part  
4 of the reason why I'm here.

5           Part of the reason, I think, that we're all  
6 here is by my last count there's some 94 bills that in  
7 some way influence, impact, or somehow seek to assist  
8 government in examining the issue of Marcellus shale.

9           And we're trying to do one simple thing as a  
10 corporation. We're trying to get natural gas from the  
11 well sites, gather it up and get it to the interstate  
12 pipelines so it can be distributed wherever the demand  
13 is.

14           Now, a lot of talk has been before this  
15 committee and others about drilling, but the royalties  
16 that people get from drilling depend on getting the gas  
17 to market. So what you're looking at here is what's  
18 called midstream or the facilities that will get it to  
19 market.

20           And obviously a regulatory policy that begins  
21 to impact that would have a significant slowing down of  
22 that process.

23           This is a compact that's not even up and  
24 running, trying to get people from two states, maybe  
25 three, in the case of New York a fourth, in the case of

1 Ohio, to come and attend meetings. It's a laborious  
2 process, and I guess I'm just raising the question what  
3 exactly are we trying to accomplish?

4 I've heard the Public Utility Commission -- and  
5 Rep. Schroder made reference to it that -- that there is  
6 ongoing negotiations going on for those that are trying  
7 to define the Marcellus tax and where it's going to be  
8 distributed and how the environment is going to be  
9 impacted.

10 The Public Utility Commission is very involved  
11 in that and is taking jurisdiction to enforce the federal  
12 rules that are already in place for safety and et  
13 cetera.

14 And one thing I would say if in any way your  
15 concern is about safety as to why you're looking at this  
16 legislation, that I've heard the PUC chairman, and he has  
17 appeared before this committee on numerous times, and  
18 when he has, he has talked about, as has Paul Metro, the  
19 person in charge of gas safety at the commission, about  
20 the ever increasing amount of line hits that are hitting  
21 underground lines because people are not following the  
22 one-call statute.

23 And that's a significant, significant issue and  
24 they have statistics on it that they could show you how  
25 important that issue is. Because right now Labor and

1 Industry, when it's reported, is not doing too much  
2 against these people that cause scrapes, nicks, and other  
3 ways of harming pipe, and that has long-term effects in  
4 terms of what happens in terms of maintenance and  
5 safety.

6 That would be a good place to focus.

7 Our suggestion to you is that by adding on more  
8 regulatory oversight -- and as I went down this list,  
9 very few people had any experience in the energy  
10 industry -- you are slowing down the construction of the  
11 very industry that you're depending upon for tax revenue  
12 and jobs.

13 Please understand that if Marcellus disappears  
14 our unemployment rate goes from 9.3 to over 11, and it  
15 does so almost overnight.

16 Now, there aren't many examples of where people  
17 are trying to do it. Our company, along with others, are  
18 trying to build facilities that will provide jobs and an  
19 energy future.

20 To put it in perspective, the status quo is  
21 probably unacceptable. Our reliance on foreign oil, our  
22 reliance upon inefficient energy is not a status quo  
23 that's worth preserving. We're trying to change that.

24 If you go out to states like Oklahoma, if you  
25 go to states like Utah, you will experience that they're

1 advertising natural gas vehicles.

2 This becomes -- natural gas becomes a displacer  
3 of oil in a major way; and before we put too many burdens  
4 on it, I'm just actual -- just ask you to consider that.

5 That's the end of my comments, Mr. Preston.

6 CHAIRMAN PRESTON: Rep. Beyer.

7 REP. BEYER: Good afternoon, Mr. Love. It's  
8 good to see you.

9 MR. LOVE: Good to see you again.

10 REP. BEYER: You know, I know Rep. Schroder and  
11 sitting here along on the House floor and -- and knowing  
12 that he's one of the members that has -- has a high level  
13 of integrity and I think a lot of him personally.

14 MR. LOVE: I was not impugning his integrity.

15 REP. BEYER: Well, I know that. But I say that  
16 to you in preface to something he just said in his own  
17 presentation before this committee which said -- says the  
18 current system is broken and that the FERC acts primarily  
19 as a rubber stamp. And I think that he's correct.

20 But not only that, that we consistently hear as  
21 legislators that we can't possibly regulate any industry  
22 related to Marcellus shale because we're going to have  
23 unemployment and the gas companies are going to leave and  
24 it's a constant threat, overt and subliminal.

25 So you think that there's absolutely nothing



1 wrong with the system right now and the way that the FERC  
2 handles cases and you believe that the residents that  
3 would be affected by this pipeline are being treated  
4 fairly? Respectfully? That's -- that's your testimony  
5 today?

6 MR. LOVE: No. That's not my testimony.

7 REP. BEYER: Okay.

8 MR. LOVE: My testimony --

9 REP BEYER: Can you --

10 MR. LOVE: Where I would -- where I would have  
11 disagreement with you, Representative, is I would never  
12 say any process is perfect. I would never say any  
13 process is not without criticism.

14 And I would -- as someone who has served as a  
15 regulator in my former life, I certainly wouldn't say  
16 that. So there is always an opportunity to improve.

17 However -- and let me start out with the Public  
18 Utility Commission in their oversight of gas safety, in  
19 their oversight of gathering lines, is and has been very  
20 diligent. We have not had any accidents in any gathering  
21 lines in the state of Pennsylvania.

22 Now, I cannot speak to every FERC docket that  
23 has gone on, and I certainly would accept the  
24 representative at his word that there have been errors  
25 made by FERC.

1           I was the chairman of a public utilities  
2 commission and, upon reflection, I know I made errors.  
3 So I -- I fully understand that.

4           But, again -- and I would also say in terms of  
5 the environment that John Hanger, whom I don't always  
6 agree with and who doesn't always agree with me, to me is  
7 one of the strongest environmental advocates I know, and  
8 I think he's done an incredible job at the DEP while  
9 taking on a mammoth business and a mammoth situation and  
10 has not held back in terms of finding more appropriate  
11 and -- disciplinary action where appropriate.

12           So, again, I'm not asking you to believe that  
13 the system is perfect. Because it's not. I'm not  
14 asking, nor would I ever suggest to you to believe  
15 anything less than the fullest integrity of Rep.  
16 Schroder.

17           What I'm saying to you is there is regulatory  
18 oversight in place now and as to the value that is placed  
19 on easements or rights-of-way, there are judicial  
20 recourses. But I don't know that establishing another  
21 regulatory agency, especially one with, say, Maryland,  
22 that has no interest and is not going to have much  
23 interstate pipelines built through it.

24           We're talking primarily Pennsylvania and  
25 interconnecting with the TransEastern, Tennessee, and the

1 Millennium Pipelines. That -- those are the ones that  
2 traverse the state and New York, and those are primarily  
3 where the gas will be going.

4 I mean the other thing you have to keep in mind  
5 is if we were back about six years and I was appearing  
6 before you here, when we had the two hurricanes, Katrina  
7 and Rita, I think it was, there was a huge bump-up in  
8 price because we didn't have natural gas locally and we  
9 had to rely on the Gulf and transporting it. And that  
10 was a very expensive proposition.

11 And I'm just simply saying that there are  
12 trade-offs and the representative has his views and I  
13 have mine. I'm not trying to tell you there's a perfect  
14 world anywhere.

15 REP. BEYER: Just one real quick final comment  
16 and a slight question. I just want to understand UGI's  
17 position then.

18 UGI has out of hand completely rejected this  
19 piece of legislation?

20 MR. LOVE: No.

21 REP. BEYER: Okay.

22 MR. LOVE: No, I haven't said that.

23 REP. BEYER: Okay.

24 MR. LOVE: I haven't said that. UGI is  
25 primarily concerned with safety and we're primarily

1 concerned with substituting natural gas for other fuels  
2 that are more expensive and less environmentally  
3 friendly.

4 I have worked this -- I have worked in -- for  
5 the Energy Association and now this position, and UGI's  
6 position is always to work with the sponsors of the bill  
7 to see what we can do.

8 And we are -- our primary interest is safety  
9 and our primary interest is pursuing natural gas together  
10 with alternative fuels. That's -- that's our business  
11 plan.

12 REP. BEYER: And so the environment and  
13 residents' property rights and those kinds of things are  
14 lower on the priority?

15 MR. LOVE: No. The environment -- natural gas  
16 has a 40 to 50 percent better footprint in terms of  
17 carbon than does fuel oil or electricity.

18 So, yes, we're very concerned with the  
19 environment. As I was up in -- with you when I was in  
20 Johnstown, I passed out to you the new solar project that  
21 we built with PPL in Crayola, which now has one third of  
22 their electricity coming from solar because of the  
23 efforts and investment made by UGI.

24 Over on that side of the state, we've also run  
25 two gas facilities where we're taking landfill gas, and

1 our facilities over in Middletown are being run totally  
2 on natural gas for heat and electricity.

3 So I -- and we are involved -- in fact, we were  
4 just with Secretary Hanger yesterday talking about six  
5 other projects that we have that are solar-related.

6 I think sometimes we forget how much is going  
7 on. And we're doing that at Temple and -- and Crayola 2  
8 and Crayola 3. So we're constantly trying to push the  
9 energy envelope to improve on the environment.

10 In terms of residents, we always are concerned  
11 about our customers. And I don't have first-hand  
12 knowledge of experiences that Rep. Schroder talks about  
13 in terms of who paid what for what easement. So I  
14 can't -- I can't feel qualified to answer that.

15 But obviously we would be concerned about that  
16 with our lines.

17 REP. BEYER: Thank you, Mr. Chairman.

18 CHAIRMAN PRESTON: Thank you.

19 REP. BEYER: And Mr. Love.

20 CHAIRMAN PRESTON: Chairman Godshall.

21 REP. GODSHALL: Being totally unfamiliar with  
22 FERC, what process do they use at this point and -- and,  
23 you know, what's -- what's their normal process to  
24 designate where a line goes and how it goes?

25 MR. LOVE: They have a fairly intensive

1 process. They start out with what's called a  
2 pre-pre-meeting in which they initially hear what is  
3 being contemplated and they get through major questions  
4 that they may have so that before anybody even files  
5 anything major issues are raised.

6 Then there's a pre-meeting in which the  
7 petitioner goes over what their plans are; and FERC then  
8 will start looking at whether it's the best plan, whether  
9 there are other economic alternatives, and there's a  
10 series of federal acts, many of which are referred to in  
11 Rep. Schroder's testimony where he talks about that and  
12 FERC does look at a variety of federal statutes that deal  
13 with the environment, deal with water, deal with  
14 historical monuments and the like.

15 All of those issues are required by statute by  
16 FERC to be looked at. And then they usually hold  
17 hearings in -- in the effected locales and they take  
18 testimony from residents and they render a decision based  
19 on the evidence.

20 They have rejected pipelines in the past.  
21 They've rejected transmission lines in the past.

22 REP. GODSHALL: FERC, what do they regulate?  
23 Do they regulate transmission lines and what else? I  
24 mean what's their full bag? What do they do?

25 MR. LOVE: They have a significant amount of

1 issues that they oversee. They oversee electric  
2 transmission lines that go across state lines. They  
3 oversee natural gas transmission lines that go across  
4 state lines, interstate lines.

5 They oversee tariffs that are filed by  
6 wholesale electric distributors. Those that sell  
7 electricity wholesale are governed by their -- for their  
8 rates and their tariffs by the Federal Energy Regulatory  
9 Commission.

10 And those are the three primary powers. There  
11 are many others that they oversee.

12 REP. GODSHALL: Well, I have two electric  
13 transmission lines that go through my farm. So that was  
14 probably a FERC decision to put them through. They're  
15 high volume.

16 MR. LOVE: Could have been. I don't know  
17 that. But I would say this, is that if they're  
18 intrastate in nature, then not so. But if they're  
19 interstate in nature, probably.

