

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Palomar Gas Transmission, LLC

Docket No. PF07-13-000

NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL IMPACT STATEMENT
FOR THE PROPOSED PALOMAR GAS TRANSMISSION PROJECT
REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES AND
NOTICE OF PUBLIC MEETINGS

(October 29, 2007)

The Federal Energy Regulatory Commission (FERC or Commission) is in the process of preparing an environmental impact statement (EIS) on the environmental impacts of the Palomar Gas Transmission Project involving the construction and operation of a new underground natural gas pipeline proposed by Palomar Gas Transmission, LLC (PGT). This Notice of Intent (NOI) explains the scoping process that will be used to gather input from the public and interested agencies on the project. Your input will help determine which issues will be evaluated in the EIS. Please note that the scoping period for this project will close on November 28, 2007.

Comments on the project may be submitted in written form or verbally. In lieu of or in addition to sending written comments, we¹ also invite you to attend the public scoping meetings that have been scheduled in the project area. The meetings are scheduled for Monday, November 12 in Maupin, Oregon; Tuesday, November 13 in Molalla, Oregon; Wednesday, November 14 in McMinnville, Oregon; and Thursday, November 15 in Forest Grove, Oregon. Further details on how to submit comments and additional details of the public scoping meetings are provided in the Public Participation section of this notice.

The FERC will be the lead federal agency in the preparation of an EIS that will satisfy the requirements of the National Environmental Policy Act (NEPA) and will be used by the FERC to consider the environmental impacts that could result if the Commission issues PGT a Certificate of Public Convenience and Necessity under section 7 of the Natural Gas Act.

This NOI is being sent to federal, state, and local government agencies; elected officials; affected landowners; environmental and public interest groups; Indian tribes and regional Native American organizations; commentors and other interested parties; and local libraries and newspapers. We encourage government representatives to notify their

¹ "We," "us," and "our" refer to the environmental staff of the FERC's Office of Energy Projects.

constituents of this planned project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, you may be contacted by a PGT representative about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The pipeline would seek to negotiate a mutually acceptable agreement. However, if the project is approved by the FERC, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the pipeline company could initiate condemnation proceedings in accordance with state law.

A fact sheet prepared by the FERC entitled “An Interstate Natural Gas Facility on My Land? What Do I Need To Know?” is available for viewing on the FERC Internet Web site (<http://www.ferc.gov/for-citizens/citizen-guides.asp>). This fact sheet addresses a number of typically asked questions, including the use of eminent domain and how to participate in FERC’s proceedings.

Summary of the Proposed Project

PGT has announced its proposal to construct and operate a new natural gas pipeline and associated structures with a bi-directional flow capacity of 1.4 billion cubic feet per day. The project would be located in northwest Oregon and consist of a 211-mile-long, 36-inch-diameter pipeline running from near Shaniko, Wasco County, Oregon to near Wauna, Clatsop County, Oregon. The pipeline would travel across Wasco, Clackamas, Marion, Yamhill, Washington, Columbia, and Clatsop Counties in Oregon. The pipeline would connect the existing Gas Transmission Northwest Corporation (GTN) mainline pipeline system in central Oregon to the Northwest Natural Gas Company (NW Natural) distribution system near Molalla in Clackamas County. The pipeline is also proposed to extend to other potential interconnections with NW Natural’s system and to an interconnection with NorthernStar Energy LLC’s proposed Bradwood Landing pipeline near Wauna in Clatsop County, Oregon. The proposed project would also include a 3.8-mile-long, 36-inch-diameter lateral pipeline² near Molalla, Clackamas County, Oregon, to connect the Palomar Project mainline to an existing NW Natural city gate. Certain associated aboveground facilities are also proposed, i.e., mainline valves spaced at intervals along the pipeline as defined by U.S. Department of Transportation regulations per the Code of Federal Regulations (CFR) 49 Part 192, at least three meter stations, and pig launcher and receiver facilities. At this time, PGT does not anticipate that compression will be required for this project.

More specifically, PGT proposes the following primary project components:

² A lateral pipeline typically takes gas from the main system to deliver it to a customer, local distribution system, or another interstate transmission system.

- a 211-mile-long, 36-inch diameter underground natural gas mainline consisting of two segments:
 - Segment 1: a 108.5-miles of mainline from TransCanada's GTN pipeline system northwest of Madras in Wasco County to a location southwest of Molalla in Clackamas County; and a 3.8-mile, 36-inch diameter accessory lateral pipeline, the Molalla Lateral, which will connect the main pipeline to NW Natural's distribution system;
 - Segment 2: a 102.5-mile segment commencing at the Molalla Lateral interconnect and terminating at the proposed connection to the Bradwood Landing pipeline near Wauna, Clatsop County; there is potential for additional interconnections with NW Natural along this route
- two meter stations, eight mainline valves, and two pig launchers/receivers on Segment I; one pig launcher/receiver on the Molalla Lateral; and one meter station, eight mainline valves, and one pig launcher/receiver on Section II;
- temporary pipe storage and contractor yards at various locations along the pipeline for office trailers, parking, and pipe and equipment storage during construction; and
- temporary construction roadways and short permanent roads from existing roads to meter station sites and other aboveground facilities.

