

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

STECKMAN RIDGE GP, LLC,	:	
SPECTRA ENERGY TRANSMISSION	:	
RESOURCES, LLC AND NJR	:	No.
STECKMAN RIDGE STORAGE	:	
COMPANY, partners trading as	:	
STECKMAN RIDGE, LP, a Delaware	:	Civil Action
joint venture limited	:	
partnership,	:	
	:	Eminent Domain
Plaintiff	:	
	:	
v.	:	FILED ELECTRONICALLY
	:	
AN EXCLUSIVE NATURAL GAS	:	
STORAGE EASEMENT BENEATH	:	Injunctive Relief
100.00 ACRES, MORE OR LESS,	:	Requested
IN MONROE TOWNSHIP, BEDFORD	:	
COUNTY, COMMONWEALTH OF	:	
PENNSYLVANIA; and 0.82 ACRES	:	
OF LAND, MORE OR LESS, IN	:	
MONROE TOWNSHIP, BEDFORD	:	
COUNTY, COMMONWEALTH OF	:	
PENNSYLVANIA; and	:	
	:	
KENNETH R. KLAHRE and SANDRA	:	
K. KLAHRE,	:	
	:	
Defendants	:	

**COMPLAINT**

Plaintiffs Steckman Ridge GP, LLC, as general partner; and Spectra Energy Transmission Resources, LLC and NJR Steckman Ridge Storage Company, as limited partners, together trading as Steckman Ridge, LP, by the undersigned attorneys, file this complaint in eminent domain, averring as follows:

**Nature of the Case**

1. This is a civil action for the taking of property under the power of eminent domain and for the ascertainment and award of just compensation to the owners and any other parties in interest.

2. This action arises under the Natural Gas Act, 15 U.S.C. § 717 et seq., and the authority for the taking is granted by 15 U.S.C. § 717f(h).

3. The use for which the defendants' property is to be taken is for the construction, operation and maintenance of a natural gas storage facility serving the transportation of natural gas in interstate commerce, including the construction, operation and maintenance of pipelines, wells and well heads on certain properties, and appurtenant facilities.

4. The interests to be acquired in the subject property are permanent and temporary easements, gas storage rights and residual gas reserves.

**The Parties**

5. Steckman Ridge, LP is a Delaware joint venture limited partnership duly qualified to do business in the Commonwealth of Pennsylvania, with its principal place of business located at 5400 Westheimer Court, Houston, Texas 77056; whose general partner is Steckman Ridge GP, LLC, a Delaware limited liability company; and whose limited partners are Spectra Energy

Transmission Resources, LLC, a Delaware limited liability company, and NJR Steckman Ridge Storage Company, a Delaware corporation. The partnership and its partners are hereinafter referred to collectively as "Steckman".

6. Steckman is a "natural gas company" within the meaning of the Natural Gas Act, 15 U.S.C. §§ 717a(6) and (1).

7. By proper resolution, Steckman has authorized an appropriation and condemnation of the easements for surface and subsurface rights described more fully herein. A true and correct copy of the resolution is attached to this complaint as exhibit A and incorporated herein by reference.

8. Kenneth R. Klahre and Sandra K. Klahre are adult individuals, believed to be husband and wife, who reside at 5637 Big Creek Road, Clearville, Bedford County, Pennsylvania 15535.

9. Defendants own fee title to certain lands situated in Monroe Township, Bedford County, Pennsylvania, more particularly described on exhibit B hereto (hereinafter the "Property").

10. Defendants also own fee title to oil, gas and other minerals along with certain rights in the geologic formations underlying the Property (hereinafter referred to as the "Formation").

11. The surface rights that Steckman wishes to acquire are as follows:

- a. A permanent right of way and easement fifty feet (50') wide for the purpose of constructing,

laying, maintaining, operating, inspecting, altering, repairing, replacing, removing, reconstructing, relocating, changing the size of, abandoning and/or removing a pipeline or pipelines and related appurtenances, as described on the plat attached hereto as exhibit C; and

- b. Temporary workspace easements for construction purposes.