20 REP. GODSHALL: All right.

21 MR. LOVE: And I would guess they probably are  
22 given your description. So, yes, they probably were  
23 involved in the siting of those lines.

24 REP. GODSHALL: Okay. I just wanted to get  
25 some idea of -- you know, pertaining to FERC. Because,

1 as I said, I had little knowledge of the -- that  
2 organization and just where they were coming from.

3 We have representatives from Pennsylvania on  
4 there or how -- what is -- what is the process? Do we --  
5 is every state represented? You know, how --

6 MR. LOVE: No. No. Not every state is  
7 represented. There are five Federal Energy Regulatory  
8 Commissioners, three usually of one party, two of the  
9 other party. In fact, Nora Brownell, former PUC  
10 commissioner, was on FERC for a good number of years  
11 as -- as an example of a Pennsylvania person.

12 But, to the best of my knowledge, there's no  
13 one from Pennsylvania on FERC today.

14 REP. GODSHALL: Okay. Thank you.

15 CHAIRMAN PRESTON: Thank you very much,  
16 Mr. Love. I think one of the things, I guess, in having  
17 you come to the table with such a broad amount of  
18 experience, having served in a lot of different  
19 capacities, I think that the members also need to  
20 realize, as we try to work out these concepts in dealing  
21 with consumer protections and safety, dealing with other  
22 what we call -- what I call governmental sub-units and  
23 dealing with these easements issues, because I go through  
24 it all the time with railroads just as well in dealing  
25 with the federal government, and it seems like they're



1 also using it to make money sometimes as far as the  
2 companies that are doing this.

3 But at the same time I like to think, and I  
4 think that from some of the questions I've heard,  
5 obviously we have a situation of public safety and I can  
6 truly say that the pipeline industry has come to me, even  
7 people from USX and other major corporations, that is  
8 very tantamount about the public safety issues.

9 And I go back, having had the privilege of  
10 serving as the chairman of transportation for SSL when  
11 you had two members from each state sit on the committee  
12 and having actually wrestled with issues from  
13 congressional subcommittees.

14 It's obvious in dealing with the issue of  
15 pipeline safety -- and this has been going on since, as I  
16 can remember, 15 years especially. For example, who is  
17 really responsible for it? You know, whether it goes  
18 through Kentucky, Pennsylvania, Tennessee, Louisiana.  
19 Who really owns the pipeline? Even though it's built and  
20 marketed and sold to someone else or transferred or  
21 leased to someone else.

22 But the major thing is for Pennsylvanians we  
23 have to deal with pipeline safety. Karen -- Rep. Beyer's  
24 statement, also relevant to me in dealing with pipeline  
25 safety is about the course that it's actually taken and

1 how it's taken and not really looking at everything, you  
2 know, that goes about as far as sometime planning  
3 commissions may have plans for development in one way or  
4 another. Easement changes that development and that  
5 process in dealing with the planning or -- or  
6 construction and -- and -- and I think that we -- we're  
7 going to have to do a little about something, and the  
8 issue that you've raised is about pipeline safety.

9           And I want to say that to the representative  
10 just as well, and I know the executive director and I had  
11 a conversation with the person who was a representative  
12 of USX and that was their first concern and I know some  
13 of the members have gotten a memo from Rep. Baker dealing  
14 with pipeline safety and it's something that myself and  
15 staff, we've been really looking at very strongly, about  
16 trying to address this issue.

17           Whether it's a compact and forming another  
18 level of government, I do have questions about that in a  
19 sense. Because I'm hearing from the public, we need  
20 smaller government, we need less people, but at the same  
21 time here we are potentially trying to create another  
22 tier.

23           And sometimes we as members need to realize  
24 that we don't need to pass the buck. You know, we have  
25 some of the authority to change and make these changes

1 ourselves so that we shouldn't -- like I said, that --  
2 you've heard me say this before -- the Public Utility  
3 Commission was created so we don't have to vote on those  
4 rate increases because a lot of us do not have the guts  
5 to be able to deal with it.

6 Now, if that would be the case, a lot of people  
7 wouldn't have the utilities that they have now.

8 So instead I want to commend you on the working  
9 opinion that you continue to have and I think it's  
10 something we're going to have to really address in the  
11 near future.

12 MR. LOVE: And let me say to Rep. Beyer, and  
13 also to Rep. Schroder, and to you, Mr. Chairman, that in  
14 all honesty there's nothing more important than gas  
15 safety. Nothing.

16 And that's something that my president preaches  
17 every day and requires every employee at UGI to go to gas  
18 safety meetings once a month, mandatory.

19 And the other thing you should know is thanks  
20 to the leadership over at the Public Utility Commission  
21 and the leadership at the Department of Environmental  
22 Protection, both of those leaders have stressed gas  
23 safety as well.

24 And I would be remiss if I didn't compliment  
25 them even though, you know, at times we've been cited, as

1 well as others, at the Public Utility Commission. They  
2 have built up their gas safety people from when I started  
3 appearing before you nine years ago to now they have gone  
4 from having a couple people to close to, I think, ten  
5 now, and I think with the new powers that they're going  
6 to be given, the federal government will give them more  
7 money because they are more able to enforce gas safety  
8 regulations.

9 So certainly I just want to make sure we  
10 understand that no one here is suggesting that you should  
11 be anything other than paramount on gas safety, and  
12 whatever it takes to do that we'll work to achieve that.

13 CHAIRMAN PRESTON: As they say, duly noted and  
14 duly recorded.

15 MR. LOVE: Thank you.

16 CHAIRMAN PRESTON: Thank you.

17 Next, as I like to say let's hear from the  
18 people. These are residents. Lynda Farrell, Lou  
19 Ottaviano.

20 MR. OTTAVIANO: Ottaviano, sir.

21 CHAIRMAN PRESTON: Ottaviano. Lisa Van  
22 Houten. Or do I pronounce that Houten?

23 MS. VAN HOUTEN: Houten.

24 CHAIRMAN PRESTON: Houten. And Dyanne  
25 Delaney.

1 MS. VAN HOUTEN: You want us all up there at  
2 once?

3 CHAIRMAN PRESTON: If you ladies and gentlemen  
4 come on up. As they say, come on down. I'm not going to  
5 say that. Someone said The Price is Right. I can't say  
6 that.

7 And what we're going to do so the recorder can  
8 get your names, what I would ask you to do first is start  
9 to your left, my right, and if you would just introduce  
10 yourself first one, one, one, one, one, and then we'll  
11 come back and in however order you want to start you can  
12 proceed.

13 So just introduce yourself. Make sure the  
14 green -- is the green light on?

15 MS. VAN HOUTEN: Yes, they are.

16 MS. DELANEY: Yes, sir.

17 MS. FARRELL: Yes, sir.

18 CHAIRMAN PRESTON: And move that closer --  
19 closer to you. And --

20 MS. VAN HOUTEN: Is that better?

21 CHAIRMAN PRESTON: -- you state your name. You  
22 don't have to give us --

23 MS. VAN HOUTEN: My name is --

24 CHAIRMAN PRESTON: -- your address.

25 MS. VAN HOUTEN: -- Lisa Van Houten and I'm

1 representing Bradford Glen Homeowners Association.

2 MR. OTTAVIANO: My name is Louis Ottaviano.  
3 I'm a Chester County resident, and I'm representing  
4 myself.

5 MS. DELANEY: My name is Dyanne Delaney. Good  
6 afternoon.

7 CHAIRMAN PRESTON: And you're here representing  
8 yourself also?

9 MS. DELANEY: I am.

10 MS. FARRELL: My name is Lynda Farrell. I also  
11 am here representing myself.

12 CHAIRMAN PRESTON: Thank you. I don't know if  
13 you have had a chance to talk. So whoever wants to get  
14 started, you can start.

15 MR. OTTAVIANO: Follow the agenda.

16 CHAIRMAN PRESTON: Okay. Ms. Farrell.

17 MS. FARRELL: Oh, they appointed me.

18 CHAIRMAN PRESTON: Yeah, they did.

19 MS. FARRELL: Okay. First of all, thank you  
20 for the opportunity to address the committee today. My  
21 name is Lynda Farrell. I live in Chester County, and I  
22 chose to live in Chester County for its thoughtful and  
23 taxpayer-supported commitment to open space preservation,  
24 smart land use planning, and watershed protection as is  
25 evidenced in the Chester County's Landscape and

1 Watersheds Program.

2 Supported by and funded by citizens, the best  
3 practices created in this nationally acclaimed document  
4 are disregarded in the FERC process. We have seen this  
5 by experience.

6 In this case alone, state oversight would  
7 provide a more subjective assessment of county-funded  
8 assessment -- of county-funded programs.

9 Last night, I received a copy of Carolyn  
10 Elefant, Esquire's testimony. It happened to mirror my  
11 own as Ms. Elefant represented myself and four other  
12 landowners in an eminent domain proceeding. I -- I do  
13 have a copy of Ms. Elefant's testimony and I wonder if --

14 CHAIRMAN PRESTON: We all do have a copy and it  
15 will be distributed to every member that is on the  
16 committee.

17 MS. FARRELL: Okay.

18 CHAIRMAN PRESTON: It will be submitted also to  
19 the record.

20 MS. FARRELL: Okay. I've never done this  
21 before so...

22 CHAIRMAN PRESTON: Take your time. As I like  
23 to say, just chill out. Don't worry about it.

24 MS. FARRELL: Thank you. I appreciate that.

25 CHAIRMAN PRESTON: All the testimony that was

1 submitted there are -- just for the record, I received  
2 testimony from Carolyn Elefant, the attorney, law offices  
3 of Carolyn Elefant, Washington, D.C.; also from John  
4 Hoekstra who is the director of the Watershed Advocacy,  
5 Green Valleys Association; and also from Terrance  
6 Fitzpatrick, President and CEO of the Energy Association  
7 of Pennsylvania, which will be submitted for record and  
8 to all members on the committee.

9 So see, you've made my job easier.

10 MS. FARRELL: Thank you. Well, I had revisited  
11 my testimony because Ms. Elefant was our legal counsel in  
12 an eminent domain proceeding.

13 In August of 2009 a final ruling on that  
14 proceeding was issued and the court acknowledged that the  
15 Brandywine Five, as you'll read in Ms. Elefant's  
16 testimony, that the efforts of the Brandywine Five were a  
17 success and we were awarded attorney fees.

18 Since we're -- we're not looking at  
19 Ms. Elefant's testimony right now, the -- the -- the  
20 eminent domain proceeding was based on a lack of DEP  
21 permits in a construction process that was approved by  
22 FERC, which we -- we refused to comply.

23 The -- the ruling was significant because  
24 there's only one other federal court case from the early  
25 '90s where landowners successfully fended off



1 condemnation and return -- received attorneys' fees.

2 Frankly, we didn't really care about the  
3 attorneys' fees. We were really looking at the FERC  
4 process.

5 The -- the process, the notice -- you had  
6 asked, Chairman, about the process of -- of the FERC.  
7 The FERC is really concerned with siting, pre-filing,  
8 filing, intervenor status and approvals.

9 Notice of a FERC filing is delivered to  
10 landowners by direct mail, and verification of the -- of  
11 the proceedings is not required, yet a time restriction  
12 is -- exists for landowners to file as intervenors and,  
13 therefore, have standing in the FERC process.

14 There's no requirement for notification of  
15 landowners in siting nor in pre-filing, as Mr. Love  
16 discussed, rather the landowner is expected to  
17 self-motivate and look for federal notices.

18 I personally received notice of the  
19 FERC/Williams Transco Sentinel Project filing a week  
20 before Christmas by direct mail. My request for late  
21 intervention was due to my lack of knowledge of the  
22 process, yet my request for intervenor status was  
23 denied.

