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May 14, 2015

Russell R. McMurry, P.E. Commissioner  
Georgia Department of Transportation  
Office of Utilities, 10<sup>th</sup> Floor  
600 West Peachtree Street NW  
Atlanta, Georgia 30308

PRESIDENT  
Robert Ramsay\*

Re: Palmetto Pipe Line Products, LLC's (Kinder Morgan) Application  
for a Certificate of Public Convenience and Necessity

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George N. Mori, Atlanta\*

Dear Commissioner McMurry:

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The Georgia Conservancy is Georgia's oldest statewide environmental organization focused on the protection of our state's land and water. Since 1967, we have worked to protect and conserve Georgia's natural resources through advocacy, engagement and collaboration.

Please accept and consider these comments in opposition to Kinder Morgan's application for a Certificate of Public Convenience and Necessity for their proposed Palmetto Pipeline project.

When Georgia's top officials at the Capitol, oil entrepreneurs in Savannah, coastal civic and business leaders, local governments, and some of our state's most strident environmental groups agree that a proposed 360-mile fuel pipeline is bad for our state, then the company attempting to build it should take a hint – they are not wanted, nor needed in Georgia.

*The Georgia Conservancy stands with this diverse and widespread group of Georgians in opposition to Kinder Morgan's proposed Palmetto Pipeline.*

The Savannah, Ogeechee, Altamaha, Satilla and St. Marys rivers are the veins that give life to Georgia's dynamic freshwater wetlands, salt marsh, barrier islands and estuaries. Soils and sediments from our ancient Blue Ridge Mountains and our forested coastal plain travel these networks to the sea, depositing themselves in the marsh and providing nutrients to a complex maritime ecosystem - one that houses a vast array of species, both common and threatened, and one that provides Georgians a place with which to recreate and explore. The waters of these rivers literally give life to the coast – they are as precious of a resource that exists in this state. And all of them, along with numerous tributaries and tidal creeks, are directly in the path of the proposed Palmetto Pipeline, a fuel pipeline that would run from northern South Carolina to Jacksonville, Florida.

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\*Executive Committee Member

Kinder Morgan, North America's largest energy infrastructure company, has requested the Georgia Department of Transportation (GDOT) to approve a Certificate of Public Convenience and Necessity for the approximately 360-mile pipeline (210 of which would be located in Georgia). This certificate would allow Kinder Morgan, a publicly-held, out-of-state company that is driven by solely by profits, the power to use eminent domain to take privately-owned land from Georgians to use for the pipeline right-of-way.

The Georgia Conservancy has many concerns regarding the proposed Palmetto Pipeline, including its lack of necessity, its potential for irreversible environmental damage and Kinder Morgan's seizure of private property.

Is there an overwhelming public need for an increase in gasoline supply in southeast Georgia that outweighs the environmental harm that the pipeline could potentially inflict?

The data says, NO.

Georgia law requires "a showing that use of the power of eminent domain may be necessary for construction of the pipeline, and a showing that the public necessity for the petroleum pipeline justifies the use of the power of eminent domain."

Kinder Morgan has yet to prove a public necessity for the Palmetto Pipeline because the data does not support it.

Currently, the fuel needs of coastal Georgia are being adequately met. The greater Savannah area currently consumes 20,000 barrels of fuel per day and is supplied by nearly two dozen competitors. Fuel is shipped to the area via ocean tankers that make call at the Port of Savannah and through trucks that receive fuel at terminals in North Augusta, South Carolina and Macon, Georgia. Additionally, the demand for gasoline and diesel in Georgia and Florida declined 18% from 2005-2012, according the U.S. Energy Information Administration, and there is no sign that there will be a future increase in demand that would merit an increase in fuel supply.

In addition to the lack of demand for increased fuel supplies in the Savannah area, the maximum amount of fuel that the entire Georgia Coast could receive from Kinder Morgan would be less than 15% of the planned pipeline capacity, or more than 22,000 barrels a day – more than current demand.

The "end-user" is Jacksonville, Florida, a city that currently and historically has higher gas prices than Savannah, making it an attractive location for Kinder Morgan to supply with fuel. Exxon and Marathon Oil own two Louisiana refineries from which the gasoline and diesel originate, they share the Jacksonville distribution terminal at which the Palmetto Pipeline will terminate (which Marathon owns), and Exxon owns 49% of the existing Plantation Pipeline (from which the Palmetto Pipeline will be a spur). The Palmetto Pipeline is all about getting fuel to Jacksonville and from one Exxon/Marathon facility to another. The construction of the pipeline in Georgia and on the private land of her citizens is just a means to an end.