12. The subsurface rights that Steckman wishes to acquire are as follows:

- a. An exclusive and permanent easement for the purpose of transporting, injecting, storing, retrieving and withdrawing natural gas, and to protect the stored gas, located within the subsurface interval commencing five hundred feet (500') above the top of the Oriskany Sandstone and extending to five hundred feet (500') below the base of the Oriskany Sandstone, within and underlying the Property;
- b. The right to make all reasonable and necessary use of the surface of the Property for the purpose of constructing, operating and maintaining a gas storage facility to effectuate delivery of gas to and from the gas storage facility; and
- c. Fee title to the residual gas reserves remaining in the Oriskany Sandstone.

13. Defendants are all the persons presently known to Steckman to have or claim an interest in the Property and the Formation within and underlying the Property that would be taken as a result of this action.

14. In addition to the parties named herein, there may be others who have or may claim some interest in the Property and the Formation within and underlying the Property, whose names are

currently unknown to Steckman. They are made parties to this action under the designation of "unknown others."

**Jurisdiction and Venue**

15. This Court has jurisdiction over this action under Section 7(h) of the Natural Gas Act, 15 U.S.C. § 717f(h), because the property in which Steckman seeks to take an interest by eminent domain is located within the County of Bedford, Commonwealth of Pennsylvania, in the Western District of Pennsylvania, and because defendants claim \$3,000 or more as compensation for the taking.

16. In addition, jurisdiction exists under 28 U.S.C. § 1331 (federal question jurisdiction), because this action arises under the laws of the United States; and under 28 U.S.C. § 1337, because the action arises under an Act of Congress regulating interstate commerce.

17. Venue is properly laid in this district under 28 U.S.C. § 1391(a), because the real property at issue in this action is located entirely in Bedford County, Commonwealth of Pennsylvania, within the Western District of Pennsylvania.

**Background**

18. Steckman has been authorized by the Federal Energy Regulatory Commission ("FERC"), an instrumentality of the United States of America having jurisdiction in the premises, to engage in the transportation of natural gas (including, without

limitation, the storage of natural gas) in interstate commerce for ultimate public consumption, subject to FERC's continuing jurisdiction.

19. Steckman is vested with the right of eminent domain pursuant to the Natural Gas Act, 15 U.S.C. § 717f(h).

20. On June 5, 2008, after lengthy and extensive administrative proceedings, FERC issued an order granting to Steckman a certificate of public convenience and necessity (the "FERC certificate") to construct a natural gas storage facility in Bedford County, Pennsylvania. A copy of the FERC certificate is attached hereto as exhibit D.

21. As authorized and approved in the FERC certificate, Steckman plans to develop and operate a multi-cycle natural gas storage facility (hereinafter the "Project") by converting an existing natural gas production field.

22. FERC has determined that the Project will serve the public interest, in that the proposed storage facility will enhance the development of an efficient interstate pipeline transportation system by providing customers access to additional high-deliverability storage capacity. (Exhibit D, ¶¶ 24, 101).

23. Steckman received approval to install specified facilities as set forth in the FERC certificate, including, without limitation, the conversion of five (5) existing production wells into storage wells; the drilling and development

of eighteen (18) new storage wells; the construction of a storage field piping network; the construction of a compressor station as well as gas processing and dehydration facilities, a meter and regulator station, and other associated appurtenances; and the removal of existing production field piping. (Exhibit D, ¶ 7).

24. The projected in-service date for the Project is April 1, 2009. (See exhibit D, Section I, ¶ E).

25. To meet the projected in-service date for the entire Project, construction must begin in a timely manner on the property.

26. To construct and operate the Project facilities in accordance with the FERC certificate, Steckman must acquire permanent and temporary easements in privately-owned lands along with related property interests.

27. Pursuant to the authority granted in the FERC certificate and its rights of eminent domain under the Natural Gas Act, Steckman intends to acquire, by condemnation, easements and other interests in lands owned by defendants and others in Monroe Township, Bedford County, Pennsylvania, along with storage rights in the geologic formation underlying the landowners' properties and the residual gas reserves remaining in the Oriskany Sandstone.

