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TRANSCRIPT OF PROCEEDINGS
FEDERAL ENERGY REGULATORY COMMISSION
PUBLIC SCOPING MEETING

PALOMAR GAS TRANSMISSION PIPELINE PROJECT

November 12, 2007

7:10 P.M.

Imperial River Company

304 Bakeoven Road

Maupin, Oregon

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MR. SIPE: Good evening. On behalf of the Federal

2 Energy Regulatory Commission referred to as FERC, I'd like to
3 welcome you all tonight. This is the scoping meeting for the
4 Palomar Gas Transmission proposed Palomar Gas Transmission
5 pipeline project. Let the record show the public scoping
6 meeting began at 7:10 p.m. on November 12, 2007.

7 My name is Doug Sipe. I am the FERC project
8 manager for this project. In the back of the room is Joe
9 Iozzi and Aileen Giovanello. They work for Tetra Tech EC.
10 They are a consulting firm helping me write the environmental
11 impact statement for this project. I usually mean to hold
12 one up, a thick document but I didn't bring it from D.C.

13 The FERC is an independent agency that regulates
14 the interstate transmission of electricity, natural gas, and
15 oil. FERC reviews proposals and authorizes construction of
16 interstate natural gas pipelines, storage facilities, and
17 liquefied natural gas terminals as well as licensing and
18 inspection of hydroelectric projects. The purpose of the
19 commission is to protect the public and the energy customers,
20 ensuring that regulated energy companies are acting within
21 the law.

22 We are located in Washington D.C. just north of the
23 United States Capitol. FERC has five commissioners who are
24 appointed by the President of the United States with advice
25 and consent of the Senate. Commissioners serve five-year

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1 terms and have equal vote on regulatory matters. One member
2 of the commission is designated by the President to serve as
3 the chair and that chairman is Joseph T. Kelliher.

4 FERC has approximately 1,200 staff employees

5 including myself. The FERC is the lead federal agency
6 responsible for the National Environmental Policy Act of
7 1969, NEPA review of the Palomar project and the lead agency
8 for the preparation of the environmental impact statement.
9 NEPA requires FERC to analyze the environmental impacts,
10 consider alternatives, and provide appropriate mitigation
11 measures on proposed projects.

12 The Bureau of Land Management, the United States
13 Forest Service who is here tonight, the Army Corps of
14 Engineers, the Environmental Protection Agency, the United
15 States Fish & Wildlife Service, and the National
16 Oceanographic & Atmospheric Administration have been invited
17 to be cooperating agencies. We just sent those letters out
18 approximately a week ago and we're waiting to hear back from
19 them, but we hope that they all are cooperating agencies
20 because, again, I can honestly state that they know the area
21 a lot better than we do so that's why we ask for cooperating
22 agencies to help us on the EIS.

23 This meeting is a public NEPA scoping meeting. The
24 purpose of tonight's meeting is to provide each of you with
25 the opportunity to give us your comments. We are here

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1 tonight to learn from you. It will help us most if your
2 comments are as specific as possible regarding the potential
3 environmental impact and reasonable alternatives of the
4 proposed project. Your comments will be used to determine
5 what issues we need to cover in the EIS.

6 As many of you may have attended back in August the
7 Palomar public open house meetings, I want to take a minute

8 to explain the difference between those meetings and the one
9 we're having here tonight. Palomar's meetings were held with
10 two primary purposes: providing information about its
11 pipeline project to landowners that might be directly or
12 indirectly affected by the project, and to gain feedback from
13 landowners and other stakeholders about issues they may have
14 concerning initial routing of the pipeline.

15 I will note that Palomar people do have very good
16 maps. A lot of times we don't get those good of maps. They
17 have nice overview maps showing you the entire pipeline
18 project, and then in the back room, as a lot of you guys have
19 seen, they have decent maps so I appreciate that, Palomar.

20 During that meeting, Palomar provided information
21 about the project including staff that could answer questions
22 about the routing process that was used, engineering, design
23 and construction of the pipeline, and the environmental
24 review process. Similar to tonight, they've also provided
25 you, again, with the aerial maps.

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1 And, again, we usually get a lot of questions
2 about, "Can I have a map of my property?" And hopefully a
3 land agent from Palomar has contacted a lot of you, and if
4 you do need a map of your specific property they can give you
5 one, but I don't think you're going get those laminated ones
6 that are in the back room tonight.

7 The routing issues and concerns reflected from
8 those meetings were documented in a tracking table and
9 provided to me as part of the prefilling process. Palomar has
10 indicated to me that they have revised the route in several

11 locations based on the comments received at those meetings
12 and are continuing to work on route refinements in areas that
13 are indicated on the maps tonight.