Does the Palmetto Pipeline pose a threat to a number of areas in southeast Georgia that have imperiled habitats and that are ecologically-sensitive?

The science says, YES.

According to detailed geographic information systems (GIS) maps of the proposed Palmetto Pipeline route, the pipeline would traverse a number of areas of significant ecological value. GIS habitat maps developed by the Georgia Coastal Land Conservation Initiative (GCLCI), through a partnership between the Georgia Department of Natural Resources, the Association of County Commissioners of Georgia and the Georgia Conservancy, were combined with GIS maps provided by Kinder Morgan. Included in the path of the proposed route are public and private conservation lands and five major Georgia watersheds.

Found in many of these private and public tracts along the proposed route are habitat areas that are included on the Global Conservation Status Ranking. Species found in these habitats range on the Global Conservation Status scale from G3 (vulnerable, moderate risk of extinction) to G1 (critically imperiled with a very high risk of extinction). Many of these areas are, have been, and remain places of great focus and investment for permanent conservation and/or habitat restoration.

The technology used to build and monitor pipelines such as the proposed Palmetto Pipeline is not a failsafe against accidents. Ruptures of the pipeline and the spillage of thousands of gallons of gasoline has happened on Kinder Morgan pipelines. Currently, and as the company is touting the safety of pipelines like the one that would be constructed in Georgia, our neighbors in South Carolina are dealing with the effects of a 360,000 gallon gasoline spill caused by a faulty sleeve in the Plantation Pipeline, a pipeline owned by Kinder Morgan. If such an incident were to happen to the Palmetto Pipeline, our rivers, marshes, estuaries and public and private lands that house a number of vulnerable and critically imperiled species, and that Georgians rely upon for recreation and as commercial fisheries, could be adversely effected and become permanently polluted.

Should the State of Georgia permit Kinder Morgan to seize Georgian's lands for private gain with no real benefit to Georgia and her citizens?

In our opinion, ABSOLUTELY NOT.

The seizure of private property by a non-public entity is of great concern to the Georgia Conservancy. When the federal or state government uses the power of eminent domain it is under the understanding that tax paying citizens will benefit from that project and our elected or appointed officials must prove that that outcome will be the case. If government officials abuse this constitutional power, they can be voted out of office. When a publicly-traded, out-of-state company requests the power of eminent domain, they do not do so with the local public's best interest in mind. They answer to their board of directors, their largest stockholders and their bottom-line, not to the voting and tax-paying public.

Property owners still have to pay property taxes on any ceded, sold or condemned acres that would be used for the pipeline right-of-way. Additionally, future access by the property owner to tracts divided by the right-of-way could become a challenge, both logistically and financially.

For any vehicle larger than a pick-up truck (e.g. a tractor or bailer) that crosses over the buried pipeline, a bridge would have to be built at the land owner's expense.

GDOT officials must look at Kinder Morgan's request in the same way that it would any proposed state project and ask themselves, "is this private pipeline in the best interests of our voting, tax-paying constituents?"

Kinder Morgan's Palmetto Pipeline is bad for Georgia. It is not wanted, it is not needed and, if built, could cause irreparable damage to Georgia's fragile coastal ecosystems. Those who would profit would be the out-of-state corporate executives and shareholders of Kinder Morgan, and the only long-term local jobs that the pipeline could provide would be those of an environmental clean-up crew if the pipeline were to rupture, as the Plantation Pipeline recently did in South Carolina.

Due to our many concerns, the Georgia Conservancy is opposed to the construction of Kinder Morgan's Palmetto Pipeline and requests that the Georgia Department of Transportation deny the company's request for a Certificate of Public Convenience and Necessity.

The preservation of our threatened coastal ecology, the protection of our public waterways from catastrophic environmental damage and the rights of private landowners should be more of a concern to the State of Georgia than lowering the price of fuel in Jacksonville, Florida and padding the pockets of Texas-based energy giant Kinder Morgan.

Thank you for your consideration.

Sincerely,

Robert Ramsay  
President, The Georgia Conservancy