24 On August 14th, 2008 FERC issued a certificate  
25 for construction of the Sentinel Project authorizing

1 Transco, as described in Transco's application, to open  
2 cut the Brandywine Creek and Ludwigs Creek.

3 As a 14-year member of the board of the Chester  
4 County Conservation District and having read the EA,  
5 environmental assessment, sorry for the acronym, I was  
6 cognizant of the requirements for Transco to apply for  
7 NPDES permits from PA DEP.

8 I learned that Transco's application remained  
9 open with FERC regardless of pending DEP permits.

10 Despite outstanding PA DEP permits and despite  
11 Chapter 105 prohibition of storage of spoil within 50  
12 feet of a stream bed or waterway, Transco agents  
13 continued to threaten us with the use of eminent domain  
14 rather than revisit the site design. This continued from  
15 August 14th to about April 30th of 2009. At no point did  
16 FERC intervene in absence of permitting.

17 Our pleadings to FERC did not establish us, the  
18 Farrells, as intervenors. Therefore, I learned how to  
19 become a late intervenor and I filed for late  
20 intervenorship in September of 2008. On February 2009  
21 FERC denied my request for late intervenor.

22 On March 4th, 19 -- 2009 I filed a request with  
23 Ms. Elefant for rehearing of the denial. On April 3rd we  
24 were denied a rehearing. On April 4th we were taken to  
25 eminent domain proceedings. We were served with

1 condemnation proceedings by Williams Transco.

2 One of the issues with the FERC process that  
3 will be eliminated by 1817 is cost effectiveness of the  
4 pipeline as the main objective of FERC.

5 Rep. Schroder is aware of the Chester County  
6 commissioners and the -- Congressman Gerlach's pipeline  
7 task force that's located in Chester County. I'm a  
8 founding member of that -- of that board, and FERC  
9 verified to us that -- that a cost analysis of siting is  
10 their primary objective.

11 I have had -- as supplemental information, I  
12 have been working with the U.S. DOT Pipeline and  
13 Hazardous Safety Materials Administration, PHMSA,  
14 technical assistance grant in Chester County. And U.S.  
15 DOT -- you asked the question, sir, earlier -- U.S. DOT  
16 PHMSA has the regulatory power in safety issues. FERC  
17 has regulatory pre -- power in the siting issues.

18 Negotiations with Transco initiated in January  
19 of 2008. We attempted to negotiate a -- and -- and  
20 minimize the project on our property, having the project  
21 occur within the current right-of-way which was feasible  
22 to be done according to engineering.

23 This would have prevented damage and erosion of  
24 steep slopes and the watersheds of Ludwigs Creek and  
25 still -- and the Brandywine Creek and still allowed

1 Transco the ability to increase their capacity.

2 In April 2009, I learned that DEP had issued  
3 two permits, an NPDES individual permit and a --  
4 Stormwater Discharge Associated with Construction  
5 Activity permit and the Water Obstruction and  
6 Encroachment permit.

7 However, those permits did not allow Transco to  
8 open -- to utilize the open cut method which they applied  
9 for with FERC. By letter of April 24 DEP notified FERC  
10 about these permit restrictions, yet -- sorry -- although  
11 Transco did not meet the EA requirements of acquiring the  
12 DEP permits for open cut, and authority under the FERC  
13 certificate exists only in compliance with safety [sic]  
14 regulatory permits, Transco did continue to pursue  
15 eminent domain.

16 I would argue that the state authority would  
17 not disregard state-mandated permits.

18 Inaccurate mapping. In its Sentinel Project  
19 application to FERC, GSF -- GSI mapping included a farm  
20 market that had been demolished ten years prior and been  
21 replaced by Home Depot and it had been then replaced by a  
22 -- I'm sorry -- by a Hechinger's and then by our Home  
23 Depot.

24 I would -- I would argue also that -- that  
25 state and local authorities were certainly aware of this

1 critical mapping which does present a safety issue in the  
2 siting of pipelines.

3 On August 20 -- in August 2008 a second offer  
4 was delivered to us for our property and increased the  
5 use of the temporary space which included steep slopes  
6 and watersheds from .21 acres to .90 acres.

7 Five months later we discovered that was a  
8 clerical error and yet it was a legal document that we  
9 were expected to sign in order to prevent eminent domain  
10 proceedings.

11 April 1st we received a supplemental agreement  
12 of 2009 to correct the error. On April 4th we were  
13 served condemnation proceedings.

14 Using multiple names of locations in the FERC  
15 process reduces the number of required permits by the  
16 state. It's a great technique, but it reduces the  
17 responsibility of any contractor to meet state  
18 requirements.

19 Again, I believe that state authority would --  
20 would take those state regulations into consideration and  
21 be more aware of what those state regulations are than  
22 the federal regula -- the -- the FERC.

23 Despite state agencies' recognition of filings  
24 of sections or loops of the project, diminished state  
25 permitting, the FERC continues to permit this practice.

1           Additionally, the taking of land is --  
2 determined by the right-of-way is determined by the  
3 industry.

4           The -- sir, you again asked about siting. The  
5 siting is determined by the industry and then presented  
6 to FERC for approval, not the other way around.

7           How do I know all this? I pretty much just  
8 told you how I know all this. And I've worked with  
9 legislative aides and legislators such as Senator  
10 Specter, Senator Casey, Congressman Gerlach, Rep.  
11 Schroder, Senator Dinniman, and we've all made efforts to  
12 become educated citizens, able to respond to the process  
13 appropriately, and yet the FERC process is not citizen  
14 friendly.

15           I strongly support, because I know I'm going  
16 over time here, the authority through a Mid-Atlantic  
17 Compact. Ms. Elefant's testimony is -- is -- is very  
18 precise and to the point on the need for the state to  
19 regulate the siting process rather than the federal  
20 government, particularly in these growing socio-economic  
21 times.

22           Thank you.

23           CHAIRMAN PRESTON: Mr. Ottaviano. Okay. I'm  
24 getting closer.

25           MR. OTTAVIANO: We're going to -- you -- you

1 keep getting there, yeah. We're just going right along  
2 with the agenda, so the recorder can stay with us.

3 Thank you very much, Mr. Chairman. My name  
4 again is -- is Louis Ottaviano, and I hope everybody is  
5 having a good afternoon.

6 For the last 30 years I have been a resident of  
7 Chester County here in the Commonwealth of Pennsylvania.  
8 I am a veteran, a taxpayer, and I vote. I believe in our  
9 political system and have great respect for the  
10 individuals who step up to serve in public office.

11 Today, I am here asking for your support to  
12 adopt House Bill 1817 to protect Pennsylvania's  
13 landowners.

14 I would like to share with you a very, very  
15 brief excerpt of the experiences I've had with the  
16 Sentinel Expansion Project, sometimes known as the  
17 Downingtown Loop, and that's the FERC Docket Number  
18 CP08-31-000.

19 Since July of 2006, I have devoted hundreds of  
20 hours of my time in an effort to try to understand the  
21 process of the Natural Gas Act and why I should be  
22 expected to enter into a legal real estate transaction  
23 without represented -- representation by counsel or even  
24 a licensed Pennsylvania real estate agent.

25 As the law now stands, now -- as the law stands

1 now, this is the case for myself and 180 other landowners  
2 along the Sentinel Expansion Project. We were forced to  
3 deal with land men, as they are known in Pipeline World.  
4 We are forced -- someone knocks on your door and tells  
5 you what they're going to offer you for your property.  
6 You are expected immediately to sign on the dotted line.  
7 And if you don't, eminent domain will be invoked.

8 Over the past four years, I have been  
9 grossly -- I have been given grossly inaccurate  
10 information, harassed, threatened, deceived, and hit with  
11 an eminent domain suit by the gas pipeline company.  
12 Because the Natural Gas Act supersedes state government,  
13 local officials were unable to provide any relief.

14 I have spent in excess of \$80,000 in legal  
15 fees, engineering fees, and appraisals, some of which are  
16 a result of correcting the errors by the -- made by the  
17 pipeline companies themselves.

18 Additionally, there are the damages to my home  
19 and my property that stands now over a hundred thousand  
20 dollars as yet to be resolved.

21 Since we are all aware of the financial crisis  
22 and since it began, we have all become painfully aware  
23 that the Securities and Exchange Commission, the SEC, has  
24 enjoyed a cozy relationship with the financial industry.

25 The Federal Energy Regulatory Commission has a



1 similar relationship with the gas and oil industry. The  
2 Sentinel Project is a simple expansion. The Gulf Oil  
3 spill is the most recent example. These  
4 agencies/commissions are broken, out-of-date, and have no  
5 incentive to fix themselves, but rather leave it up to  
6 you, our state legislators, to clean up their messes.

7 In 2009, while Congressmen Sestak and Gerlach  
8 were on my property, I made a statement that, and I  
9 quote, it is not inherently wrong to expand a pipeline,  
10 but that the [sic] property owners must have their  
11 individual rights protected, along with states [sic] and  
12 local government, as solutions are sought that will work  
13 for all parties involved.

14 As it stands now, you are powerless to help  
15 your constituents in this situation. By adopting House  
16 Bill 1817, that can change. By now, taking a very  
17 positive view of House Bill 1817, you have an opportunity  
18 to correct the broken system for all in Pennsylvania.  
19 Please consider a positive vote for 1817.

20 I thank you very much for your time and  
21 consideration. I'm available for questions at any time.  
22 Thank you.

23 CHAIRMAN PRESTON: Ms. Delaney.

24 MS. DELANEY: Desmond.

25 MS. VAN HOUTEN: Go ahead.

1 MS. DELANEY: I --

2 CHAIRMAN PRESTON: Oh, I'm sorry. No. No.  
3 No. No. Let me correct myself. Let's -- let's stay in  
4 order.

5 MS. VAN HOUTEN: We are in order. Okay. I'm  
6 sorry.

7 CHAIRMAN PRESTON: You're on. Let's stay in  
8 order.

9 MS. VAN HOUTEN: I'm sorry.

10 MS. DELANEY: I apologize.

11 MS. VAN HOUTEN: No, that's all right. That's  
12 all right.

13 CHAIRMAN PRESTON: I need to chill out, too,  
14 maybe. Okay.

15 MS. VAN HOUTEN: Hello again. My name is Lisa  
16 Van Houten. I'm the facilitator to the Bradford Glen  
17 Homeowners Association Technical Assistance Grant awarded  
18 by the Pipeline [sic] Hazardous Material [sic] Safety  
19 Administration in 2009.

20 Recently I also --

21 CHAIRMAN PRESTON: Could you -- could you move  
22 the microphone just a little bit closer.

23 MS. VAN HOUTEN: Recently I became the  
24 president of the Bradford Glen Homeowners Association.  
25 My objective as both the facilitator and president is to

1 oversee the safety and maintenance of 250 acres for 490  
2 individual households in the subdivision called Victoria  
3 Crossing at Bradford Glen located in Chester County.

4 Of particular concern is the proposed AES LNG  
5 Terminal and Mid-Atlantic Pipeline project.  
6 Specifically, the pipeline portion that is planned to  
7 bisect our neighborhood which is already designated as a  
8 high consequence area.

9 This project is listed as the FERC Docket  
10 CP07-62. I am actively engaged in opposing this pipeline  
11 on behalf of the homeowners association.

12 Under the FERC Office of Energy Products there  
13 are -- Projects, there is a guidance article for  
14 pre-filing involvement. This document is noncommittal --  
15 committal but supply -- simply encourages the applicant  
16 to engage with the public and other agencies.

17 Furthermore, it states, the project sponsor  
18 will provide third-party contractor options for staff  
19 selection. This is like putting the fox in charge of the  
20 hen house when it comes to siting a pipeline.

