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May 7, 2015

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: *East Tennessee Natural Gas, LLC*, Docket No. CP15-91-000
Response to Scoping Comments

Dear Ms. Bose:

On February 20, 2015, East Tennessee Natural Gas, LLC (“East Tennessee”) filed an Abbreviated Application for a Certificate of Public Convenience and Necessity and for Related Authorizations with the Federal Energy Regulatory Commission (“Commission”) for its proposed Loudon Expansion Project. On March 24, 2015, the Commission issued a Notice of Intent to prepare an Environmental Assessment for the Loudon Expansion Project and initiated a scoping period to solicit comments on the project from interested stakeholders through April 23, 2015.

East Tennessee submits, in Appendix A hereto, its response to comments received during the scoping period. East Tennessee is committed to addressing concerns raised by landowners and other stakeholders in this certificate proceeding and will continue to work with stakeholders throughout this environmental review of the Loudon Expansion Project.

Should you have any questions concerning this request, please contact me at (713) 627-4102 or Joe Payne at (713) 627-5093. Sincerely,

/s/ Lisa A. Connolly
Lisa A. Connolly
General Manager, Rates and Certificates

Attachment

cc: Janine Cefalu



APPENDIX A

Responses to FERC Scoping Comments

LOUDON EXPANSION PROJECT

May 7, 2015

**East Tennessee Natural Gas, LLC
Docket No. CP15-91-000**

Prepared for:

Federal Energy Regulatory Commission
Office of Energy Projects
888 First Street, N.E., Room 1A
Washington, DC 20426

RESPONSES TO FERC SCOPING COMMENTS

1. **Concerns were expressed with regard to tree clearing activities planned along certain sections of the proposed pipeline route. Concerns expressed include potential impacts to visual barriers provided by the trees, as well as noise and pollution levels. The increased potential for contour changes, subsurface and surface drainage, or water runoff from Highway 72 as a result of tree removal was also a concern.**

AGENCY/STAKEHOLDERS: Clyde H. Thomas, Vonore, TN, filed 4/22/2015, Daniel W. Sexton, Vonore, TN, filed 4/21/2015, Richard A. Carver, Maryville, TN, filed 4/23/2015, Nicholas Hoad, Vonore, TN, filed 4/20/2015.

In response to landowner comments, East Tennessee has reassessed the tree clearing requirements for the additional temporary workspace needed to safely construct the Project and determined that it can reduce the width of the temporary workspace by a variable width of 10 to 35 feet for a distance of approximately 1,550 feet, including the removal of a 167 foot by-x 35 foot additional temporary workspace. In addition, temporary workspace will be allowed to revegetate, which will enhance the post-construction vegetative buffer in this area as temporary workspace is not required to remain cleared to meet DOT PHMSA maintenance requirements (49CFR192). This approach will preserve as many of the trees as possible and allow the continuation of an acoustic buffer and visual barrier from Highway 72.

The typical values associated with attenuation of highway noise by tree belts are relatively modest, generally <5 dB, and are generally unaffected by the width of the intervening vegetation. The relatively small area of forest to be cleared is expected to have an insignificant effect on overall pollution levels. The forest buffer may help reduce the potential for dust produced by highway traffic to reach nearby residences and serve as a privacy barrier for surrounding residences.

With regard to potential water runoff, East Tennessee will not permanently change the contour, elevation, or surface and sub-surface drainage patterns of the right-of-way and will follow the Loudon Expansion Project Erosion and Sediment Control Plan, provided as Appendix 1B, February 20, 2015, which meets or exceeds the FERC Upland Erosion Control, Revegetation, and Maintenance Plan, during installation and operation of the pipeline, including maintenance of the right-of-way. East Tennessee will install and maintain erosion-control Best Management Practices during construction and restore the construction area following construction, including planting the area with an appropriate seed mix within six days of final grading. With these precautions, the potential for increased runoff from the pipeline right-of-way will be minimized.

