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PIPELINE**

A SUBSIDIARY OF ONEOK PARTNERS, L.P.

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# *Dear Guardian Pipeline Route Landowner:*

Guardian has been committed to working cooperatively with landowners and local officials and is committed to communicating openly and treating all landowners with respect and courtesy.



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## **Dear Guardian Pipeline Route Landowner:**

At midyear 2007, the Guardian Expansion and Extension Project (“Project”) is close to its halfway point – 16 months since being announced, and approximately 17 months until the pipeline is planned to be in service. Since inception, Guardian has been committed to working cooperatively with landowners and local officials. That cooperation has led to evaluation of more than 100 route variations that have been requested by either landowners or local government.

With right-of-way acquisition progressing, we are hearing questions about different aspects of the Project. Answering questions you may have is important to us. Guardian is committed to communicating openly and treating all landowners with respect and courtesy. We hope the information in this letter is helpful to you. If you have other questions please contact us.

In April, the Federal Energy Regulatory Commission (“FERC”) staff issued a Draft Environmental Impact Statement (“DEIS”) and designated a comment period and hosted three public comment meetings along the pipeline route. Additional information provided by interested parties will be incorporated in the Final Environmental Impact Statement (“FEIS”), expected to be issued soon. We are pleased that the FERC staff, in the DEIS, concluded that subject to the construction procedures proposed by Guardian, and the terms and conditions recommended in the DEIS, the expansion and extension of the pipeline can be constructed and operated in an environmentally acceptable manner.

If the FEIS is issued in mid-summer as expected, we anticipate the FERC will begin consideration of the merits of Guardian’s application in late summer and issue a decision in fall 2007.

The Wisconsin Department of Natural Resources (“DNR”) also has some jurisdictional authority over the Project and is evaluating the environmental impact of wetland and waterbody crossings proposed by Guardian and the connecting laterals of the utilities that will be served by the Guardian Pipeline. The DNR has issued an Environmental Assessment of the proposed crossings. A copy of the EA may be obtained at [www.dnr.state.wi.us/org/es/science/energy/pipelines](http://www.dnr.state.wi.us/org/es/science/energy/pipelines) or by contacting Mr. Steven Ugoretz, WDNR, at 608-266-7921.

Although the Guardian Project itself is a federal project and not directly regulated by the Public Service Commission of Wisconsin (“PSCW”), we are pleased that on May 31, 2007 the PSCW verbally approved applications from We Energies, Wisconsin Gas Company and Wisconsin Public Service Corporation to construct facilities to interconnect with the new Guardian Pipeline.

While awaiting final decisions at FERC, Guardian continues meet with landowners to negotiate the purchase of permanent and temporary easements needed to construct the Project.

This Project, like all such construction projects, brings out a variety of questions from landowners. Some have questioned why payment for easements is to be made by a lump sum payment rather than annual payments as is offered by the wind farms and cell towers in the area.

In reality, the impacts which result from wind turbines and cell tower surface leases are fundamentally different than those of underground energy facilities, such as natural gas pipelines. While the towers create land use impacts that do not subside over time, underground gas pipelines allow for most surface activities to continue, just as they had prior to construction. Once the easement is restored by Guardian, it can be used by the landowner just as before to raise crops, graze livestock and for most other prior uses, with only limited restrictions. The easement usually presents no surface obstructions, as is the case with wind turbines and cell towers, many up to 30 stories in height, which permanently remove the land from production. Largely because of these significant differences, Guardian, like other natural gas pipeline companies, compensates the landowner through a lump sum payment.

There’s another side to the compensation issue that is also compelling. Guardian, like all interstate natural gas pipelines, is required by law to provide fair and just compensation to landowners for the purchase of easements. The amount of compensation is determined in each individual case either through negotiation or as part of a legal process. We are somewhat perplexed by the idea that, once fair and just compensation has been determined, any landowner would want that total amount to be divided into

a large number of much smaller payments that would trickle in over many years. It seems to us far preferable for all concerned for the total compensation to be paid as a lump sum, allowing landowners to use that payment in whatever way they choose, including the purchase of an annual annuity if they wish.

The process of determining land values is both objective and straightforward. Guardian has hired a local appraiser to conduct a sales study along the proposed route. The sales information provided by the appraiser is reviewed by Guardian to determine which are most comparable to the actual tracts on the route. Then we visit each tract to make the final determination as to whether it really is comparable to the tracts used in the sales study. Only after that process is completed is the comparable sales information used to establish land values as a starting point for negotiations.

Although steady progress is being made in the acquisition of both survey permission and easements, some landowners have informed us they wish to be represented in negotiations by a third party. While such third party representation is not uncommon in negotiations involving real estate and easement negotiations, we continue to encounter situations in which landowners believe their interests are being effectively represented, when in fact their designated representative actually refuses to meet and negotiate at all their behalf. Some landowners have told us that they have been advised not to sign anything, nor even to ask any questions. The underlying logic of such a strategy is both puzzling and disappointing, but we are hopeful that, as the Project moves forward, negotiations can begin with these landowners.

Some landowners have expressed displeasure with the Guardian land agents. Some written material circulating along the project route makes a number of incorrect and outlandish accusations about Guardian right-of-way policies and our land agents. Our right of way policy is quite simply to treat all landowners with fairness and respect. Despite claims to the contrary, our agents do not receive compensation based on a commission or the cost of the easement obtained from a landowner. They have no vested interest in minimizing landowner compensation. Their job is simply to present the easement document and land value information to the landowner and answer questions. If you feel you have not been treated in a professional and respectful manner, please tell us by contacting Walt Hoppensteadt, Manager of Real Estate for ONEOK, Guardian's parent company. Mr. Hoppensteadt can be

reached at TOLL FREE NUMBER.

A common question from landowners is what impact the pipeline might have on future development of the land through which it passes. The Guardian route was developed through a route selection process which avoided existing and planned development to the fullest extent possible. In addition, many of the route variations we have considered dealt with future development concerns and were adopted where possible. In developed areas of any state there are residential, commercial, industrial and institutional developments existing and being built immediately adjacent to natural gas transmission pipelines. Other than the restriction against construction within the 50-foot permanent easement for which the landowner has been paid, the right-of-way has little impact on development. Guardian will work cooperatively with landowners and local governments planning development around the pipeline, as well as those wishing to construct road or utility crossings of the easement.

Finally, a number of landowners have asked about the pipeline depth and other agriculture issues. Guardian proposes to bury the pipeline a minimum of 48-inches (24-inches in consolidated rock). This is deeper than federal safety requirements and deeper than the penetration depth of agricultural implements.

We take pride in the fact that the initial Guardian Pipeline project was the first in Wisconsin to work directly with the Wisconsin Department of Agriculture, Trade and Consumer Protection to develop an Agricultural Mitigation Plan to protect agricultural lands. Guardian has again worked closely with DATCP to develop similar measures for the new Guardian project. Your land agent can describe the details of the Agricultural Mitigation Plan and will work with landowners and tenants to identify and address specific farming concerns.

The Guardian Project is progressing on schedule and we expect to begin construction in the spring of 2008. I want to thank all the landowners who have worked so cooperatively with us for the past year and a half. We know the project has brought some complication to your life and we appreciate your cooperation.

Sincerely,



Pat Vaughan, Project Manager



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**For more information on Guardian Pipeline:**

**Landowner questions, call 1-866-608-7300**

**Other questions, call 1-888-564-5111**

**[www.guardianpipeline.com](http://www.guardianpipeline.com)**