21 In addition, there are 12 other federal  
22 agencies that may or may not be involved and more on gas  
23 emergency action rather than siting and to planning. So  
24 in an emergency, who are these federal agencies going to  
25 call? You the states and the pipeline owner.

1           So how will Bill 1817 benefit the Commonwealth  
2 and participating states? The state and their agencies  
3 have a much better understanding of their jurisdiction  
4 than the federal agency. This includes population and  
5 economic growth areas; road infrastructure; strengths and  
6 weaknesses; environmental infrastructure, including  
7 water, farming, energy and wildlife resources.

8           This compact will help states, their  
9 constituents, and respective state agencies to  
10 collaborate and align their resources that will provide  
11 sustainability, plan and allow for population expansion,  
12 economic growth, and resource extraction while improving  
13 the long range planning, siting, and safety of site  
14 pipelines, thus fulfilling the regional energy  
15 transmission as required under the National Environmental  
16 Policy Act and the National Gas Act.

17           I, therefore, encourage this committee to move  
18 this bill forward to proactively protect and plan for the  
19 Commonwealth and its citizens and to lead in the regional  
20 energy distribution process.

21           Thank you for this opportunity to testify.

22           CHAIRMAN PRESTON: Then I'll straighten out  
23 myself. Ms. Delaney.

24           MS. DELANEY: Thank you so much, Chairman.

25           I'd like to start just by saying that the

1 situation, the nightmare that -- experience that we speak  
2 about doesn't only happen to those individuals who own a  
3 property on which there currently exists an easement from  
4 a pipeline company.

5 My home has no such easement, but it did not  
6 protect me, nor would that protect any of your  
7 constituents in a similar situation, and so for that  
8 reason I'm -- most sincerely thank you for lending the  
9 time for us to speak out in this way today for your  
10 consideration of House Bill 1817.

11 Truly, thank you for the opportunity to provide  
12 a first-hand account of the impact of the current  
13 FERC-controlled application review approval system for  
14 natural gas pipelines in our state and to add my voice to  
15 the growing chorus of concerned citizens and their  
16 representatives in government who demand a more informed,  
17 reasoned, and common sense approach to the placement or  
18 expansion of natural gas pipelines and associated  
19 facilities in our Commonwealth.

20 As I introduced myself before, my name is  
21 Dyanne Delaney. Although I've never run for elected  
22 position, as most of you have, like each of you, I'm  
23 determined to make Pennsylvania the greatest state in our  
24 union.

25 I have spent decades serving the public as a

1 community volunteer and active conservationist and rather  
2 than taking the time now to talk about that I attached  
3 some of that to the back of my testimony.

4           What is most important for you to know is that  
5 what happens to the Dyannes and Joes and Janes and Lyndas  
6 and Lous in your own constituency when a natural gas  
7 pipeline company draws a solid or a dotted line across  
8 your constituent's property for their proposed project.

9           From the moment they open that first letter  
10 inviting them to a public meeting an almost palpable  
11 sense of dread settles over the entire home. The dog and  
12 pony show that the pipeline company presents in the  
13 public meeting is full of glossy PR and marketing pieces,  
14 but typically folks leave with many more questions than  
15 answers.

16           Frequently, as was the case for my husband and  
17 me, the company representatives give totally incorrect  
18 information. As often as not, the maps that they show  
19 are totally wrong.

20           Within just a couple of weeks of that first  
21 letter, one or more family members will be thrust into a  
22 time-intensive and frustrating unpaid position, that of  
23 researcher and fact checker.

24           You may be surprised to hear that in a typical  
25 18- to 24-month project, a single affected household may

1 log thousands, not hundreds, thousands of hours in that  
2 capacity alone.

3 Add to that, hundreds of phone calls; countless  
4 meetings with other homeowners, township representatives,  
5 county, state and federal officials; hearings with the  
6 FERC and pipeline representatives, the latter of which  
7 whose comments can range from officious, callous, and  
8 erroneous to outright insulting and even threatening.

9 I have had a World War II veteran call me  
10 because he found my name in a newspaper article sobbing  
11 so hard that he could hardly be understood because of the  
12 threats that were made that both FERC and the pipeline  
13 company insisted could and would never happen.

14 The pressure and the frustration impacts jobs,  
15 sleep, health, and marriages. Piles of documents begin  
16 to overtake several rooms in the home. Night oil is  
17 burned trying to find answers on the Internet. Countless  
18 letters to FERC are written and the FERC e-Library  
19 becomes the most accessed URL on the computer, and at  
20 some point during all of this madness comes a standard  
21 looking letter from FERC with a vitally important  
22 direction buried on one of the many pages of legalese,  
23 how to become an intervenor.

24 Most won't have a clue until much, much too  
25 late what that terms means in this case, nor how

1 important it actually is to become a intervenor.

2           Despite concerted efforts by several FERC  
3 representatives to be responsive and helpful to affected  
4 citizen homeowners, the task is simply too great.

5           Why? FERC representatives do not know what the  
6 local officials and the involved citizens know about the  
7 specifics of the areas that are being represented on  
8 those maps that are being presented for approval.

9           FERC doesn't have time or staff to cull this  
10 vital information from those who know it at first hand.  
11 And as you might imagine, the pipeline company benefits  
12 by keeping FERC in the dark.

13           FERC is stretched so thin they don't even have  
14 time to enforce their own project requirements.

15           A quick look through the postings I made on the  
16 FERC web site regarding the Sentinel Project will show an  
17 instance where I had to request that FERC acquire and  
18 post five months' worth of monthly project reports that  
19 Williams Transco had simply not provided to them.

20           These project reports, by the way, are the  
21 primary means of FERC, government representatives, and  
22 the community at large, of being informed of the progress  
23 or revisions to the proposed project.

24           The folks who have come before you here are  
25 just a smattering of hundreds involved just in the



1     Downingtown portion of the Williams Transco Sentinel  
2     Project.  You have an opportunity to help alleviate some  
3     of this nightmare that descends when a pipeline project  
4     is planned.

5             Please, please, lend your vocal support, not  
6     only in passing House Bill 1817 here in the House, but  
7     also in helping rally support and approval with your  
8     counterparts in the Senate.

9             Without doubt, doing so will help assure more  
10    balanced and reasoned planning for pipelines running  
11    across our borders and alleviate the anguish that they  
12    can and will cause your constituents.

13            Thank you so much for your time.

14            CHAIRMAN PRESTON:  Thank you.  I want to --  
15    thank you to every one of you and, like I said, there's  
16    no reason to be nervous.  As you can tell, we're all good  
17    friends here.

18            Are there questions?

19            Rep. Ellis.

20            REP. ELLIS:  Thank you, Mr. Chairman.

21            Thank you all for your testimony today.  You  
22    know, I think it's important that we understand what some  
23    of the folks are going through in your area.

24            Now, I'm just assuming that there are also  
25    folks that go through the process, they get approached by

1 the land man, everything seems okay, they enter into the  
2 agreement, the construction happens, there's no damage  
3 and the pipeline continues.

4 What I'm hearing from you folks is almost that  
5 everybody is going through the misery that you went  
6 through, and I'm not downplaying that, but I find that  
7 hard to believe that there's not some people that just  
8 handle it right through --

9 MR. OTTAVIANO: Any one of us could explain  
10 that. You see that -- this -- this --

11 CHAIRMAN PRESTON: Can you speak into the  
12 mike?

13 MR. OTTAVIANO: Oh, I'm sorry. Any one of us  
14 can explain that and -- and -- and even -- based on our  
15 own personal experiences.

16 This comes -- this activity of -- of expanding  
17 a pipeline or siting a pipeline comes into a person's  
18 life at -- at different times, different stages. Who's  
19 nursing a -- a dying parent, who's -- has little children  
20 that they have to take care of in school and don't have  
21 the funds to fight.

22 So 90 percent of the people roll over.

23 REP. ELLIS: Okay.

24 MR. OTTAVIANO: They're not happy, but they  
25 roll over.

1           REP. ELLIS: And that's fair, and I shouldn't  
2 have said they're happy with it.

3           MR. OTTAVIANO: Well --

4           REP. ELLIS: I'm just saying that it is --

5           MR. OTTAVIANO: They just can't fight.

6           MS. FARRELL: So may I also point out --

7           REP. ELLIS: Go ahead.

8           MS. FARRELL: May I also point out that in this  
9 particular situation over half of the landowners chose to  
10 go to eminent domain rather than agree with the siting by  
11 FERC.

12           REP. ELLIS: And to be fair, I don't live in a  
13 county that --

14           MS. FARRELL: Sure.

15           REP. ELLIS: -- borders other states. So I'm  
16 just trying to really get my hands around this.

17           Now, Lou, I see that you have provided some  
18 pictures here.

19           MR. OTTAVIANO: Yes, I have.

20           REP. ELLIS: And can you just walk us through  
21 what -- what we're looking at? I mean I see water which  
22 could have happened --

23           MR. OTTAVIANO: Well --

24           REP. ELLIS: -- after a huge rain and I just  
25 want to understand what I'm looking at.

1 MR. OTTAVIANO: Okay. Very good. On the  
2 first --

3 CHAIRMAN PRESTON: If you -- if you could, too,  
4 I want to -- that's why I'm asking you to stay close to  
5 the microphone.

6 MR. OTTAVIANO: Okay.

7 CHAIRMAN PRESTON: Now, this is also being  
8 recorded for our PCN and will be broadcast also.

9 MR. OTTAVIANO: On the first --

10 CHAIRMAN PRESTON: And also, so that we don't  
11 try to talk over each other, try to just --

12 MR. OTTAVIANO: I understand.

13 CHAIRMAN PRESTON: We will provide a written  
14 copy for every member and for the public for this purpose  
15 as well.

16 MS. DELANEY: Thank you.

17 CHAIRMAN PRESTON: Okay?

18 MR. OTTAVIANO: Thank you.

19 This -- the first set of pictures where you see  
20 the puddle of water was -- as the date is 8 -- 8/2/09,  
21 that's after they had backfilled and used that particular  
22 area as a construction entrance and fed everything down  
23 the pipeline from that spot.

24 REP. ELLIS: Okay.

25 MR. OTTAVIANO: So all the trucks came back and

1     forth and basically compacted that soil. We've never had  
2     a -- a ponding like that. And that's a pretty big pond.

3             They did come in to try and alleviate that, but  
4     they filled that spot there and pushed the pond up by the  
5     garage.

6             REP. ELLIS: Okay.

7             MR. OTTAVIANO: And when they did that, it  
8     ended up then coming in under the garage and into the  
9     basement.

10            REP. ELLIS: Okay. And hence your -- your  
11    legal battle that you're --

12            MR. OTTAVIANO: Yeah.

13            REP. ELLIS: -- going through right now.

14            MR. OTTAVIANO: Yes. That's right.

15            REP. ELLIS: Okay. If I can switch real quick,  
16    Mr. Chairman, just one more thing.

17            CHAIRMAN PRESTON: Yes.

18            REP. ELLIS: Ms. Van Houten, did I say that  
19    right?

20            MS. VAN HOUTEN: Uh-huh.

21            REP. ELLIS: Okay. You made the statement  
22    about the third-party contractor option which seems like  
23    a good idea. I think you're saying it's like putting  
24    the -- you know, the fox in charge of the hen house.

25            MS. VAN HOUTEN: Yes.

1           REP. ELLIS: How do you see it being different  
2 under 1817 where this issue isn't actually addressed? I  
3 mean I'm afraid that you may actually -- if we adopted  
4 1817, you'd lose a third party.