RESPONSES TO FERC SCOPING COMMENTS

2. Concerns were expressed with regard to plans to expand an existing public road and use it as a temporary access road during construction of the Project as well as the use of a related equipment storage area. Concerns expressed include the need to clear additional trees to widen the public road as well as clearing an adjacent lot for equipment storage, difficulties restoring the public road to its pre-expansion condition, and potential impacts to water wells and the groundwater supply.

AGENCY/STAKEHOLDERS: Clyde H. Thomas, Vonore, TN, filed 4/22/2015, Daniel W. Sexton, Vonore, TN, filed 4/21/2015, Richard A. Carver, Maryville, TN, filed 4/23/2015, Nicholas Hoad, Vonore, TN, filed 4/20/2015, Al B. Duckett, Vonore, TN, filed 4/23/2015.

The impact analysis for the FERC Environmental Report will be, and for introductory discussions with stakeholders, was conducted with a conservative assumption that access roads may require widening up to 25 feet. The temporary access road (TAR) at the end of Bat Creek Shoals Lane (TAR-1.87) is proposed to allow light-duty truck access to the right of way and HDD site for the crossing under Tellico Reservoir at MP 2.1. Because no heavy equipment traffic is proposed, no widening/straightening or tree clearing will be required and improvements will be limited to the addition of gravel, as needed to avoid degradation of the road, and restoration following use of the road. In addition, dust control measures in accordance with the Loudon Expansion Dust Mitigation Plan, will be implemented, if necessary.

In response to landowner comments, the additional temporary workspace previously located in the area referred to by commenter's as an adjacent lot has been removed from the proposed project workspace.

Two of the landowner's water wells are located near proposed TAR-1.87. As discussed above, TAR-1.87 will not require improvements beyond the potential addition of gravel. Impacts to TAR 1.87 when used for light duty truck access would be similar in nature to the existing use of the TAR 1.87 and thus no impacts to water wells or ground water supplies would be anticipated.

A third landowner's water well located at MP 2.5 will now be avoided with a proposed pipeline route modification. Water wells that are within the immediate vicinity of the construction workspaces or access roads will be monitored in accordance with East Tennessee's typical well water monitoring procedures.

RESPONSES TO FERC SCOPING COMMENTS

3. **Concerns were expressed with regard to plans to install the pipeline via the horizontal direct drilling ("HDD") method in a shallow area of Lake Tellico. Concerns expressed include potential siltation and adverse impacts to the lake bed.**

AGENCY/STAKEHOLDERS: Clyde H. Thomas, Vonore, TN, filed 4/22/2015, Daniel W. Sexton, Vonore, TN, filed 4/21/2015, Richard A. Carver, Maryville, TN, filed 4/23/2015, Nicholas Hoad, Vonore, TN, filed 4/20/2015.

East Tennessee has designed and proposed to install the pipeline crossing under Tellico Reservoir via HDD with a planned vertical separation of no less than 45 feet between the lakebed and the pipeline borehole (please see the Loudon Expansion Project HDD Plan & Profile Drawings, submitted April 14, 2015). Due to this separation, no impact to the waterbody is anticipated.

To eliminate potential siltation from surface runoff, the HDD entry and exit sites are set back approximately 100 feet from the ordinary high-water mark (OHWM) of Tellico Reservoir and outside the Tennessee Valley Authority-managed land defined at the 820-foot elevation contour. This will provide a broad vegetated buffer between the construction workspace and the waterbody. At this time, no vegetation clearing or ground disturbance is proposed within this vegetated buffer. East Tennessee will follow the Loudon Expansion Project Erosion and Sediment Control Plan (E&SCP), provided as Appendix 1B, February 20, 2015, which meets or exceeds the FERC Upland Erosion Control, Revegetation, and Maintenance Plan, during installation and operation of the pipeline, including maintenance of the right-of-way. East Tennessee will install and maintain erosion-control Best Management Practices during construction and restore the construction area following construction, including planting the area with an appropriate seed mix within six days of final grading. Based on these established techniques, siltation of the waterbody is not anticipated. The potential for inadvertent impacts during HDD installation is addressed in East Tennessee's Best Drilling Practices, Monitoring and Clean-up of Horizontal Directional Drilling Inadvertent Returns, filed as Appendix 2A, February 20, 2015.