28. The defendants own real property located within the Bedford County project site and possess related property

interests that are subject to condemnation by Steckman for purposes of construction, operation and maintenance of the gas storage facility in accordance with the FERC certificate and the eminent domain authority expressly granted therein pursuant to the Natural Gas Act.

**Count I**

**Award of Possession  
By Eminent Domain**

29. Plaintiffs incorporate by reference the foregoing paragraphs 1 through 28 as if fully restated.

30. Steckman holds a valid FERC certificate that authorizes the construction, operation and maintenance of the Project, including the construction, operation and maintenance of pipelines, well heads on certain properties and/or related facilities, on defendants' property.

31. Steckman has negotiated at length in an attempt to acquire by contract the necessary property interests, but has been unable to reach agreement with defendants.

32. By virtue of the authority granted in the Natural Gas Act, 15 U.S.C. § 717f(h), and the FERC certificate, Steckman is vested with federal eminent domain power to acquire interests in the Property, and pursuant to such authority, Steckman seeks to take by eminent domain the permanent and temporary easements in the Property.

33. Steckman requires a temporary easement with an area of 0.65 acres located near the southeastern border of the Property, as shown on exhibit C, for the purpose of constructing a pipeline known as Line 90, as well as performing certain post-construction activity, commencing with the date of Court-authorized entry on the Property and terminating no later than October 1, 2009.

34. Steckman requires a permanent easement with an area of 0.17 acres located near the southeastern border of the Property, as shown on exhibit C, for the purpose of constructing a pipeline known as Line 90 and related appurtenances.

35. It is necessary for Steckman to obtain immediate access to and possession of the Property in a timely manner, in order to meet construction deadlines and otherwise comply with the April 1, 2009 in-service date set forth in the FERC certificate.

## **Count II**

### **Determination of Just Compensation**

36. Plaintiffs incorporate by reference the foregoing paragraphs 1 through 36 as if fully restated.

37. Defendants are entitled to an award of just compensation for the property interests granted to Steckman in this action.

WHEREFORE, Steckman Ridge, LP respectfully prays that this Honorable Court:

- a. Issue a preliminary injunction that grants Steckman and its agents immediate access, possession of, and entry onto the Property identified in exhibits B and C prior to the award of just compensation to construct, operate and maintain the Project as described in the FERC certificate; and
- b. Enter judgment condemning portions of the Property identified in exhibits B and C, and authorizing Steckman and its agents to enter upon and take immediate possession of the Property for the purpose of constructing, operating and maintaining the Project, including construction of pipelines, all related equipment and appurtenances as authorized by FERC, all of which will be and remain the property of Steckman for the storage of natural gas, to be transported in interstate commerce through appurtenant pipelines;
- c. Enter judgment condemning a portion of the Formation within and underlying the Property identified in exhibits B and C-1, and authorizing Steckman and its agents to enter upon and take immediate possession of the Property for the purpose of transporting, injecting, storing, retrieving and withdrawing natural gas, and to protect the stored gas, located within the subsurface interval commencing five hundred feet (500') above the top of the Oriskany Sandstone and extending to five hundred feet (500') below the base of the Oriskany Sandstone, within and underlying the Property;
- d. Enter judgment condemning the residual gas reserves remaining in the Oriskany Sandstone;
- e. Granting Steckman the right to make all reasonable and necessary use of the surface of the Property for the purpose of constructing a gas storage facility to effectuate delivery of gas to and from the gas storage facility;
- f. Appoint a commission for the determination of just compensation on the taking pursuant to Fed. R. Civ. P. 71.1(n)(2)(A), should any party demand a jury, and further prays that just compensation for the acquisition by eminent domain of the permanent

and temporary easement interests be ascertained and awarded; and

- g. Grant such other relief as the Court seems just and proper.

Respectfully submitted,

KEEFER WOOD ALLEN & RAHAL, LLP

Dated: July 15, 2008

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