5           MS. VAN HOUTEN: Well, the pipeline pays for  
6 the third party.

7           REP. ELLIS: Well, somebody has to.

8           MS. VAN HOUTEN: Yeah. And -- and which is,  
9 you know, in and of itself probably not the worst for it.

10          REP. ELLIS: So if they pay for it and you  
11 select it or the -- the citizens selected it, you know,  
12 and there was maybe a local --

13          MS. VAN HOUTEN: But there's no --

14          REP ELLIS: -- contractor.

15          MS. VAN HOUTEN: -- third-party verification  
16 under the FERC process --

17          REP ELLIS: Okay.

18          MS. VAN HOUTEN: -- right now.

19          REP. ELLIS: Okay. Well, then I think we  
20 should speak to Mr. Schroder about possibly including  
21 that in 1817 as well.

22                 And then specifically, you know, you're talking  
23 about this -- the -- the pipeline in your area.

24          MS. VAN HOUTEN: Yes.

25          REP. ELLIS: If you don't want it to go through

1 because it intersects the city, what is the proposal?

2 Taking it around the city or --

3 MS. VAN HOUTEN: When they first came through  
4 to do the siting, okay, I followed right behind them with  
5 photographs and -- and identified just where this  
6 pipeline is.

7 You have to understand there is currently a  
8 pipeline through my subdivision and the subdivision was  
9 built around the pipeline. We are up to the easement  
10 rights of the current pipeline.

11 Okay? This proposed pipeline now wants to come  
12 in and take another 50 feet, which is now encroaching  
13 onto residents' property and houses, and in some cases  
14 putting that pipeline within five feet of their house.

15 REP. ELLIS: Okay.

16 MS. VAN HOUTEN: Okay? So, yes, there were  
17 alternate routes suggested. And what kind of is sad is,  
18 when the alternate route that was also presented by the  
19 pipeline company, only came out in the final  
20 environmental impact statement, which left me nothing but  
21 35 days to react and comment on.

22 So from that aspect of things, having a siting  
23 in -- in advance, not only that, but the pipeline that  
24 they proposed was going right down the middle of a  
25 creek.

1           So it's like I can armchair engineer it just as  
2 bad as they can. Which is how I pretty much wrote back  
3 to FERC commenting on how poorly this is being sited.

4           REP. ELLIS: So ideally what you would have  
5 liked to have seen was here's our siting, here's an  
6 alternative siting, here's an alternative/alternative --

7           MS. VAN HOUTEN: I --

8           REP ELLIS: -- siting?

9           MS. VAN HOUTEN: I gave them three alternative  
10 sitings.

11          REP. ELLIS: I'm not saying you. But I'm  
12 saying maybe --

13          MS. VAN HOUTEN: Yeah.

14          REP. ELLIS: Maybe we should require them to do  
15 that or I mean if FERC was to require them to do that.

16          MS. VAN HOUTEN: In a high consequence area I  
17 would suggest that, yes.

18          REP. ELLIS: All right. Thank you very much,  
19 Mr. Chairman.

20          CHAIRMAN PRESTON: Before I get to Rep. Perry,  
21 high consequence area you mean?

22          MS. VAN HOUTEN: That's a FERC rating for the  
23 density of population.

24          CHAIRMAN PRESTON: Thank you. Rep. Perry.

25          REP. PERRY: Thank you, Mr. Chairman.



1           And I don't know really who to address the  
2 question to, so if anybody knows the answer, please, just  
3 speak up.

4           You know, I'm very concerned. I think anybody  
5 in the room can see themselves in your situation and woe  
6 be to them who end up there.

7           So with that mind, what I'm curious about is,  
8 you know, as you guys have testified, each one of you,  
9 FERC comes up numerous times. You know, continuously.  
10 And I'm wondering is there -- do we need to create  
11 1817 -- is that the bill number 1817? Or do we need to  
12 fix FERC? And what, if you know, have -- have -- have  
13 you reached out to your Congressman? I see the  
14 pictures.

15           MS. FARRELL: Yes.

16           REP. PERRY: What are they doing and is there  
17 a --

18           MS. FARRELL: FERC --

19           REP. PERRY: -- more viable alternative in that  
20 regard?

21           MS. FARRELL: FERC is an equal opportunity --  
22 an equal opportunity -- they ignore legislators just as  
23 equally as they ignore the citizens. I know that from --  
24 from federal down to local governments. We -- we've --  
25 that has been an issue.

1           What we suggest is that -- is that under 1817,  
2 the state has a better idea and local municipalities have  
3 a better idea of what the best practices are in that  
4 particular state or in that compact of states as opposed  
5 to FERC.

6           As far as fixing FERC goes, I think it would be  
7 easier to -- to initiate 1817, quite frankly.

8           MR. OTTAVIANO: Yeah. I would agree, too. You  
9 have a -- a chance to create within the -- the -- the  
10 Natural Gas Act an opportunity to create your own set of  
11 rules in your region that -- be it -- be it licensed real  
12 estate people, be it the review process, the siting  
13 process, the need for additional gas being transmitted.  
14 It -- that's not the case now.

15           The -- the sole purpose for FERC's existence  
16 was to regulate tariffs, period. That's -- that's where  
17 they came from. That was their birth right, to regulate  
18 tariffs. Nothing else.

19           Everything else they've done after that has  
20 been, well, we could do that, too, and we can do that,  
21 too. And they act solely as a partner in the gas and oil  
22 industry, period.

23           MS. FARRELL: I think it's important to point  
24 out, too, that our experiences have been mirrored  
25 throughout the country. Chester County is -- is not

1 alone in this and we -- 1817 would be quite precedent  
2 setting and important nationally.

3 MS. DELANEY: There's another element as well.  
4 Initially, when FERC was provided the responsibility for  
5 helping the review -- helping this review and request  
6 process, there was so much fewer requests.

7 With the growth in the United States, with the  
8 increase in con -- consumption of energy, et cetera, more  
9 and more companies are coming online looking to take  
10 advantage of the money that's to be made in providing  
11 energy to the consumer.

12 As a result, there are more and more  
13 applications coming into the FERC offices day by day.  
14 There is no way that an organization can grow quick  
15 enough in a bureaucracy to be able to give the attention  
16 to detail that's required on every single one of them.

17 And so when -- when officials from a pipeline  
18 company make comments to -- not only to homeowners and  
19 citizens, but also to representatives of government, that  
20 it's going to go through; you know, no matter what you  
21 do, no matter what you say --

22 MR. OTTAVIANO: Yes.

23 MS. DELANEY: -- it's going to go through.

24 MR. OTTAVIANO: Yeah.

25 MS. DELANEY: That expectation that is borne of

1 many years of experience of having something just go  
2 through the process and get the rubber stamp approval at  
3 the end, you're not going to undo that in a long, long  
4 time by leaving it where it currently is.

5 MR. OTTAVIANO: Let me just sum it up, if I  
6 could. They literally act as a sovereign state, all onto  
7 their own. It would take an act of Congress and -- and  
8 that's embarrassing --

9 CHAIRMAN PRESTON: Well, that is --

10 MR. OTTAVIANO: -- to be saying that.

11 CHAIRMAN PRESTON: Well, that is what I think  
12 Mr. --

13 MS. FARRELL: That's where we are.

14 CHAIRMAN PRESTON: That is what Mr. Sestak and  
15 Mr. Gerlach were trying to do so I understand. So I just  
16 want to leave it at that.

17 REP. PERRY: Thanks. Thanks, Mr. Chairman.

18 MS. VAN HOUTEN: May I just add one other thing  
19 here. Is -- is with FERC giving the approvals for the  
20 pipeline, that's the need and necessity based on the  
21 national government priority, okay, what then happens  
22 then is somehow the plans sort of get diluted out and  
23 FERC loses all say and control.

24 So having the compact now, sure, the gasline  
25 may need to come through but -- because the federal

1 government says it needs to come through, but at least  
2 now as a compact we have a say in optimizing that siting  
3 process and it's not as an after thought. It's in --

4 MR. OTTAVIANO: That's right.

5 MS. VAN HOUTEN: -- a proactive approach.

6 MR. OTTAVIANO: That's right. Very good.

7 MS. DELANEY: The specifics of this case, when  
8 Transco Williams came to the FERC and made this request,  
9 they based the request on their consumers' needs. There  
10 was a demand.

11 And the way that they decide that is that they  
12 go out to their own customers and they measure what their  
13 requirement is and they ask -- they call for letters  
14 of -- of futures. So their customers will say, okay, I  
15 need one point X times what I need now.

16 They add them all up and they come up with a  
17 figure and they say we are going to require this amount  
18 more. This amount more means that what we need to do is  
19 either site an additional pipeline in this area or  
20 increase the capacity.

21 So that whole process was gone through and  
22 based on that mathematical working, FERC said, okay,  
23 you've -- you've done what you needed to do. You have  
24 told us that you needed that. And they demanded nothing  
25 be held up because that's needed and the promises are

1 made.

2 We're talking about changing a 36-inch pipeline  
3 to a 42-inch pipeline. The process right now is complete  
4 except for one small section where the Brandywine Five  
5 said no and the pipeline in that area is still 36  
6 inches.

7 So while those individuals are still waiting  
8 for the other shoe to drop, as are everybody else in the  
9 area, the fact of the matter is that natural gas is being  
10 piped through a 42-inch line, then pulled down to a  
11 36-inch line, and then being pushed into a 42-inch line.

12 The smallest amount of capacity is still what  
13 the capacity was. So explain to me how that is providing  
14 additional natural gas to consumers?

15 CHAIRMAN PRESTON: Rep. Delozier.

16 REP. DELOZIER: Thank you, Mr. Chairman.

17 I just had hopefully a quick question, but I  
18 want a better understanding from those of you that have  
19 gone through this, the idea of the property rights  
20 issue.

21 As owners of the property that the pipeline is  
22 to come through, if I understand this correctly, the  
23 company will come to you and say -- you know, you'll get  
24 the mailing letting you know what's happening or the  
25 notices as you went through in your statement, and you

1 had mentioned that those that could not fight it let it  
2 go to eminent domain.

3 What do those -- does the company come and  
4 offer you a particular cost associated with the land that  
5 they need --

6 MS. FARRELL: They --

7 MR. OTTAVIANO: No.

8 REP. DELOZIER: -- at fair market value?

9 MR. OTTAVIANO: What they --

10 REP. DELOZIER: Or how does --

11 MS. FARRELL: They make it up as they go  
12 along.

13 REP. DELOZIER: So that --

14 MS. FARRELL: And that's an honest answer.  
15 They really do make it up as they go along.

16 MR. OTTAVIANO: Yeah.

17 REP. DELOZIER: But they offer you a price for  
18 the land in which they're coming through?

19 MR. OTTAVIANO: There' -- there's a -- there's  
20 a threshold that they're -- that they're cognizant of,  
21 and that's \$3,000.

22 MS. FARRELL: Right.

23 MR. OTTAVIANO: That's the -- the value must be  
24 at least \$3,000 in order to get into eminent domain.

25 MS. FARRELL: So they will not offer more than

1 -- less than \$3,000.

2 MR. OTTAVIANO: So where they find no resistant  
3 it's 2,000, it's 100. It doesn't matter the size.  
4 They're -- they're backing into a -- an entry.

5 Then everybody else, where they feel any  
6 resistance, will get an offer of \$3,000 and, of course,  
7 that's going to be refused and, of course, you're going  
8 to end up in eminent domain or you're just going to make  
9 a settlement because they'll tell you we have \$4,000 to  
10 spend in restoration after the fact that we can add that  
11 in, too.