**East Tennessee Natural Gas, LLC ("ETNG")
Docket No. CP15-91-000
Response to FERC Scoping Comments
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RESPONSES TO FERC SCOPING COMMENTS

4. Comments were received with regard to ETNG's stated intention to hold public meetings to discuss the Project and the different routes under consideration. Concerns were expressed that these meetings did not take place.

AGENCY/STAKEHOLDERS: Clyde H. Thomas, Vonore, TN, filed 4/22/2015, Richard A. Carver, Maryville, TN, filed 4/23/2015, Nicholas Hoad, Vonore, TN, filed 4/20/2015.

A public meeting to discuss the Loudon Project is scheduled to take place on Monday, May 11, 2015 from 4:30-7:00 pm at the Tellico West Conference Center, 121 Grand Vista, Vonore, Tennessee. Letters have been mailed to landowners within the 300 foot study corridor and elected officials. Interested parties are encouraged to attend the meeting to learn more about the Project and raise any questions or discuss concerns they may have.

RESPONSES TO FERC SCOPING COMMENTS

- 5. Commenters questioned why the proposed route did not follow the existing pipeline and right-of-way for its entire length.**

AGENCY/STAKEHOLDERS: Clyde H. Thomas, Vonore, TN, filed 4/22/2015, Al B. Duckett, Vonore, TN, filed 4/23/2015.

The existing pipeline right-of-way was analyzed in East Tennessee's Resource Report No. 10 as Alternative A. Because of the development of the Tellico Reservoir and several residential areas since the construction of the Loudon-Lenoir City Lateral Line more than 45 years ago, this alternative route based on existing pipeline right-of-way would intersect significantly greater portions of open water (Tellico Reservoir) requiring more than twice as much horizontal directional drill (HDD) installation and would impact more than twice as many residences as the proposed route (15 vs. 6). [See table 10-1 in Resource Report No. 10 for a comparison of the impacts of Alternative A to the other alternatives, including the proposed alternatives.]

RESPONSES TO FERC SCOPING COMMENTS

6. Commenters proposed an alternative route collocated along the right (east) side of Highway 72.

AGENCY/STAKEHOLDERS: B. Duckett, Vonore, TN, filed 4/23/2015, Daniel W. Sexton, Vonore, TN, filed 4/21/2015, Nicholas Hoad, Vonore, TN, filed 4/20/2015.

East Tennessee considered this potential alternative route early in the process and provides below the considerations that led to the elimination of this potential route as an alternative.

The most significant environmental feature on the east side of Highway 72 at this location is Tellico Reservoir. This alternative route would cross Tellico Reservoir three times. The first (or southern) crossing is at least 500 feet long and would likely need to be 1,000 feet long to avoid residences. The second and third crossings would be at least 100 and 400 feet long, respectively, but because of limited construction space between the reservoir and the highway, would likely need to be combined into a single 1,200-foot HDD. These are significantly longer HDD installations than the proposed route and present much greater constructability challenges than the proposed route. In addition, this alternative route would be within 50 feet of at least two existing residences and multiple undeveloped residential lots (i.e., greater residential impact than the proposed route).

Further, a key consideration in accessing necessary workspaces is safety concerns to both the public and construction crews related to entrances onto high-traffic, high-speed roads, such as Highway 72. This alternative route would require new DOT access points along a currently uninterrupted segment of Highway 72 as compared to the proposed route which accesses roads along or at the terminus of low-traffic, low-speed secondary roads.

