

An Interstate Natural Gas Facility On My Land?

What Do I Need To Know?

**PREPARED BY THE
FEDERAL ENERGY REGULATORY COMMISSION
FOR YOUR INFORMATION**



The Federal Energy Regulatory Commission is charged by Congress with determining whether any proposed interstate pipeline project is in the public interest. Part of that determination may affect you if your land is where a natural gas pipeline, other facilities, or underground storage fields might be located. We want you to know:

- ❖ **How the Commission's procedures work;**
- ❖ **What rights you have;**
- ❖ **How the location of a pipeline or other facilities is decided; and**
- ❖ **What safety and environmental issues might be involved.**

BACKGROUND

The Commission approves the location and construction of interstate pipelines, facilities and storage fields involved in moving natural gas across state boundaries. These pipelines crisscross the United States, moving nearly a quarter of the nation's energy long distances to markets in 48 states. They are vital to the economy.

Associated with the pipelines, other above-ground facilities such as taps, valves, metering stations, or compressor stations may be involved. In the case of a natural gas storage field, there may be storage field pipelines and wells, or the company may only need subsurface storage rights to your property.

If a proposed pipeline route is on, or abuts, your land, you will probably first learn of this from the company concerned as it plans and studies the route. Once a company files an application for approval (a certificate) to build a pipeline project, it will mail you a copy of this brochure and other information (within three days of the Commission issuing a Notice of Application). The Commission staff prepares an environmental study of the proposal. For major construction projects, local media may be notified and public meetings may be scheduled. You will have an opportunity to express your views and to have them considered. You will also have the opportunity to negotiate with the pipeline and to learn the views of other interested parties. The Commission may approve the pipeline, with or without modifications, or reject it. If it is approved and you fail to reach an easement agreement with the company, access to and compensation for use of your land will be set by a court.

Understandably, the location of pipelines and other facilities raises urgent questions for landowners. The Commission's process for assessing pipeline applications is open and public, and designed to keep all parties informed.

This brochure generally explains the Commission's certificate process and addresses some of the basic concerns of landowners. The Commission's Office of External Affairs at 1-866-208-3372 will be happy to answer any further questions about the procedures involved. You may also check the Commission's Internet website at www.ferc.gov.

MOST ASKED QUESTIONS

How the Process Begins

Q: How will I first hear about proposed facility construction?

A: You will probably first hear of the project from the pipeline company as it prepares environmental studies required for the Commission application. It is also possible that the company may seek to obtain an easement from you prior to filing the application. In the case of a compressor station, the pipeline company will often seek to purchase, or obtain an option to purchase, the property it wishes to use for the station. This usually occurs prior to the filing of the application.

For a storage field, rights on certain parcels of land may only involve subsurface storage rights.

The company will also notify you of the filing of the application with the Commission.

Q: How can I obtain more details about the company's application?

A: A copy of the company's application can be obtained from the company if you are an intervenor (see next two questions and answers), although the company is not obligated to provide voluminous material or material that is difficult to reproduce. You may also obtain a copy for a nominal copying charge from the Commission's Public Reference Room. Call 202/502-8371 for details. The application may also be obtained through the Commission's website, www.ferc.gov, using the "FERRIS" link and the project's docket number. User assistance is available at 1-866-208-3676. The application will also be available in at least one location in each county in which the facility is located.

Q: How do I make my views known?

A: You may contact the company through the contact person listed in the notification you receive from the company.

There are two ways to make your views known to the Commission: first, if you want the Commission to consider your views on the various environmental issues involved in the location of the facility, you can do so by simply writing a letter. The Commission undertakes several levels of environmental analysis. You may comment at any stage in this process. Details are available from the Commission's Office of External Affairs at 1-866-208-3372. Check the Commission's website for details on filing electronically. By filing comments, your views will be considered and addressed in the environmental documents or a final order. Additionally, you will be placed on a mailing list to receive environmental documents in the case.

Q: And the second way?

A: You may file to become what is known as an intervenor. This is not complicated and gives you official rights and responsibilities, but it is a more formal involvement and you will be required to follow Commission regulations. You may obtain instructions from the Office of External Affairs. As an intervenor, you will receive the applicant's filings and other Commission documents related to the case and materials filed by other interested parties. You will also be able to file briefs, appear at hearings and be heard by the courts if you choose to appeal the Commission's final ruling. You must file for intervenor status within 21 days of our notice in the *Federal Register* of the pipeline's application, although this may be waived under certain circumstances, such as the discovery of environmental concerns. You may also file for intervenor status for the purposes of environmental issues during the comment period for a draft environmental impact statement. But as an intervenor, you will also be obligated to give copies of what you file to all the other parties. In major cases, there may be hundreds of parties.

Key Issues Involving Location of the Project

Q: How is the pipeline route, compressor station or storage field location selected?