12 Okay. So there's some coercion going on here,  
13 you know.

14 REP. DELOZIER: So every one of you -- each and  
15 every one of you is different?

16 MR. OTTAVIANO: Oh, yeah.

17 REP. DELOZIER: Correct?

18 MR. OTTAVIANO: Oh, they --

19 REP. DELOZIER: So you can get 3,000 and  
20 somebody else get a hundred?

21 MR. OTTAVIANO: That's right.

22 MS. FARRELL: Exactly. Exactly.

23 REP. DELOZIER: And with eminent domain they  
24 give you what they think -- what they give you period.  
25 Correct?



1 MR. OTTAVIANO: Well, the judge will make a  
2 decision. I went through the entire process. Had a jury  
3 trial.

4 REP. DELOZIER: And -- okay.

5 MR. OTTAVIANO: And I was taken to court on a  
6 \$3,000 issue. You know, that point alone, that would  
7 change a lot of things, if that threshold was \$3 million  
8 or \$300,000, it would change the dynamics of everything.

9 REP. DELOZIER: No, I just -- I just wanted  
10 clarification. Obviously you guys have had a very  
11 up-front experience with it. Better understanding of  
12 what they do come to you with.

13 MR. OTTAVIANO: Yeah.

14 MS. FARRELL: We have had landowners, and --  
15 and this is a part of the U.S. District Court testimony  
16 that have -- we had landowners who have been told to,  
17 quote, wrap your head around it. This is going through  
18 regardless of what you do. Take the money. You don't  
19 have any choice.

20 MR. OTTAVIANO: Yeah. And this is the American  
21 way.

22 CHAIRMAN PRESTON: Excuse me. Excuse me.

23 MR. OTTAVIANO: I'm sorry.

24 MS. FARRELL: So they do make it up as they go  
25 along.

1           REP. DELOZIER: Okay. I just wanted to clarify  
2 that. Thank you.

3           CHAIRMAN PRESTON: Rep. Beyer.

4           REP. BEYER: Good afternoon. Just real  
5 quickly.

6           Well, actually when I first got to the  
7 legislature, I dealt with eminent domain issues and we  
8 passed a pretty -- a pretty good bill on eminent domain  
9 on a non-FERC level.

10           But when you were initially notified about the  
11 pipeline, did you -- did you contact DEP? What was your  
12 gut -- your initial gut reaction? To talk to DEP here in  
13 Pennsylvania?

14           MS. FARRELL: Rep. Schroder and Senator  
15 Dinniman, Senator Rafferty, and the rebelling  
16 association, Chester County Conservation District, the  
17 Chester County Water Authority, we all met on several  
18 occasions with DEP which resulted in DEP withholding the  
19 permit to open cut the Brandywine Creek.

20           Regardless of withholding the permit, the --  
21 the FERC did not stop the process and allowed the -- by  
22 omission allowed the pipeline companies to continue to  
23 essentially harass landowners with threats of eminent  
24 domain should you not sign a -- an agreement.

25           REP. BEYER: And DEP was really not able to

1 help you at all?

2 MS. FARRELL: They can't help with eminent  
3 domain.

4 MR. OTTAVIANO: No.

5 REP. BEYER: They can't?

6 MS. FARRELL: They don't have jurisdiction.

7 REP. BEYER: They weren't able to.

8 MS. VAN HOUTEN: My -- my situation is a little  
9 different because I'm on a different pipeline.

10 REP. BEYER: Right.

11 MS. VAN HOUTEN: Okay. Our pipeline has --  
12 although it has been authorized by FERC, it is not going  
13 forward because it's in the Circuit Court of Appeals in  
14 D.C. at this point in time. So it's kind of at a  
15 standstill.

16 REP. BEYER: And who brought that lawsuit?

17 MS. VAN HOUTEN: All the intervenors from  
18 Maryland, all the way up to Eagle, PA.

19 REP. BEYER: And that included the Brandywine  
20 Conservancy and others?

21 MS. FARRELL: Certainly, yes.

22 REP. BEYER: Ms. -- help me out here.

23 MS. VAN HOUTEN: Van Houten.

24 REP. BEYER: So that pipeline -- there's  
25 already an existing one and it cuts -- it dissects your

1 neighborhood -- or bisects your neighborhood?

2 MS. VAN HOUTEN: Yes.

3 REP. BEYER: And then they're proposing another  
4 one, one on top of it or --

5 MS. VAN HOUTEN: Fifty feet away.

6 REP. BEYER: Fifty feet away. And --

7 Ms. VAN HOUTEN: So they could --

8 REP. BEYER: Now that pipeline could be as  
9 close as five feet from a -- from a home?

10 MS. VAN HOUTEN: Yes.

11 REP. BEYER: And -- and then so it begs the  
12 question, DEP has no role in that?

13 MS. VAN HOUTEN: Not until --

14 REP. BEYER: Would there be a permitting  
15 process after?

16 MS. VAN HOUTEN: There -- there is. You know,  
17 according to the FERC, once they authorize, they give  
18 contingencies that they get all the state permits and  
19 regulations in place.

20 DEP has no say until that authorization comes  
21 through. Okay? That's when I have to go back to DEP and  
22 say, please, look at this. And the conservation district  
23 gets all the information.

24 So, yes, I go back to the conservation district  
25 to see all the plans that have been presented from the

1 pipeline company, which are incorrect compared to what  
2 they presented to FERC.

3 REP. BEYER: Do you see in the establishment of  
4 this bill perhaps -- a streamlined process where everyone  
5 would know where to go, whose role it is? Because it  
6 seems to me as though the gas companies, maybe the  
7 pipeline companies, benefit from kind of a jigsaw  
8 puzzle.

9 MR. OTTAVIANO: Yes.

10 MS. VAN HOUTEN: You're right.

11 MS. FARRELL: Absolutely.

12 REP. BEYER: So no one really knows what to do,  
13 who to talk to, what agency is responsible, who isn't,  
14 who can have input, who can be an intervenor, who can't.

15 MS. VAN HOUTEN: One of the --

16 REP. BEYER: And they seem to benefit from  
17 that, intimidated by -- intimidating people by the  
18 process, and this one might -- this -- instead of  
19 thinking at it -- of it as adding another layer of  
20 government, as some people, I suppose, would, I would see  
21 it as actually streamlining a process that really has no  
22 process, except for there's a federal authority, the  
23 FERC --

24 MS. VAN HOUTEN: Yes.

25 REP. BEYER: -- who has complete jurisdiction.

1 MS. FARRELL: Jurisdiction, yes.

2 REP. BEYER: And this would, in fact, replace  
3 FERC. I think Mr. Love testified earlier that he didn't  
4 feel that -- that we needed another layer of government.  
5 This would be replacing FERC's authority with the compact  
6 through 1817, and additionally it would not control or  
7 regulate gathering lines, which are the lines that go  
8 from a drilling site to a compressor station before they  
9 go to a transmission line.

10 Currently gathering lines have absolutely no  
11 regulatory oversight other than by the pipeline  
12 companies.

13 MS. VAN HOUTEN: And I'd like to add that  
14 once -- in -- in the FERC process there is a docket, and  
15 you can make all sorts of submissions. Okay? In  
16 controversy or -- or testify against or for or ask for  
17 changes, whatever.

18 Once FERC gives that authorization, it goes to  
19 the state and it disappears, because there is no docket  
20 per se, a state docket essentially, that I can go to to  
21 follow. You know, what has the pipeline done in terms of  
22 getting a permit?

23 I -- you know, that took me two months to  
24 figure out.

25 MS. FARRELL: As a citizen, you have to figure

1 it out for yourself, but in the case of the Brandywine  
2 Five and the -- the eminent domain proceedings, to return  
3 to your question about PA DEP and what can they do in the  
4 eminent domain process, what they can do is hold --  
5 withhold permitting.

6 And that's what they did in this case. They  
7 withheld permitting of the 2,600 feet because of  
8 environmental concerns of the east branch of Brandywine  
9 Creek and the tributary of Ludwigs Run.

10 So as Dyanne Delaney pointed out, that 2,600  
11 feet remains a 36-inch piece of pipe within a seven-mile  
12 stretch of 42-inch pipe. The entire seven miles must run  
13 under 36 inches psi for safety.

14 So now after, geez, how many years, folks?

15 MR. OTTAVIANO: Five.

16 MS. FARRELL: Five years or so. Five years?

17 MR. OTTAVIANO: 2006.

18 MS. FARRELL: We have a lot of money, a lot of  
19 heartache on the part of citizens. Our lives were  
20 disrupted.

21 And, again, this is -- this is not particular  
22 to Chester County. This is going to be a problem. This  
23 could be a problem throughout Pennsylvania with the  
24 development of Marcellus shale. When you're drilling,  
25 you need gathering lines for gathering. You need

1 transmission to get it market.

2 1817 would provide, as -- as Lisa said, the --  
3 the regional expertise, the conservation districts,  
4 PEDE -- DEP -- PA DEP are the ones that know the -- the  
5 demographics of -- and the geography of the state of  
6 Pennsylvania. FERC is not as well versed.

7 MR. OTTAVIANO: Can I add to that?

8 CHAIRMAN PRESTON: Well --

9 REP. BEYER: Yeah, we're probably running out  
10 of time.

11 MR. OTTAVIANO: Okay. Okay.

12 REP. BEYER: Mr. Chairman, I -- I apologize.  
13 You know, I don't know if you're aware -- aware of this,  
14 but last year in -- in -- in -- in the budget, DEP,  
15 Pennsylvania's Department of Environmental Protection,  
16 went through its largest budget cut in its history --

17 MS. FARRELL: Exactly. Exactly.

18 MR. OTTAVIANO: That's right.

19 REP. BEYER: -- at a time when, you know, the  
20 gas company's touting that, you know, this is the next  
21 Saudi Arabia. We have absolutely no monitoring  
22 authority.

23 And I -- I just want to add that already, with  
24 DEP really having a limited role here -- and it's a  
25 shame, because they're supposed to be protecting



1 Pennsylvania residents and -- and --and assisting in any  
2 way, their resources are so extraordinarily limited that  
3 they're able -- it's just amazing to me that the agency  
4 can actually continue to function and that may be because  
5 maybe of Secretary Hanger and -- and the dedicated  
6 employees there.

7 Thank you. Thank you very much, Mr. Chairman.

8 CHAIRMAN PRESTON: Yeah. I guess I haven't  
9 been there for a while. I've been through an awful lot  
10 of administrations. I went through when the one  
11 administration split and created two different  
12 departments. Didn't see the cost savings at all. And  
13 I'm not going to deal with one administration as compared  
14 to the other.

15 And now we're in the height of a budget crunch  
16 so those two -- two departments when we only had one, and  
17 yet some of the people had double duty back then, now  
18 they don't, and you have two different departments and  
19 yet in a sense we only have so much money.

20 The other situation, having had a lot of  
21 experience even in dealing with the GIS situation, going  
22 across this country, I've watched them too many times  
23 when there is a potential of an emergency, the -- the  
24 drawings aren't there or on private land and different  
25 things or different deals that were done between people,

1 of interstate dealings that you go down and you find out  
2 how did that pipeline ever get there, even it's 30, 32,  
3 30 inch, 40 or 42 inch.

4 I'm -- I'm looking at this, and one of the  
5 reasons I'm not raising this as a question, I'm raising  
6 it as a thought, I'm just looking at our circumference,  
7 which is New York, Ohio, West Virginia, Maryland, New  
8 Jersey and Delaware, and at the same time I'm looking  
9 what is recommended from -- for the -- I had it here, the  
10 different depart -- the different people who are  
11 recommended to be part of each state in not forming -- in  
12 the sense of forming this compact, and I'm looking at the  
13 secretary of environmental protection, the secretary of  
14 conservation and natural resources, which is the  
15 department that was split. They created two different  
16 departments.