An analysis of this alternative (East Side Alternative) as compared to the proposed alternative (Alternative F) is provided in Table 10.1a, as Attachment 1. Because of these considerable safety, constructability, and environmental issues, this route was not selected.

RESPONSES TO FERC SCOPING COMMENTS

- 7. Commenters proposed an alternative route collocated with Lakeside Road and Farnsworth Road, contending that this route would avoid Lake Tellico and nearby forested areas, as well as reduce the loss of vegetation between their property and Highway 72.**

AGENCY/STAKEHOLDERS: Clyde H. Thomas, Vonore, TN, filed 4/22/2015, Nicholas Hoad, Vonore, TN, filed 4/20/2015, Richard A. Carver, Maryville, TN, filed 4/23/2015.

An alternative route collocated with Lakeside Road and Farnsworth Road is a variation of Alternative D, which was analyzed in East Tennessee's Resource Report No. 10. Alternative F (the preferred alternative) was found to be preferable to Alternative D because of its greater percentage of collocation with existing right-of-way, which reduces the greenfield environmental impacts in the Project area. The variation suggested by the commenters would collocate the pipeline with the rights-of-way of Lakeside Road and Farnsworth Road, but it would also add two-tenths of a mile of length to Alternative D (which was already the longest of the alternatives) and require an additional, relatively long (>800 foot) HDD installation under an arm of Tellico Reservoir, increasing the potential for constructability issues. An analysis of this alternative (Alternative D1) as compared to the proposed alternative (Alternative F), is provided in Table 10.1a, as Attachment 1. Because this route variation had no significant advantages to Alternative D (which was not preferred), it was not further analyzed.

RESPONSES TO FERC SCOPING COMMENTS

8. Commenters expressed concerns with regard to compensation for landowner loss of value/enjoyment due to potential increased noise pollution, lack of privacy with the clear cutting of trees and safety due to proximity to a gas pipeline.

AGENCY/STAKEHOLDERS: Richard A. Carver, Maryville, TN, filed 4/23/2015, Daniel W. Sexton, Vonore, TN, filed 4/21/2015.

Please refer to the response to question No. 1 which addresses concerns related to increased noise pollution, lack of privacy and tree clearing.

Value/Compensation

Before beginning negotiations for new permanent easement rights, East Tennessee retains the services of an independent real estate appraiser with professional qualifications and is familiar with the Project area. The appraiser will develop a market study of land values based on recent sales in the communities where we propose a new or expanded pipeline route. Based upon the appraiser's market study as well as other factors, East Tennessee will determine the value (or compensation) for the necessary permanent and temporary easement rights. If permanent and/or temporary easement rights are necessary, a Right-of-Way Agent will review the calculated values with the landowner in an effort to purchase the Grant of Easement and reach an agreement for compensation. After an agreement is reached on the amount of compensation and the language of the Grant of Easement, the easement agreement is executed and a check is issued by the Right-of-Way Agent to the landowner. East Tennessee will compensate each landowner fairly for two different aspects relative to the property:

- **Easement Rights** – East Tennessee will pay fair market value for the rights and interest being acquired as it crosses the landowner's property. East Tennessee also will pay a rental value for any additional land rights required on a temporary basis for use during construction.
- **Damages** – In accordance with the provisions contained in the easement or related agreements, East Tennessee will pay for damages to any structures, landscaping or decorative trees directly impacted by the construction of the facilities. East Tennessee will repair such items as fences, streets, roads and driveways and will restore the property as near as practicable to its pre-construction contours. If future maintenance activities are required on the easement, East Tennessee will compensate the landowners for damages associated with that activity.

Landowner Retention of Ownership: The permanent easement agreement will give East Tennessee certain rights to construct, maintain and operate the pipeline, but the landowner will retain ownership of the land covered by the easement. In most cases, the landowner's use of the land within the easement area, with certain limitations, will remain the same as before construction. If the property is sold, the rights and responsibilities under the easement will stay with the property under the new owner.