A location map depicting PGT's proposed facilities is attached to this NOI as Appendix 1.³

The EIS Process

NEPA requires the Commission to take into account the environmental impacts that could result from an action when it considers whether or not a natural gas pipeline should be approved. FERC will use the EIS to consider the environmental impacts that could result if it issues project authorizations to PGT under Sections 3 and 7 of the Natural Gas Act. NEPA also requires us to discover and address concerns the public may have about proposals. This process is referred to as "scoping." The main goal of scoping is to focus the analysis in the EIS on the important environmental issues. With this NOI, the Commission staff is requesting public comments on the scope of the issues to be addressed in the EIS. All comments received will be considered during preparation of the EIS.

³ The appendices referenced in this notice are not being printed in the Federal Register. Copies can be obtained from the Commission's Web site (excluding maps) at the "eLibrary" link, from the Commission's Public Reference Room, or by calling (202) 502-8371. For instructions on connecting to eLibrary, refer to the end of this notice. Copies of the appendices were sent to all those receiving this notice in the mail.

In the EIS we will discuss impacts that could occur as a result of the construction, operation, and maintenance of the proposed project under these general headings:

- Geology and soils
- Water resources
- Aquatic resources
- Vegetation and wildlife
- Threatened and endangered species
- Land use, recreation, and visual resources
- Cultural resources
- Socioeconomics
- Air quality and noise
- Reliability and safety
- Cumulative impacts

In the EIS, we will also evaluate possible alternatives to the proposed project or portions of the project, and make recommendations on how to lessen or avoid impacts on affected resources.

Our independent analysis of the issues will be included in a draft EIS. The draft EIS will be mailed to federal, state, and local government agencies; elected officials; affected landowners; environmental and public interest groups; Indian tribes and regional Native American organizations; commentors; other interested parties; local libraries and newspapers; and FERC's official service list for this proceeding. There will be at minimum a 45 day comment period allotted for review of the draft EIS. We will consider all comments on the draft EIS and revise the document, if necessary, before issuing a final EIS. We will consider all comments on the final EIS before we make our recommendations to the Commission. To ensure that your comments are considered, please follow the instructions in the Public Participation section of this NOI.

Although no formal application has been filed, FERC has already initiated its NEPA review under its pre-filing process. The purpose of the pre-filing process is to encourage early involvement of interested stakeholders and to identify and resolve issues before an application is filed with FERC.

With this NOI, we are asking federal, state, and local agencies with jurisdiction and/or special expertise with respect to environmental issues to formally cooperate with us in the preparation of the EIS. These agencies may choose to participate once they have evaluated the proposal relative to their responsibilities. Additional agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the Public Participation section of this NOI.

The EIS will examine the proposed action and alternatives that require administrative or other actions by other federal agencies. The U.S. Department of Agriculture Forest Service has identified the possible need to amend the existing Mt. Hood National Forest Land and Resource Management Plans. The U.S. Department of Interior Bureau of Land Management has identified the possible need to amend the existing Resource Management Plans of the Salem and Prineville Districts.

Currently Identified Environmental Issues

We have already identified issues that we think deserve attention based on our previous experience with similar projects in the region. This preliminary list of issues, which is presented below, may be revised based on your comments and our continuing analyses specific to the Palomar Gas Transmission Project.

- Potential for disturbance to residents along pipeline construction route, including noise and aesthetics;
- Potential for geological hazards, including seismic activity, to have impacts on the pipeline;
- Potential impacts of the pipeline on water bodies and wetlands, including issues of erosion control;
- Potential impacts of the pipeline on vegetation, including the clearing of forested areas;
- Potential impacts of the pipeline on threatened and endangered species and wildlife habitat;
- Potential impacts of the pipeline on cultural resources; and
- Potential impacts of the pipeline on recreation and scenic resources.