A: The pipeline company proposes the route or location, which is then examined by the Commission. The applicant must study alternative routes or locations to avoid or minimize damage to the environment, and the Commission, intervenors, or any commenter, may suggest alternatives and modifications. The effects on buildings, fences, crops, water supplies, soil, vegetation, wildlife, air quality, noise, safety, landowner interests, and more, are taken into consideration. The Commission also considers whether the pipeline can be placed near or within an existing pipeline, power line, highway or railroad right-of-way.

Storage fields are usually located in depleted oil or natural gas production fields or in salt deposits. Therefore, their location is fixed by geologic conditions. However, the facilities needed to develop and use a storage field can be moved to some extent.

Q: How do pipelines obtain a right-of-way?

A: In the first instance, they negotiate with landowners who are compensated for signing an easement document. Landowners may be paid for loss of certain uses of the land during and after construction, loss of any other resources, and any damage to property. If the Commission approves the project and no agreement with the landowner is reached, the pipeline may acquire the easement under eminent domain (a right given to the pipeline company by statute to take private land for Commission-authorized use) with a court determining compensation under state law.

Q: Who pays taxes on the right-of-way?

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

Q: How large is the right-of-way and how is it maintained?

A: It is generally 75 to 100 feet wide during construction, although extra space is usually required at road or stream crossings or because of soil conditions.

The permanent right-of-way is usually about 50 feet wide. Routine vegetation maintenance is done no more than once every three years. A ten-foot-wide corridor, centered on the pipeline, may be maintained annually.

Q: How large is a compressor station or a storage field?

A: Usually the pipeline purchases ten to forty acres for a compressor station, of which about five acres are actually used for construction. A storage field could encompass many hundreds or even thousands of acres, depending on the geologic structure. Storage fields also frequently include a buffer zone or protection area forming a halo of some hundreds of acres surrounding the storage field itself.

Q: Must the company obey local, county and state laws and zoning ordinances?

A: Generally, yes. If there is a conflict, however, between these ordinances and what the Commission requires, the Commission requirement stands.

Q: How close can I build to the facilities?

A: For a pipeline, usually up to the edge of the right-of-way.

For a compressor station, the site is usually owned by the company. If you own property adjacent to the site, you may build on it.

For storage fields, unless there are surface facilities, you may build anywhere on the surface. If you or someone else wishes to drill wells which would penetrate the storage formation, you must coordinate that activity with the company, and usually the state authority regulating well drilling.

Q: What about bushes, trees, fences and so forth?

A: Trees with roots that may damage the pipeline or its coating and other obstructions that prevent observation from aircraft during maintenance are usually not allowed. Otherwise, this is subject to negotiation as long as pipeline maintenance and safety are not affected.

Q: How long will the right-of-way be there?

A: Part of it is temporary and will be restored immediately after construction. The permanent right-of-way will remain in perpetuity until the Commission determines it may be abandoned by the pipeline company.

Q: In general, will I still be able to use the right-of-way?

A: The easement agreement will specify restricted uses on or across the right-of-way and any types of uses for which the company's permission must be sought. The continuation of past agricultural uses and practices on or across the right-of-way would be permitted. Buildings and large trees are usually not allowed. Special uses or activities that might have an impact on pipeline design (such as planned logging roads or drain tiles) should be negotiated with the pipeline company to minimize future conflicts.

Other Property Issues

Abandonment

Q: If the pipeline is being abandoned will it be removed from my property?

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

Q: If a company abandons a pipeline, can it keep an easement on my property?

A: It depends on the terms of the easement and may be subject to negotiation between the landowner and the pipeline company.

If there is more than one pipeline, it must keep the easement.

Q: Will I be notified if abandonment is proposed?

A: You will probably be notified by the company if it proposes to relinquish the easement as part of the abandonment and the easement is not being transferred to another company. Otherwise, you may be notified by the Commission as part of the environmental analysis of the project.

Storage fields

Q: What will happen to my property if a storage field is located beneath it?

A: Possibly nothing, since the storage field itself is usually thousands of feet beneath the ground surface. If the company proposes to construct field pipelines or a compressor station the earlier discussion applies.

Wells are needed to inject and withdraw the stored natural gas or to monitor field conditions (observation wells). The wells require a surface site of roughly an acre for drilling and less than one tenth of an acre for the surface wellhead piping and other facilities.

If there are no facilities to be constructed on your property, the company will only need the storage rights to the geologic formation in which the natural gas would be stored. This is also the case for any property within any designated "buffer zone" or "protective area" around the actual storage field.

The Responsibilities of Gas Companies

Q: Must companies post bonds to guarantee performance?

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

Q: Can the pipeline company come on my land without my permission?

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

Q: When can they start to build?