17 So we're going to put both of them on here, and  
18 then the chairman of the utility commission; one  
19 representative from the county conservation area; three  
20 representatives of local government, the boroughs and the  
21 townships; the representative of the housing industry  
22 chosen by the Builders Association, the Pennsylvania  
23 chairman of business and industry, one representative  
24 of the chairman of environmental resources. I won't  
25 mention that, because it's the chairman of the

1 environmental resources, instead of consumer affairs. I  
2 won't mention that, you know.

3 But -- and -- and the chairman of -- you know,  
4 minority chairman in the House and the Senate.

5 I just worry, you know, how do we find a happy  
6 medium? You know, some people, some of us are called  
7 conservatives. Some of us are called liberals. Some of  
8 us are called moderates. Some of us are called  
9 independent. I don't know how you can be independent of  
10 something and still be a member of it.

11 I'm just concerned in a sense that when we  
12 start creating these levels, you know, in my area they're  
13 called council of governments and you deal with the  
14 metropolitan fiscal area and then try to create another  
15 level. Now we're talking about at least one, two, three,  
16 four, five, six, and potentially the District of  
17 Columbia, seven people, putting all those people  
18 together, all of them deciding with one vote, and if the  
19 majority of the vote which on one part of the state is  
20 not -- you know, you might come back to the same problem  
21 you have now about having say so.

22 And I'm only raising these things when we start  
23 talking about different -- different government and, you  
24 know, here you are supposedly talking to a -- a -- what  
25 you would say -- a liberal Democrat, and you're hearing

1 me say this. I'm just raising this issue. I'm not  
2 saying yes or no, as you heard me talk about, because I  
3 think ideas need to be heard. Things need to be changed  
4 and we need to be able to address these things.

5           And I've watched us go through, well, the TVA,  
6 the Tennessee Valley Authority, which we're still paying  
7 for, and then when you look at the pipe industry -- when  
8 I was on the water authority, I got an award for having  
9 more pipe per mile than anybody else in the country that  
10 was over 150 years old.

11           And -- and --and when looking at an  
12 infrastructure problem, that's what the committee has  
13 been dealing with, and, like you said, the pipeline where  
14 you're talking with now and who owns it, who bought it,  
15 how many people it has transferred, who we really believe  
16 is responsible, is always going to be a question.

17           I think we have to really look at the  
18 infrastructure, and that's what our committee is trying  
19 to do. And I understand your problems in dealing with  
20 the federal government. You know, our big brother. As I  
21 say, our -- our fellow citizens in the House chambers  
22 down there in D.C.

23           So I just want to raise those things to you,  
24 and also commend Rep. Schroder, because unless you  
25 present a thought or an idea, and my committee members

1 have heard me say, too, if you hear an elected official  
2 or candidate tell you this was their idea, run from them,  
3 because they're lying. The ideas come from you. You see  
4 what I'm talking about?

5 And unless people speak up and say there's a  
6 problem here, how else could we come to this discussion  
7 of trying to alleviate that problem so we can go on about  
8 something else?

9 With that being said, Rep. Schroder.

10 REP. SCHRODER: Thank you. Thank you,  
11 Mr. Chairman.

12 And I'm sure that oversight of not including  
13 the chair of the consumer affairs could be corrected  
14 very, very quickly and in due course. I'd be happy to  
15 work with you on that.

16 No. I -- I appreciate your comments. I have a  
17 couple of questions. Just to make a quick comment.

18 There's no doubt, as many have observed, that  
19 there are deficiencies in the current federal FERC  
20 process that could and should be corrected by the United  
21 States Congress. There's no doubt at all, you know,  
22 about -- about that.

23 A couple things about that though. We as a  
24 state legislative body have no power to force the  
25 Congress to make that happen. That's completely out of

1 our hands.

2           What we do have the power, however, is to make  
3 sure that we put something in place that strikes a  
4 balance, that gives adequate protection to our residents,  
5 our citizens, and that is why, you know, I think this  
6 issue and this discussion and considering this is -- is  
7 so important.

8           Just one or two quick questions as follow-ups.  
9 A couple of you mentioned the importance of the  
10 intervenor process. Now -- and becoming an intervenor  
11 in the process. And you said that you first noticed it  
12 perhaps, you know, on the initial mailing it mentioned  
13 something about being an intervenor, but if you -- if  
14 you're not aware of the importance of that -- and who is  
15 when they first are confronted by this -- what other  
16 ways -- how else do you find out about this intervenor  
17 process, this intervenor status?

18           Does the land agent suggest or inform you of  
19 your rights to become an intervenor? Does anyone along  
20 the way, you know, from either FERC or the pipeline  
21 company say, you have the right to be an intervenor and,  
22 boy, that might be a good idea?

23           MR. OTTAVIANO: No.

24           MS. FARRELL: Absolutely not.

25           REP. SCHRODER: I didn't think so. So to the

1 unsuspecting homeowner who's just going merrily along and  
2 perhaps even writing letters to FERC --

3 MR. OTTAVIANO: Right.

4 REP. SCHRODER: -- or letters to the company,  
5 they are not intervenors and, therefore, they're not  
6 being treated as parties to the proceedings. Is that  
7 correct?

8 MS. DELANEY: Absolutely correct.

9 MS. FARRELL: Correct.

10 MS. VAN HOUTEN: I -- can I make a --

11 REP. SCHRODER: Well, let me -- let me just --  
12 let me just ask the follow-up question then. What is the  
13 consequence of that?

14 In other words, when you've, through whatever  
15 reason, you don't know enough to become an intervenor in  
16 that process, what is the consequence, the real  
17 consequence to -- to those individuals when that  
18 happens?

19 MR. OTTAVIANO: You have the --

20 MS. DELANEY: The consequence is you lose the  
21 opportunity to give your voice and to give your testimony  
22 in a court of law unless you actually go through the  
23 eminent domain.

24 So in the final considerations that are -- are  
25 done by FERC, you lose the opportunity to represent

1 yourself, your situation, and the impact of that pipeline  
2 to you and the surrounding community.

3 MR. OTTAVIANO: And that also includes  
4 municipalities. If the municipality does not act as an  
5 intervenor, they have no rights. They lose all their  
6 standing. And even in a eminent domain situation,  
7 whatever argument they present does not have to be  
8 considered under those particular rules because --

9 MS. FARRELL: Sorry.

10 MR. OTTAVIANO: Because in eminent domain, when  
11 you're taken to eminent domain under the Natural Gas Act,  
12 you have to prove -- you have to -- you have to argue  
13 as -- as -- not a defendant, as -- as -- as the  
14 plaintiff.

15 MS. FARRELL: In a --

16 MR. OTTAVIANO: And yet you're the defendant.

17 REP. SCHRODER: I'm glad you mentioned  
18 municipalities. Because would you -- would you say or  
19 would you agree that the average solicitor for a  
20 municipality -- when these issues of pipeline siting and  
21 the FERC process and federal law come along, do the -- do  
22 the average solicitors for these municipalities have any  
23 experience or -- or knowledge or expertise in this  
24 process at all?

25 MR. OTTAVIANO: Absolutely not.



1 MS. DELANEY: No.

2 MR. OTTAVIANO: They're taken by surprise.

3 MS. VAN HOUTEN: No.

4 MS. DELANEY: Dave Malman, who is counsel for  
5 East Caln Township, is -- in which the three of us live  
6 is an exceedingly bright attorney, and his expertise is  
7 exclusively in the area of real estate law.

8 He is -- he has practiced in situations with  
9 the FERC. He did not know of this to advise East Caln  
10 Township. And so when they came forward after several of  
11 us had gone in and requested to be a late intervenor, he  
12 did so on behalf of East Caln Township. The township was  
13 denied.

14 The county of Chester --

15 MS. FARRELL: County commissioners.

16 MS. DELANEY: The county commissioners  
17 attempted to do the same thing. They were denied.

18 So the fact is it is not only individual  
19 homeowners but it is local governments at several layers  
20 up to the state layer that simply don't know about this.

21 REP. SCHRODER: And if that -- if I say, and  
22 that makes my point, if experienced attorneys and  
23 solicitors that -- that work for townships,  
24 municipalities and counties have no knowledge of this  
25 process and really have not been exposed to it before,

1 the average homeowner is -- is really behind the eight  
2 ball.

3 And -- and it just goes on a broad -- on a  
4 broader scale what we have found, I think you'll agree in  
5 going through this, is that there really is not much, if  
6 any, legal expertise in this area within the Commonwealth  
7 of Pennsylvania, because it's such a narrow, specific,  
8 regulatory-type function that it's all concentrated, I  
9 think for the most part, in Washington, D.C.

10 MS. DELANEY: Yes.

11 REP. SCHRODER: SO, once again, to even find an  
12 attorney to represent interests, you're not going to find  
13 anyone local.

14 MR. OTTAVIANO: No.

15 REP. SCHRODER: It just puts you more behind  
16 the eight ball in that situation. If I could --

17 MS. FARRELL: Brandywine Five had to go to D.C.  
18 to find an attorney with expertise in --

19 MR. OTTAVIANO: And I --

20 MS. FARRELL: -- in FERC.

21 MR. OTTAVIANO: I've been turned down by some  
22 major law firms that said, well, we could -- we could  
23 give the best we can, but we -- we're not going enter  
24 into the -- to the Natural Gas Act. We're not going to  
25 defend you in that position at all. And these are major

1 law firms.

2 MS. FARRELL: And part of that problem is that  
3 the -- just by nature of doing business, most of the gas  
4 companies are represented by the major law firms in our  
5 area, and so by nature we're disenfranchised from --

6 MR. OTTAVIANO: We can't --

7 MS. FARRELL: -- from that aspect as well.

8 REP. SCHRODER: Just one -- just one final  
9 question or follow-up here. Lou -- Lou Ottaviano, the  
10 photos you have appended to your testimony of the water  
11 pooling and the damage, is there a process through FERC  
12 by which an individual or property owner can get those  
13 damages either, you know, repaired or recompense for that  
14 or are you stuck at that point trying to negotiate with  
15 the -- the pipeline company in bringing a private  
16 lawsuit?

17 MR. OTTAVIANO: Well, I have -- I have spent a  
18 lot of money on attorneys. Once FERC issues its  
19 certificate of convenience and necessity, they're out of  
20 the picture. You have nothing -- you have no recourse  
21 with them whatsoever, be it as an intervenor or not.

22 If the state agency -- for instance, in that  
23 situation on my property, if there's no erosion, because  
24 of the fact that the water is puddling doesn't create an  
25 erosion problem, the conservation district has no

1 jurisdiction.

2           They have been issued an NOV, a notice of  
3 violation and it's -- it's -- it's a notice. It's an  
4 issue. There's no penalty. There's no fines. It's --  
5 it just sits there.

6           To answer your question, they have accepted no  
7 responsibility here. I have exhausted my legal budget  
8 and -- and filed an insurance claim only to find out that  
9 they're self-insured.

10           And when you go through the Attorney General's  
11 Office, well, they have nothing to do with that and if  
12 you go through the insurance company, they only regulate  
13 insurance companies.

14           So I'm dealing with -- I'm back to ground zero  
15 again, if you will. I'm in the heat of negotiations, and  
16 I had to hire a lawyer again, since March. I've been  
17 negotiating. We were at a closing state three weeks  
18 ago. Now I'm back with lawyers.

19           REP. SCHRODER: So there's no process in FERC  
20 by which your --

21           MR. OTTAVIANO: Absolutely none.

22           REP. SCHRODER: In order to get your damages  
23 claimed or -- or -- or settled or adjudicated?

24           MR. OTTAVIANO: No. That's a private matter.

25           REP. SCHRODER: As a matter of fact --

1           MR. OTTAVIANO:  FERC does not get involved in  
2 private matters.

3           REP. SCHRODER:  Thank you, Mr. Chairman.  
4 Thank you very much

5           CHAIRMAN PRESTON:  Chairman Godshall.

6           REP. GODSHALL:  I want to thank you for your  
7 testimony.  When I came in here -- well, this was the  
8 first I ever knew -- got involved with FERC.  You know,  
9 as I said, no involvement with that at all.

