

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

ENERGY TRANSFER CRUDE OIL COMPANY, LLC	)	
	)	Docket No. 14-0755
	)	
APPLICATION PURSUANT TO SECTION 15-401	)	
OF THE COMMON CARRIER	)	
BY PIPELINE LAW AND SECTIONS 8-503	)	
AND 8-509 OF THE PUBLIC UTILITIES ACT	)	
AND FOR A CERTIFICATE IN GOOD STANDING	)	
AND RELATED AUTHORITY TO CONSTRUCT AND	)	
OPERATE A PETROLEUM PIPELINE AS A COMMON	)	
CARRIER PIPELINE AND WHEN	)	
NECESSARY TO TAKE PRIVATE PROPERTY AS	)	
PROVIDED BY THE LAW OF EMINENT DOMAIN	)	

**SURREBUTTAL TESTIMONY OF**

**TRACEY MCDANELD**

**ON BEHALF OF**

**ENERGY TRANSFER CRUDE OIL COMPANY, LLC**

**ETCO EXHIBIT 5.9**

**June 16, 2015**

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1 **I. WITNESS INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. Please state your name, present position and business address.**

3 A. My name is Tracey McDanel. I am the Right-of-Way Field Supervisor of KP Land  
4 Services. KP Land Services is the Right of Way Service Company contracted by Energy  
5 Transfer Crude Oil Company, LLC (“ETCO”), the Applicant in this proceeding, for the  
6 Illinois new build portion of the Energy Transfer Crude Oil Company project. My  
7 business address is 321 West Main Street, Salem, Illinois 62881.

8 **Q. Have you previously submitted prepared testimony and exhibits in this proceeding?**

9 A. Yes, I have previously submitted prepared direct testimony, dated January 21, 2015,  
10 which is identified as ETCO Exhibit 5.0, and accompanying exhibits identified as ETCO  
11 Exhibits 5.1 through 5.5. In my direct testimony, I described the processes and  
12 procedures ETCO is using to contact landowners and to negotiate with them for the  
13 acquisition of easements needed for the proposed ETCO Pipeline. In addition, I  
14 submitted rebuttal testimony, dated May 1, 2015, which is identified as ETCO Exhibit  
15 5.6, and accompanying exhibits identified as ETCO Exhibits 5.7 through 5.8.

16 **Q. What is the purpose of your surrebuttal testimony?**

17 A. The purpose of my surrebuttal testimony is to present updated information, as of June 12,  
18 2015, regarding ETCO’s communications and negotiations with landowners, and efforts  
19 to acquire easements through the negotiation process. My surrebuttal testimony will  
20 demonstrate that ETCO has continued to engage in extensive, reasonable efforts to  
21 acquire the necessary easements through good-faith negotiations and voluntary  
22 agreements. This information further supports the recommendation of Commission Staff  
23 witness Mark Maple that ETCO should be granted eminent domain authority.

24 **Q. In addition to your prepared testimony, which is identified as ETCO Exhibit 5.9,**  
25 **are you sponsoring any other exhibits?**

26 A. Yes, I am also sponsoring the exhibit identified as ETCO Exhibit 5.10. ETCO Exhibit  
27 5.10 lists the parcels on the proposed route of the ETCO Pipeline for which easements are  
28 required, and sets forth, as of June 12, 2015, the number of contacts that ETCO has had  
29 with the owners of each parcel and the status of negotiations for acquisition of an  
30 easement on that parcel.

31 **II. LANDOWNER CONTACTS AND NEGOTIATIONS AND EASEMENTS ACQUIRED**

32 **Q. What is the current status of ETCO's negotiations for easements with landowners**  
33 **whose property is on the proposed ETCO pipeline route?**

34 A. As of June 12, 2015, there are 160 parcels of property in total that will be crossed by the  
35 ETCO proposed pipeline route. ETCO has successfully entered into contracts for  
36 easements with the owners of 80 of the parcels, which is 50% of the total. ETCO has  
37 made offers to the owners of all of the 80 remaining parcels. ETCO is still negotiating  
38 with these landowners and the easement agreements have not yet been finalized. This  
39 means that ETCO either has entered into an easement agreement, or has an offer  
40 outstanding, to the owners of 100% of the parcels on the proposed route.

41 **Q. Are there any landowners whose responses to date indicate that they may be**  
42 **unwilling to negotiate with ETCO in good faith for an easement agreement on**  
43 **reasonable terms?**

44 A. Yes, there is one landowner who is declining to meet with ETCO or its land agent to  
45 discuss negotiation of an easement. In addition, there are 25 parcels for which the  
46 landowners' responses have indicated that they may be unwilling to negotiate with ETCO

47 in good faith for easement agreements on reasonable terms. Specifically, 14 landowners  
48 representing 19 tracts, who are negotiating together, continue to request compensation  
49 that is almost two and a half times ETCO's offer. A counter offer was recently presented  
50 to this group and, to date, these landowners have not accepted or rejected the counter  
51 offer presented to them. Additionally, 3 landowners representing 6 tracts have also  
52 presented counter offers well above ETCO's offer. As I previously testified, ETCO's  
53 offers for compensation for the easement are based on 100% of fair market value as  
54 determined in a market study for each county performed by Allen, Williford and Seale,  
55 Inc.

56 **Q. What is ETCO Exhibit 5.10?**

57 A. ETCO Exhibit 5.10 shows the status, as of June 12, 2015, of ETCO's contacts and  
58 negotiations with all landowners of properties that will be crossed by the proposed route  
59 of the ETCO Pipeline. ETCO Exhibit 5.10 is in the same form as ETCO Exhibit 5.7 that  
60 was submitted with my rebuttal testimony, as well as the form that has been submitted to  
61 the parties in this proceeding on a monthly basis as ETCO's response to Staff Data  
62 Request ENG 1.21. ETCO Exhibit 5.10 shows whether an easement agreement has been  
63 entered into for each parcel, and the dates of the easement agreements. The exhibit also  
64 shows the numbers and dates of contacts that ETCO has had with the owner of each  
65 parcel and/or the owner's representative.

66 **Q. Does this conclude your prepared surrebuttal testimony?**

67 A. Yes.