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Impact of a pipeline to property values

The Federal Energy Regulatory Commission (FERC), the lead federal agency on the construction of pipelines, researched pipelines effect on property values and reported the results in an Environmental Impact Statement issued in October, 2014 (FERC Docket No. CP13-499-000, pages 4-152 to 4-156). FERC found a lack of evidence supporting landowners' claims that pipelines result in decreased property values.

Additionally, a study by Allen, Williford & Seale, Inc. titled "Natural Gas Pipeline Impact Study" in 2001 found that that neither the size of a pipeline (diameter) nor the product carried by a pipeline has any significant impact on sales price. The study also found that there is no discernible impact on demand for properties located along natural gas pipelines in the locations studied and the existence of a pipeline did not impede development of the surrounding properties in any location researched.

The study looked at several types of locations and found that a pipeline did not impact any specific property type more or less severely than other property types in the areas studied.

These included:

- a suburban area crossed by one natural gas pipeline
- a suburban area crossed by multiple natural gas and products pipelines
- a rural area crossed by one natural gas pipeline
- a rural area crossed by multiple natural gas pipelines and one products pipeline
- A copy of the Allen, Williford & Seale study can be found at www.ingaa.org.

Safety

According to the U.S. Department of Transportation, natural gas transmission pipelines are the safest mode of transportation for natural gas.

East Tennessee is dedicated to the safe, reliable operation of facilities and the protection of employees, the public and the environment.

Natural gas pipelines monitor and control safety in many ways and use many different tools. Collectively, these tools make natural gas transmission pipelines one of the safest forms of energy transportation. East Tennessee safety programs are designed to prevent pipeline failures, detect anomalies, perform repairs and often exceed regulatory requirements.

The U.S. Department of Transportation's ("USDOT") Pipeline and Hazardous Materials Safety Administration ("PHMSA") oversees the safety of interstate natural gas pipelines and mandates minimum requirements, from the design and construction to testing, operations, maintenance and emergency response. The new pipeline will operate in strict accordance with all federal and state safety requirements.

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East Tennessee will work closely with local public safety officials to provide them with a thorough awareness of pipelines and pipeline safety.

Once the facilities are placed in service, East Tennessee will implement operation procedures designed to monitor the pipeline 24 hours a day/7 days a week, and East Tennessee maintains the facilities per applicable federal and state regulations.

To ensure our pipelines remain in safe and reliable operating condition, we employ a number of techniques – from high-tech monitoring at our gas control centers to foot patrols of pipeline right-of-ways.

ATTACHMENT 1

TABLE 10-1a									
Comparison of the Loudon Mainline Extension Route Alternatives									
Alternative (MP) Environmental/ Engineering Factors	Units	Alternative A (Collocated with Existing Loudon-Lenoir City Lateral Line)	Alternative B	Alternative C	Alternative D	Alternative D1	Alternative E	East Side Alternative	Alternative F (Preferred)
Length	Mile	9.3	9.9	10.1	10.4	10.6	9.7	10.0	10.0
Parallel/Adjacent to Existing ROW	Mile	9.3	4.7	6.1	6.6	8.1	9.3	7.7	9.1
National Wetlands Inventory Wetlands Affected	Acre	4.9	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
Waterbodies Crossed	Number	19	18	19	22	22	17	20	18
Roads Crossed	Number	22	16	14	21	21	20	19	20
Residences within 50 feet of Construction Workspace	Number	15	4	6	8	10	6	7	6
Notes: Length and area based on Geographic Information System analysis and rounded; total may not equal sum of addends.									

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding (CP15-91-000).

Dated at Houston, Texas, this 7th day of May, 2015.

/s/ Joe Payne

Joe Payne
Manager, Rates and Certificates
East Tennessee Natural Gas, LLC
5400 Westheimer Court
Houston, TX 77056
713-627-5093