

Notes on 8.14.2014 Augusta Co Board of Supervisors Meeting w/ Dominion

Notes/comments on Dominion's briefing:

1. Intro--Mr. Wade said the SERP will help meet the energy needs of three states
 - Has yet to identify any energy needs met from Highland south to Buckingham in VA
 - No mention of WVA or NC
2. Mr. Wade's response as to why the FERC approves 99% of its projects--because they are already well-thought out and tested before they are submitted to FERC for approval. (By whom I would ask--the utility industry that submits them?)
3. Reroutes driven by Forest Service requests to avoid sensitive areas of GW National Forest and the Blue Ridge Parkway's displeasure w/ impacts of the proposed route. (Did the Parkway and Forest Service suggest the new routes chosen. No, in fact a Forest Service representative said the new route was in many ways more damaging than the old.)
4. From Mr. Wade, Dominion's safety goal is to "end up at end of the day at least as good as they started out." (Now that is really reassuring.)
5. Dominion says they are the second most admired company in the industry. Next Era is first. (If this is a popularity contest, shouldn't the Next Era pipeline be the one approved?)
6. Dominion's clean air chart does not address methane leaks and the fact that methane when leaked can be much more damaging to the environment than carbon emissions. Dominion does not also state that they have blocked many attempts by the state to increase solar power usage.
7. Can the natural gas be used locally? Well maybe....NOT. (Dominion by their own admission is a "wholesaler" and are going to look for larger buyers and the highest price they can get on their gas. They will have little interest in selling gas to small local natural gas distributors in communities along the pipeline. The infrastructure is not available for small distributors to tap into the line. They would have to build a step-down facility to reduce the pressure of Dominion's gas line and then have to build the distribution pipeline needed to get to local customers. It is clear that Dominion is not currently negotiating w/ these small companies as users of the gas. Dominion later in the question portion of the briefing admits they don't have much interest in pursuing local customers.)
8. Dominion: Natural gas fuels jobs--Methane, propane, and butane all important to industrial development. (Key word here is industrial. Industrial use or economic development should not be considered legitimate "public use." Where are these various components separated out? Pipeline in Kentucky recently stopped due to the fact that it would be transporting natural gas liquids (NGLs) and not predominantly methane. NGLs strictly for industrial not residential use and thus do not fall under the purview of the Federal Energy Regulatory Commission.)
9. Arrow flow chart on pipelines. (Dominion says the flows are all in the wrong direction so new pipelines must be built. Technology exists to reverse flow on pipelines. Even if the flow cannot be reversed, existing right of ways could be used to put in new pipeline that would flow in the right direction.)

10. The length of the pipeline is now shown as 550 due to the lateral line going into the Hampton Roads area of Virginia. (Why is this needed if the Williams Transco Southside expansion project was approved to provide natural gas to this area?)

11. Dominion chart showing pipeline reducing to 36 inches when it hits the PA border and 20 inches going into the Hampton Roads lateral. (Why does the pipeline reduce from 42 inches to 36 inches in NC? Doesn't this indicate that the pipeline until it gets to NC is being used for storage of natural gas and that most of the gas is targeted for use in NC. The pipeline is currently over-sized in Virginia to allow for a future source of gas to export out of the Hampton Roads area in the future. FERC should not allow for over-sizing of pipelines for customers that don't currently exist.)

12. What PSI is pipeline being operated at. Dominion now saying built to operate between 750 and 1440 PSI but Dominion will operate at the lower end. (Again pipeline being over specified to allow for future customers (potential export)).

13. Dominion when asked about Columbia gas tapping into the line in Augusta County says it is a possibility but then says: we are predominantly a wholesaler moving gas to the other end.

14. Local jobs--Dominion says they predominantly use general contractors who are in the pipeline business but county will get sales tax for the two years the construction teams are in the county. (Costs to county during the construction period greatly outweigh the benefits.)

15. Dominion says it takes a day and a half to do one weld. (Implying that only one weld is done a day on a 40-foot section of pipe. If this were true, it would take over 18 years to build a 550-mile pipeline. What is the point you are really trying to make Dominion?)