Public Participation

You are encouraged to become involved in this process and provide your specific comments or concerns about PGT's proposal. By becoming a commentor, your concerns will be addressed in the EIS and considered by the Commission. Your comments should focus on the potential environmental effects, reasonable alternatives (including alternative facility sites and pipeline routes), and measures to avoid or lessen environmental impacts. The more specific your comments, the more useful they will be. To expedite the FERC Staff's receipt and consideration of your comments, electronic submission of comments is strongly encouraged. For information on electronically filing comments, please see the instructions on the Commission's Web site at <http://www.ferc.gov> under the "e-Filing" link and the link to the User's Guide as well as information in 18 CFR 385.2001(a)(1)(iii). Before you can file comments, you will need to create a free account, which can be accomplished online by clicking on "Sign-up" under "New User." This type of

submission is considered a "Comment on Filing." Comments submitted electronically must be submitted by November 28, 2007.

If you wish to mail comments, please mail your comments so that they will be received in Washington, D.C. on or before November 28, 2007 and carefully follow these instructions to ensure that your comments are timely and properly recorded:

- Send an original and two copies of your letter to:
Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St. N.E.
Washington DC 20426
- Label one copy of your comments for the attention of OEP/DG2E/Gas Branch 2, PJ-11.2.
- Reference Docket No. PF07-13-000 on the original and both copies.
- Mail your comments so that they will be received in Washington, D.C., on or before November 28, 2007, 2007.

The public scoping meetings (dates, times, and locations listed below) are designed to provide another opportunity to offer comments on the proposed project. Interested groups and individuals are encouraged to attend the meetings and to present comments on the environmental issues that they believe should be addressed in the EIS. A transcript of the meetings will be generated so that your comments can be accurately recorded. All meetings will begin at 7 p.m., and are scheduled as follows:

DATE	LOCATION
Monday, November 12, 2007	Imperial River Company 304 Bakeoven Road Maupin OR 97037 541-395-2404
Tuesday, November 13, 2007	Molalla Adult Center 315 Kennel Street Molalla OR 97038 503-829-4214
Wednesday, November 14, 2007	Patton Middle School 1175 East 19 th Street

Thursday, November 15, 2007

McMinnville OR 97128

503-565-4503

Pacific University,

2043 College Way

Forest Grove, OR 97116

503-352-6151

Meeting will be held in the Multipurpose Room located on ground floor of Washburne Hall. Optimum parking would be in lot "D" off of Cedar Street and on College Way.

Once PGT formally files its application with the Commission, you may want to become an "intervenor," which is an official party to the proceeding. Intervenors play a more formal role in the process and are able to file briefs, appear at hearings, and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in a Commission proceeding by filing a request to intervene. Instructions for becoming an intervenor are included in the User's Guide under the "e-filing" link on the Commission's Web site. Please note that you may not request intervenor status at this time. You must wait until a formal application is filed with the Commission.

Environmental Mailing List

Everyone who responds to this notice or provides comments throughout the EIS process will be retained on the mailing list. If you do not want to send comments at this time but want to stay informed and receive copies of the draft and final EISs, you must return the Mailing List Retention Form (Appendix 2). If you do not send comments or return the Mailing List Retention Form asking to remain on the mailing list, you will be taken off the mailing list.

Additional Information

Additional information about the project is available from the Commission's Office of External Affairs at 1-866-208-FERC (3372), or on the FERC Internet Web site (www.ferc.gov) using the "eLibrary link." Click on the eLibrary link, select "General Search" and enter the project docket number, excluding the last three digits (i.e., PF07-13) in the "Docket Number" field. Be sure you have selected an appropriate date range. For assistance with eLibrary, the eLibrary helpline can be reached at 1-866-208-3676, TTY (202) 502-8659, or by e-mail at FERCOnlineSupport@ferc.gov. The eLibrary link

on the FERC Web site also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rule makings.

In addition, FERC now offers a free service called eSubscription that allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. To register for this service, go to <http://www.ferc.gov/esubscribenow.htm>.

Public meetings or site visits will be posted on the Commission's calendar located at <http://www.ferc.gov/EventCalendar/EventsList.aspx> along with other related information.

Finally, PGT has established a Web site for this project at <http://www.palomargas.com/project.html>. The Web site includes a project overview, timeline, safety and environmental information, and answers to frequently asked questions. You can also request additional information by e-mailing PGT directly at info@palomargas.com or by writing to:

Palomar Gas Transmission
1400 SW Fifth Avenue, Suite 900
Portland, OR 97201

Kimberly D. Bose,
Secretary.

Appendix 1 - Map

Appendix 2

INFORMATION REQUEST

Docket No. PF07-13-000

- Please keep my name on the mailing list for the Palomar Gas Transmission Project.**

Name _____

Agency _____

Address _____

City _____ **State** _____ **Zip Code** _____

- Please send me a paper copy of the environmental document instead of an electronic (CD-ROM) copy.**

FROM _____

**ATTN: OEP - Gas 2, PJ - 11.2
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426**

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