10           When I first came in, I took from the testimony  
11 that we were debating a new pipeline going through  
12 Chester County and the main concern was the location of  
13 the pipeline; and now I -- you know, I had no knowledge  
14 of what I read, and there's nothing in the bill that we  
15 had here pertaining to what your individual problems  
16 were, which the pipeline that we're talking about  
17 apparently already exists and it's 36 inch and it's been  
18 proposed to 42 inch in order to transport a greater  
19 volume of gas which is this committee's also and the  
20 PUC's responsibility to see that we have adequate gas and  
21 energy supplies, you know, flowing into our -- into this  
22 state and also up to the New England states.

23           So we're arguing about the size?

24           MS. FARRELL:  No.

25           MS. VAN HOUTEN:  We're not.

1 REP. GODSHALL: We're not?

2 MS. FARRELL: We're not arguing that the --  
3 that the --

4 MS. VAN HOUTEN: The siting.

5 MS. FARRELL: That the nation needs fuel.  
6 We're arguing as to who should have jurisdiction over  
7 where pipelines are sited, whether it should be the  
8 federal government via FERC or whether it should be a  
9 compact such as 1817 --

10 REP. GODSHALL: Well, excuse me.

11 MS. FARRELL: -- which takes into  
12 consideration --

13 REP. GODSHALL: Excuse me. This is totally  
14 then out of the realm of the pipeline that exists in --  
15 in Chester County. We're talking about something new.

16 MS. FARRELL: We're talking about here --

17 REP. GODSHALL: It should begin with the  
18 statute to preempt the situation, but it won't -- it  
19 won't do anything as far as where you're sitting in  
20 Chester County.

21 MR. OTTAVIANO: It won't help us at all.

22 MS. FARRELL: We won't benefit at all, but  
23 others will.

24 MS. VAN HOUTEN: I -- I may.

25 REP. GODSHALL: I appreciate that. Because

1 I -- I sure didn't take -- you know, from the testimony,  
2 I wasn't where we were going.

3 I thought we were arguing as far as siting goes  
4 and you -- there was already -- there was comments made  
5 about alternative siting and -- and so forth. Well, that  
6 meant to me that there was going to be a new pipeline,  
7 but they're -- you know, we're only talking about  
8 increasing the size of an existing pipeline?

9 MS. VAN HOUTEN: No.

10 MR. OTTAVIANO: There are going to be new  
11 pipelines.

12 CHAIRMAN PRESTON: One at a time.

13 MR. OTTAVIANO: And -- and -- and in that  
14 regard, that's what this does. I have nothing to gain.  
15 No one here --

16 MS. VAN HOUTEN: I might.

17 MR. OTTAVIANO: You might have something to  
18 gain if that -- if that comes out of court and -- and --  
19 and they start proceeding.

20 MS. VAN HOUTEN: And this bill goes through.

21 MR. OTTAVIANO: And this bill goes through.  
22 Lynda, Dyanne, and I have nothing to gain.

23 MS. DELANEY: Actually I'm going to correct  
24 that. Because Transco Williams has three pipelines in  
25 the footprint. They were replacing the smallest

1 pipeline.

2 MR. OTTAVIANO: Sure.

3 MS. DELANEY: There are two additional  
4 pipelines that are right in the same -- same footprint,  
5 within the width of the room in which we now sit, and one  
6 of the reasons they were looking to expand their  
7 boundaries and easements was to make it easier --  
8 although they would not admit this, anyone with logic  
9 will tell you it's to make it easier to get in to the  
10 other two pipelines and switch them out to 42-inch  
11 pipelines in the future or to lay additional pipelines  
12 between those that currently exist.

13 REP. GODSHALL: Okay. Thank you very much.  
14 And I appreciate your comment. Thank you.

15 MS. DELANEY: Thank you.

16 CHAIRMAN PRESTON: I too want to thank you.  
17 And just as you heard me say about, you know, ideas come  
18 from the people, and Executive Director, Ms. Gail Davis,  
19 put a note, and I tell you what I'm going to do, and I'll  
20 propose this to you and I, Mr. Chairman, along with the  
21 sponsor of the bill.

22 She said that we should have at least a -- a  
23 consumer advocate on the DEP that might be able -- you  
24 know, FERC may monitor us but why can't we just look at  
25 them and stay up with their trends and start looking at



1 some things so that you would know and -- and hear and be  
2 able to understand what some of your options are instead  
3 of doing all the homework yourself.

4           And whether -- we know we have a new  
5 administration coming, and I'm going to propose in the  
6 sense that we can do a joint letter of trying to create  
7 that position at least while this is going on and we look  
8 at the whole concept, Mr. Schroder, and I'm going to just  
9 raise that issue to you because I'm going to do the  
10 letter where we have it, like you would have a consumer  
11 advocate here. We have a consumer advocate for small  
12 business. I think it behooves us, because, as you say,  
13 this is new but this is going to continue to grow.

14           MR. OTTAVIANO: Right.

15           MS. FARRELL: Absolutely.

16           CHAIRMAN PRESTON: Because the pipelines are  
17 going to continue to grow. We're looking at liquid  
18 natural gas, LNG, so it would be otherwise and other  
19 sources. Currently right now this -- this state does not  
20 have a well on its U.S. side and it gets me angry in a  
21 sense because people want the product, we need to  
22 regulate it, we need to deal with safety, but Canada has  
23 1,300 wells on the other side. And I'm almost thinking  
24 that they're drilling into our side and taking out some  
25 of ours and then guess what? I think in Pennsylvania

1 we're buying something like 20 percent of our gas from  
2 Canada.

3           So it's -- it's an issue, and I wanted to raise  
4 it, and I wanted to really thank you. But this is  
5 something that I am hearing from your thoughts and from  
6 her idea that I'm going to try to raise to whoever is the  
7 governor next year to try to see that that -- that does  
8 happen at least so that the people can have a good talk.

9           REP. GODSHALL: We're building windmills up in  
10 that lake region.

11           CHAIRMAN PRESTON: Now, I'm not getting  
12 involved with that with you, sir.

13           MS. VAN HOUTEN: Right,

14           CHAIRMAN PRESTON: Thank you very much.

15           MS. VAN HOUTEN: Thank you, Mr. Chairman.

16           MR. OTTAVIANO: Thank you, Mr. Chairman.

17           MS. FARRELL: Thank you all.

18           MS. DELANEY: Thank you all.

19           CHAIRMAN PRESTON: Next, we saved the last --  
20 the best for last. We have Roberta Winters who is a  
21 board member of the Pennsylvania League of Women Voters.

22           Sorry we took so long.

23           MS. WINTERS: It's a learning experience.

24           CHAIRMAN PRESTON: And I appreciate your  
25 patience.

1 MS. WINTERS: Good afternoon. I am Roberta  
2 Winters, a member of the board of the directors of the  
3 League of Women Voters of Pennsylvania and speaking here  
4 today on behalf of the League of Women Voters of  
5 Pennsylvania. And I've also included a more detailed  
6 written statement to accompany this testimony.

7 I would like to thank you, Chairman Preston and  
8 the committee, for holding this hearing on an issue of  
9 growing importance to our Commonwealth, the need for a  
10 natural gas interstate compact.

11 The creation of a natural gas interstate  
12 compact, as delineated by House Bill 1817, has several  
13 advantages over the current Federal Energy Regulatory  
14 Commission, known as FERC, process.

15 First, by moving decision making to a regional  
16 level from a federal governing agency will enable more  
17 effective operations and encourage grass roots  
18 participation.

19 Second, the compact clearly promotes civic  
20 participation by expanding notice provisions,

21 Publishing applications in newspapers;

22 Adopting rules and regulations to ensure free  
23 and open public participation not only of individuals but  
24 of interested parties;

25 And involving members of the public as they

1 comment on proposed pipeline locations, serve on the  
2 advisory committees, and assist in the development of a  
3 regional strategic plan.

4 Third, transparency is enhanced through  
5 publishing applications on the web site;

6 Publishing an annual report;

7 Compiling, publishing, and distributing, with  
8 or without fees, reports, bulletins, newsletters, or  
9 other documents as it deems appropriate;

10 And maintaining detailed written minutes of all  
11 meetings and hearings of the council in conformity with  
12 the Freedom of Information Act.

13 It is also noteworthy that applicants need to  
14 include reasonable alternative routes in their  
15 applications. This provides increased options for  
16 decision making and broadens the potential impact to a  
17 wider community.

18 Further, applicants need to consider specific,  
19 nongeneric safety issues, including public health, in  
20 statements submitted to the council.

21 In examining other aspects of the proposed  
22 compact, the League has several comments for your  
23 consideration.

24 First, given that this legislation would create  
25 an interstate compact, what, if any, role would the

1 Independent Regulatory Review Commission have in the rule  
2 making process?

3 Second, the parameters of enforcement may need  
4 to be clarified. Under Article III, Section 3.3, Voting,  
5 Subsection (5), relates to the council having the power  
6 to make and enforce rules and -- and regulations as it  
7 deems necessary regarding implementing the provisions of  
8 the compact and effectuating its purposes.

9 While the council would clearly have the  
10 authority to make rules and regulations as it deemed  
11 necessary, does the council have the right to enforce or  
12 not to enforce such rules and regulations as it deems  
13 necessary, too? Is this adequate?

14 Third, it may be problematic for the compact to  
15 supersede conflicting provisions, limitations, and  
16 restrictions of state law or rule as provided by  
17 Subsection 9. -- 9.2, Subsection 2. Excuse me.

18 Given inherent differences between laws in  
19 participating states, preemptive power may not always be  
20 in the best interest of the public if minimal rather than  
21 maximum protections are adopted.

22 Finally, as you reflect on this legislation, we  
23 request that you further review the process by which  
24 other pipelines, both gathering lines that collect gas  
25 from individual wells and larger pipelines that run

1 within the state, are certified for construction and  
2 operation within the borders of Pennsylvania.

3           Given the massive infrastructure inherent in  
4 natural gas extraction from Marcellus gas -- shale, this  
5 is imperative to the future of our Commonwealth.

6           The League of Women Voters of Pennsylvania is  
7 appreciative of this opportunity to provide input to this  
8 legislation. House Bill 1817 is consistent with our  
9 position statement on Marcellus shale natural gas  
10 extraction.

11           The League supports legislation that ensures  
12 public input and decision making regarding the location  
13 of facilities and related pipelines and promotes  
14 transparency throughout this process.

15           Thank you.

16           CHAIRMAN PRESTON: Well, I wanted to thank you  
17 very much, and I appreciate your time and your patience  
18 in your waiting, and we will be looking at this further  
19 in the near future.

20           For the committee members who -- who -- who are  
21 listening or watching this in the next couple of hours, I  
22 would also like to have members remember -- remind  
23 members that tomorrow we will be in the Lehigh Valley  
24 area, the great city of Bethlehem, PA as we discuss  
25 municipal aggregation.

1           And I'd like to make sure that all the members  
2           are prompt and attend timely. As some people may think,  
3           when we are not in session, sometimes the general public  
4           needs to realize that we're at our busiest and the days  
5           are longer than when we're in session sometimes, in the  
6           sense, especially since when we passed those new rules,  
7           we're not in here, you know, and I think there's a lot of  
8           good things that happen from that.

9           So that being said, I want to thank you and  
10          thank the members for attending and say have a very good  
11          day. We are adjourned.

12                 (The proceedings were concluded at 2:55 p.m.)

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I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me on the within proceedings and that this is a correct transcript of the same.

Brenda S. Hamilton, RPR  
Reporter - Notary Public