16. Environmental impacts. (Any question related to environmental impacts, Dominion's favorite response is we have to work w/ regulatory agencies to get the necessary permits. Dominion should be asked for a list of all the regulatory agencies they are required to contact. Dominion should also be asked how these regulatory agencies usually deal with environmental impacts. The answer is the violator is given a special permit to harm the environment at that area but must buy mitigation credits from a mitigation bank somewhere else usually in the state. For instance if a wetland is violated, Dominion will have to buy credits in a mitigation bank set-up to repair a wetland somewhere else in the state. If there are no mitigation credits available in the state, then the permitting becomes more complicated.)

17. Dominion announced an Open House in Augusta County on Sep 15 from 4 to 8 PM at the County gov't facility in Verona (same place the BoS held their meeting w/ Dominion on 8.13.2014).

18. Pipeline route in Augusta is 42 miles, includes 201 parcels, and surveying will begin in late August. Pipeline route is completely new in Augusta so no statistics provided on number of survey approvals versus denials in the county.

19. Right of ways will be 125 feet for construction, 75 feet for maintenance (permanent). The trench will be dug 9-10 feet deep. There will be a foot of padding under the pipe and 3-4 feet of dirt over the pipe. The trench will be 15 feet wide with straight side walls. (Description more detailed than at Nelson meeting.)

20. Dominion will need to contact property owners about needed easements on access roads. These easements may not be on the same properties as the pipeline easements and will have to be separately negotiated.

21. Dominion will try to avoid conservation easement and some of current rerouting is due to conservation easements. (Won't small landowners now pay the greatest price for confiscation of their property. Small landowners are not able to get conservation easements on their property. The Nature Conservancy, Virginia Outdoors Foundation, DCR, and DOF will not hold easements on properties of less than 100 acres (unless special/unique feature). Pipeline is being pushed off onto smaller, poorer landowners. Naked Mountain reroute has pushed pipeline off on to many smaller properties of poorer landowners who have fewer resources to fight back.)

22. DEQ will decide if streams/rivers tunneled under or river beds cut through.

23. Pipeline can come no closer than 150 feet from centerline of the water supply. Dominion must meet sedimentation control and any local county standards. (What local safety ordinances are in place in counties that Dominion must meet? If they are stricter than state or federal regulations does Dominion have to conform to them?)

24. Dominion says pipeline will only be approved if it is good for general public. (What criteria will FERC use to determine this?)

Responses to Questions asked by BoS to Dominion

1. Pipeline reroute in Augusta/Nelson was because of GW Forest and Blue Ridge Parkway adjustments. (Rick Webb contacted Forest Service officials and they dispute this. They told Dominion why they did not like their proposed route. Dominion then moved the route w/o Forest Service input.)

2. There will be a weight limit for farm vehicles on the right of way. Combines or other large pieces of farm equipment cannot be used.

3. How will Dominion accommodate for karst formations? Dominion: we will evaluate those areas when we survey and will work around them. (How do you work around a predominant geology in a County?)

4. Will ROWs bisect properties and potentially cut off water supplies? Dominion: we will try not to but water lines may have to be constructed above ground over the pipeline. (Did not say who would pay for these modifications.)

5. How will you check for acid corrosion of the pipeline? No response noted.

6. Who will provide emergency services while the pipeline is being built? County does not have adequate resources to do so. Dominion: our contractors will have their own first medic response teams. Will plan up front with local EMS personnel. Will have public awareness. Will have yearly meetings w/ local EMS personnel. May have mock emergency drills. (No mention as to who pays for these added costs to the county.)

7. Who is liable for accident damage? Dominion: we are large corporation with billions of assets; we are self-insured.

8. Who is responsible for road repair? Dominion: we will construct brand new access roads in some areas and will leave other roads in better shape than we found them. Dominion will video all roads before and after construction. (What if property owners don't want or need new access roads on their properties? What if these access roads impact water supplies, or agricultural uses of the land. What if they impact view sheds?)

9. What happens to abandoned pipeline? Dominion: would not expect this pipeline to ever be abandoned.

10. Why is the spur into Hampton Roads needed? Isn't this for export? Dominion: No. There is no export facility in that area. The gas will be used for military facilities in that area. (Pipelines are built before export facilities--prime example Cove Point. Just because there isn't an export facility there now, one can be built in the future particularly if the Dominion pipeline is already oversized to meet this future demand.)

11. What pipeline infrastructure would be above ground and where would it exist? Valve stations above ground. No metering stations unless Columbia gas was allowed to tap into the line and then they would have to build a metering/mini-substation. (Still not response as to how many valve stations. Valve stations have blowoffs and noise dampening systems? Why are noise dampening systems needed and how often are these blowoffs used. What is blown off and how harmful is that substance to the environment.)