A: Construction cannot commence until the Commission issues a certificate and the applicant accepts it. For most large pipelines, the time from filing an application to approval ranges from one year to two years. Once a certificate is issued, construction usually starts within a few weeks of the company completing any outstanding studies or meeting other preconditions set by the Commission.

Q: Why would the company approach me before the project is approved?

A: Because of planning and lead time the company will try to obtain easement agreements in advance. Also, a company must conduct environmental studies before it files an application with the Commission. For these studies to be as complete as possible, the company will try to obtain access to all of the proposed right-of-way. If approval is ultimately denied, or the route changes, the initial easement agreement with the landowner is usually void (depending on the wording of the right-of-way or access contract). Further, disputes over the wording of an easement agreement are subject to state law.

Q: Can the company place more than one pipeline on my property? Can the pipeline and the easement be used for anything other than natural gas?

A: This is subject to negotiation. The Commission grants a certificate and states that eminent domain may only be used for the proposed pipeline and related facilities in the exact location described and only for the transportation of natural gas. You may agree to other uses.

Q: Can the company construct above-ground facilities on the right-of-way?

A: Yes, the company may construct any above-ground facilities approved by the certificate and may construct certain auxiliary facilities for the purpose of more efficient or economical operation of the pipeline.

Q: How close can the pipeline be to other pipelines or utility facilities?

A: Pipelines must be at least one foot from any underground structure and two to three feet below ground. Companies usually want their pipelines to be 25 feet from another pipeline. If space permits, pipelines can be placed in another utility's right-of-way.

Q: Can I receive service from the pipeline?

A: No, not in most cases. Generally speaking, interstate pipelines are long-distance transporters operating at pressures different from those of your local distribution companies, which are their customers.

Q: Can a pipeline be placed in a river or the ocean?

A: Yes, although this raises a number of environmental, cost, design and safety issues.

Important Safety Issues

Q: Who is responsible for safety?

A: The U.S. Department of Transportation (DOT) is responsible for setting the federal safety standards for natural gas (and other) pipelines and related facilities. The Office of Pipeline Safety at DOT can be contacted at 202/366-4566 or at www.dot.gov.

Q: Are pipelines safe?

A: Accidents are rare and usually result from outside forces or unauthorized action by someone other than the pipeline company. The DOT enforces strict safety standards and requires safety checks.

Q: How soon after construction will the company restore the land?

A: As soon as the trench is filled and weather permits.

Q: Does natural gas smell?

A: Natural gas is odorless. An odorant is generally added for safety purposes in more populated areas on interstate transmission pipelines and in local distribution pipelines in accordance with DOT safety regulations.

Further Environmental Issues

Q: What if my property contains endangered species, wetlands, or archeological sites?

A: Endangered species must be protected from the effects of construction and this could affect the location of the pipeline or other facilities. In the case of wetlands, if proper crossing procedures are used and no alternatives are available, they may be used for a pipeline right-of-way. If an archeological or historic site is eligible for listing in the National Register of Historic Places, impact to it must be mini-

mized. It will either be excavated and studied or the pipeline will be rerouted to avoid it. Landowners who want them usually are permitted to keep any artifacts after they are properly studied, subject to state law.

Q: Environmental studies were mentioned earlier. How do they work?

A: A Notice of Intent (NOI) to prepare an environmental assessment (EA) or an environmental impact statement (EIS) is issued for most major proposals. It is sent to federal, state and local agencies, local media and libraries, environmental groups, and, where the Commission is able to identify them, the owners of any land that would be crossed. For some major projects the NOI may announce a schedule of public meetings along the proposed route. The NOI seeks comments from interested parties on the scope of the environmental document, and the comments must be submitted to the Commission normally within 30 days. After the comment period, the Commission will prepare an EA or a Draft EIS outlining its findings and recommendations. For major proposals, further comments are sought during 45 days allotted for review of a Draft EIS or 30 days in the case of an EA. These comments are addressed in the Final EIS or the final order granting or denying the pipeline a certificate.

For additional information, contact:

Federal Energy Regulatory Commission
Office of External Affairs
888 First Street, NE
Washington, DC 20426
1-866-208-3372

www.ferc.gov

Enforcement Hotline: 202/502-8390
toll free: 877/303-4340

Other related FERC documents:

Guidance Manual for Environmental Report Preparation

*Guidelines for Reporting On Cultural
Resources Investigations*

*Handbook for Using Third-party Contractors to Prepare Environmental
Assessments & Environmental Impact Statements*

*Interim Guideline for Applicant-prepared
Draft Environmental Assessments*

Upland Erosion Control, Revegetation and Maintenance Plan

Wetland and Waterbody Construction and Mitigation Procedures

The above documents are available at:

<http://www.ferc.gov/gas/environment/guidelines.htm>

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