12. How will our wells be protected? What happens if wells are completely cut-off from landowner use? What if well bed area is disturbed? Dominion: Wells must be surveyed before and after construction. Centerline of pipeline cannot come closer than 150 feet to well. We will evaluate before and after construction.

13. How would you check for gas leaks? Dominion: we have a pipeline patrol team. (No answer as to make up of this team, how they would be employed (ground/air) or how often they would be employed or how they could tell if there is a leak to a buried pipeline.)

14. How will ag-forestry districts be treated? Dominion: will try to avoid first. Will consider habitat sensitive species, will delineate wetlands. (Dominion should be asked if the pipeline can be placed in wetlands and if riparian buffers along streams will be permanently destroyed since trees in ROWs can not be replanted? Answer to wetland question according to Army Corps of Engineers is yes they can destroy wetlands but will have to purchase mitigation credits. Dominion must contact Corps before they apply to FERC. They have yet to do so.)

15. Won't this pipeline encourage hydro-fracking in this area? Dominion: NO. There is no hydrofracking being looked at in the SE. It is not economically feasible w/ all the large shale deposits in the NE. (An area is already being looked at in VA for hydro-fracking near Fredericksburg and the GW Forest has also been evaluated for hydro-fracking. The Virginia Department of Mines, Minerals, and Energy recently did a study on hydro-fracking opportunities in VA.)

16. Won't real estate values drop? Dominion: rural areas won't see much impact. Properties in more developed areas would receive greater compensation for ROWs than rural or agricultural areas. (If your property is used for agriculture or has wetlands, you will receive minimal compensation. Wetlands will

be treated as floodplains unsuitable for development and thus of low value even though the view sheds they provide may be the highest value feature of the property. This point needs to be driven home.)

17. Should the US be looking for renewable sources of energy such as solar? Dominion: No these aren't reliable 365 days a year, 24 hours a day. (Dominion is actively roadblocking efforts to convert to solar in the state of VA.)

18. How will the pipeline directly benefit Augusta County? Dominion: your electricity rates will go down. We haven't talked to Columbia gas yet and we are looking for larger customers that are more financially attractive to us. (Electricity rates will likely go up as the rates are severely deflated w/ the glut of natural gas sitting in PA. Once this gas is moved out of that area, natural gas prices will go up. Industry article: "The Cure for Low Natural Gas Prices" says that Dominion is losing money on its fracking operations in PA and needs to move the gas to make money off of it. Dominion needs to be called on this.)

19. What will be the impact on County water supplies? Did not capture the response.

20. How close can the pipeline come to schools? Dominion: We don't know? (They compliment themselves on being an industry leader in pipeline construction and safety and they can't answer these basic questions.)

21. How will your personnel be greeting landowners? Dominion: we don't do that. We have hired Doyle Land Services to be the personal contact w/ landowners. (Landowners in Nelson who have tried to contact Doyle have had problems doing so. Some of the contacts are very professional, some are not. The toll free number given to landowners seems to go into a call center of some sort. The people manning the center can't answer even basic questions about the pipeline or who to respond to letters they have received. I have personally encountered this.)

22. Once the pipeline route is set can you deviate from it? Dominion: Once the route is approved by FERC we can't move more than 10 feet w/o applying for a variance from FERC. We do not have eminent domain rights on unapproved variances?

23. How durable are pipelines? Dominion: Well the Columbia pipeline has been in the ground for 81 years. What size is the Columbia pipeline? Dominion: think it may be 24 inches and operates at about 600 PSI. What will be the wall thickness of your pipe? Dominion: 5/8 to 3/4 inch wall. It will be "rather durable." Wasn't the Columbia pipeline replaced in the 70's or 80's? Dominion: Maybe it was. How do you test for leaks? Dominion: We do pig tests every seven years and we do foot patrols. (No time span given for foot patrols.)

24. Have you considered our Comp Plan in your routing? Dominion: The routes were based on impacts identified by the GW Forest and the Blue Ridge Parkway to Dominion. This is what caused the reroutes in Augusta and Nelson counties.

25. Where will construction workers come from--will they be sourced locally? Dominion: for union trades, 50% has to be sourced from local unions. (What trades would come from union workers for your pipeline? Would these workers be specifically trained in working on pipelines this size in this type of geology and terrain? Would they have training in laying pipe in karst formations?)

26. What would Columbia have to do to use gas from your line? Dominion: They would have to build additional infrastructure including a means to step-down from high pressure to a lower pressure.

27. Can you give us maps? Did not hear a response.

28. How will landowners be compensated? Did not capture the response.

29. Why can't you use existing Dominion ROWS? Dominion: Co-location not an option in most areas.

30. What will the impact be on property values? Dominion: we have seen no impact except during the two year construction period. (Local realtor rebutted this statement during public comments period. Reports of one property being delisted in Nelson due to threat of pipeline.)

31. Series of rapid fire questions from Supervisor Pyles: Is there a neutral arbitrator available for landowners during negotiations w/ Dominion for compensation of use of ROWs? Why is GW Forest allowed to impact Augusta County landowners? What part did Dominion play in the passing of the Wagner Bill in 2004 that stripped citizens of their property rights? What did Dominion say to legislators to get that bill passed?

32. More from Pyles: What about Cove Point? It's changed the whole nature of the natural gas market? If the gas is exported, natural gas prices will go up for US citizens and they will pay for the increased infrastructure in their rates--not the overseas customers that get the gas.

33. Pyles: You think giving \$50K to Augusta makes you a good citizen. Get serious. You say safety isn't an issue. Anyone w/ a computer can find lists and lists of pipeline accidents. If an earthquake hits, are you going to say you're not liable because it was an "Act of God."

34. Why don't you put power plants where the natural gas is? Isn't this what they do w/ hydroelectric plants? Dominion: Would have to rebuild the electric power grid. (Wouldn't that cost less than building a multibillion dollar pipeline and have much less environmental impact?)

35. What does constant inspection mean? How often?

36. Would you allow parallel water lines by the County?

37. Is there a safety issue w/ people digging where the pipeline is? Dominion: no the bushhogged right of way indicates the pipeline is there plus there are markers along the ROW that indicate the pipeline is there. (Dominion has indicated in other briefings that they may mow only every three years. The markers would be lost in vegetation and margins of the right of way would be harder to see.)

38. Why is the pipeline 42-inch? Isn't the market capacity 36 inch? (Again the oversizing issue for future, not current, market demand.)

39. Question about pigs and leak checks. Dominion: done every 7 years but maybe more often depending on whether it is a Class I, II, or III area. Would be done more often around more developed suburban or urban areas. (Dominion has never provided the definitions of Class I, II, and III. Can be found on-line).

40. Would the pipeline be used to transport fracked gas from the GW forest? Dominion: Someone would have to build the infrastructure and Dominion is not interested in doing this. Wouldn't this be an ethical issue for Dominion? Would you feel it was ethical to allow fracking in the GW National Forest? Would your company take a position against fracking in the GW Forest as it being unethical. Dominion: Our three commitments to our customers are affordability, reliability and ?.

41. You say you already have pipelines in Virginia, how much do they leak? Dominion: only a small amount. (What is a small amount and where does that leakage occur? How do you fix it?)

42. Where will the water come from used for hydrostatic testing of the pipeline? Dominion: we would like to use local streams but we will have to get a permit from DEQ to do so. We will also have to get permits to discharge the water back into the stream. (Getting permits from DEQ is quite easy. I have talked to someone at DEQ and special permits are basically handed out like candy. Will have no bearing on where the pipeline will be built much less whether it will be built at all.)

43. Who protects landowner in compensation negotiations w/ Dominion? Dominion: up to landowner to make sure they get a fair deal. Should hire a lawyer. Compensation will be based on fair market value of the property. Fair market value will be based on the type of property. (Rural properties will receive less compensation. Wetlands will be considered as floodplains unsuitable for development and will receive minimal compensation. There will be no compensation for impact to "view sheds." Most people buy property in Nelson, Highland, and Augusta County for these view sheds. If they are lost, the property will be greatly devalued. Dominion needs to be asked if they will compensate for view shed loss.)

44. What would you expect the lifespan of your pipeline to be and is this pipeline completely underground? Dominion: 80+ years. Design is not complete on the pipeline so we do not know how far apart the valve stations will be. Will depend on the number of Class 1, Class 2, and Class 3 areas the pipeline goes through.

Start of questions from the audience about here.

45. Can you put additional pipelines in the ROWs? No-- the ROW agreements will specify that ours is the only pipeline allowed.

46. Will your pipeline be transporting fracked gas? Dominion: we don't know. We will be carrying gas potentially from many different sources. (They know that a good portion of the gas will be fracked and will include gas from their own fracking interests in PA)?

47. Isn't natural gas as harmful to the environment as carbon emissions? Dominion: There may be harm from methane leaks but it is still better than burning coal. Natural gas is the next best thing. (Maybe better stated, the next worst thing. More and more evidence indicating that large amounts of methane leakage much more damaging than carbon emissions.) Methane in large quantities much worse greenhouse gas than carbon emissions.)

48. What is the explosion zone for your pipeline? Dominion: 1100 feet for 42-inch pipeline. (PA Ext agency has a briefing on pipelines with a PIR (potential impact radius) calculator. The Dominion pipeline has the greatest impact radius due to its large diameter and operational pressure. Remember the 1100 feet is a radius so the impact stretches 1100 feet in all directions.)

49. If you won't let us survey will you put in on our property? Did not here answer. (Important question to keep asking because Dominion has implied that if you don't allow survey, it will be put on your property and where you don't want it.)

50. Will landowners be given survey plats? Dominion: they will be given a survey plat as part of their easement agreement.

51. Can landowners share their compensation agreements. Dominion: Yes.

52. Will you work with County Comprehensive Plans? Did not get response.

53. Who will pay for costs required to modify the ROW for landowner needs (bridging for large farm equipment). Dominion: the landowner but we'll work w/ them to design and construct them.

54. Question on public roads not being big enough--did not get full question or answer.

55. If there is a forest fire, what happens to the pipeline? Dominion: it is buried 3 feet deep shouldn't be a problem.

56. How can you tell if a pipeline is leaking? Dominion: first sign we usually see is dead/browning vegetation in the ROW. (Since Dominion won't say how often they inspect the RoWs for leaks, couldn't there be a leak a long time before Dominion finds it? What is the impact on leaks not being found immediately.)

57. How far will this pipeline be from the major waterlines in Staunton? Dominion: we don't know.

58. How will you test and mitigate for possibility of radon release when dynamiting/digging? Dominion: we will bring in a blasting specialist.

59. What bearing does population density have on your planning? You seem to do more stringent planning for developed areas. Most of our most sensitive water assets (reservoirs, watersheds) are in the less developed areas of our County. Dominion: Water resources not evaluated based on population density.

60. Who pays for bridging across the pipeline? Dominion: sooner this is done the least costly but landowner pays for.

61. Will the Middle River be blasted through or tunneled under. Dominion: DEQ will decide.

62. How close can the pipeline be built to a house? Dominion: It would have to be outside the 125 foot construction right of way. (Conflicts w/ Dominion's previous statements that could be within 25-feet of dwelling and would actually only have to be one half the diameter of the construction right of way).

63. Do you operate 42-inch pipelines anywhere else? Dominion: No this is our first. (Upsetting that Dominion experimenting w/ us particularly when there is every indication that this pipeline is oversized for customers currently identified.)

64. Will you be subject to OSHA? Dominion: yes.

65. Can landowners get a map of where the pipeline will go through their property? Dominion: No, not unless they allow survey because we don't know where it will go through the property until we survey. (Dominion has to designate a corridor in which they are going to survey, they know this survey corridor and have maps of it that have been given to survey teams and landowners who have agreed to have their property surveyed. Dominion should be pressed to give these maps to all landowners on the pipeline path. How can landowners make well-reasoned decisions whether to allow surveys or not if they don't know what part of their properties are at risk. The Forest Service and the Blue Ridge Parkway have been given these courtesies--why haven't landowners?)

66. What will be the impact on tourism during road construction? Dominion: there shouldn't be much of an impact and if you have some kind of big event such as a concert, we'll try and work around that. (Roads in small counties like Dominion will be totally gridlocked during the construction period and tourists will avoid the area like the plague. It will have a major impact. Who's going to want to sit in traffic to get to a microbrewery or winery and then watch construction vehicles block their views to the mountains?)

67. If a County passed a resolution against the pipeline, what effect would that have on the pipeline? Dominion: You would have to ask that question to FERC? They will decide if the pipeline is approved or not.

NOTE:

These notes were prepared by a Nelson County landowner whose property is threatened by the pipeline and who has been closely monitoring the Southeast Reliability Project. This landowner has attended the Nelson County and Augusta County BoS meetings w/ Dominion and also listened to the audio of the Highland County meeting. The comments in parentheses are those of the landowner.