14 Since the prefilling process has started, I do have
15 weekly conference calls with Palomar, with my consultants,
16 and with the cooperating agencies. They go a long way in
17 developing this project, and in those meetings we have talked
18 about a lot of route variations. This is the prefilling
19 process. Everything you see on those maps tonight may not be
20 the same in a couple of months from now. Just remember that.

21 The formal meeting tonight will be different.
22 Palomar held the open house meetings, those were their
23 meetings. Usually we'd like to attend the open house
24 meetings. In this instance we were not able to attend.
25 Again, they had consultants there to provide us with the

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1 information that we needed.

2 Tonight's meeting is the FERC's meeting. Because
3 this is a formal scoping meeting held to meet the project
4 scoping requirements of NEPA, the main purpose is to solicit
5 input from the public on issues you feel should be addressed
6 in the environmental assessment that the FERC conducts and
7 the EIS that we will prepare. These issues generally focus
8 on the potential for environmental effects including economic
9 impacts, but may also address construction issues,
10 mitigation, the environmental review process, and need for
11 the project.

12 I'd like to answer any questions you may have about
13 the review process or FERC's role in the approval process. I

14 have just one procedural request, that if you have any
15 questions you'd like me to answer to please sign up to speak.
16 Go to the microphone when your name is called. That way we
17 have a process to be orderly and the court reporter won't be
18 yelling at me because we get a lot of cross talking in the
19 room. So sign up on the speaker list and you guys can ask me
20 as many questions as you like.

21 If you prefer, you can send written comments to us.
22 We have literature back there provided so you can send in
23 written comments. You can give oral comments tonight. It
24 doesn't matter. Either way we get your comments. I have
25 asked Palomar to be here before the meeting like they were --

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1 I appreciate that -- and I have asked them to stay after the
2 formal part of this meeting is over so if you guys have any
3 questions for them directly or me after the meeting, after
4 the formal part we'll all be here.

5 On October 29, 2007 FERC issued a notice of intent,
6 something like this (indicating). Hopefully you guys have
7 all received this. This was published in the Federal
8 Register on November 5, 2007. The issuance of a notice of
9 intent opened the formal comment period. It is during this
10 period that we will accept written comments on the project.
11 The mailing list is large for these types of -- hundreds of
12 miles of pipeline. The mailing list is in constant revision
13 from the start to the finish, so if you did not receive these
14 materials tonight I apologize. Make sure we have your
15 correct address on the information in the back and I'll do
16 all I can to get you guys what you need.

17 The comment period will end on November 28, 2007;
18 however, we encourage you to submit your comments as soon as
19 possible in order to give us time to analyze and research the
20 issues. I would like to add that FERC strongly encourages
21 electronic filing of all comments. The instructions for this
22 can be located on our Web site, www.ferc.gov under the
23 e-filing link and also, again, we have the literature in the
24 back that runs you through how to e-file.
25 E-filing is sometimes difficult I've heard and it's

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1 sometimes easy. It just depends on the computer system at
2 the time you go to enter -- we are working on that and it's a
3 constant revision to that to make it easier for everyone.

4 I'd recommend to everyone to e-subscribe to this
5 project. That's a little bit different than e-filing. If
6 you e-subscribe to the project -- it's the system that I use
7 to keep track of what comes in underneath this docket number
8 -- you basically get an e-mail for everything that is filed
9 under the project. Every letter that FERC sends out, every
10 letter that Palomar sends in, every comment we receive from
11 all stakeholders, it comes into that system and you will get
12 an e-mail from that and you can either open it or not open
13 it, it's up to you. That's what I use to track the projects
14 that I have.

15 Regarding our process, we have begun what's called
16 a NEPA pre-filing environmental review of the project. The
17 purpose of the NEPA pre-filing process is to encourage the
18 involvement by the public, government entities, and other
19 interested stakeholders in a manner that allows for early

20 identification and resolution of the environmental issues. A
21 formal application has not been filed with the FERC. That is
22 a key note.

23 In the old days we used to not have these types of
24 meetings like the open houses, the scoping meetings that
25 we're holding, the cooperating agency meetings that we're

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1 going to have this week before the application was actually
2 filed. Now we're out working with all stakeholders, with the
3 government agencies, and with everyone trying to make sure we
4 have all the comments and everything in the application
5 before they file it. What that does is it allows me to have
6 a better environmental document on the street. It's a way of
7 filing a complete application. We don't really have a
8 definition of a complete application yet but we're working on
9 it. We do have a handout in the back, again, that explains
10 the environmental review process in more detail and depicts
11 various public input opportunities.

12 Going back to the comment period that will end on
13 November 28th, don't be alarmed by that. That is a NEPA time
14 line that's basically put on there. When you issue a notice
15 of intent you have -- what is it? 45 days? 30 days? -- a
16 30-day comment period. That's just on the notice of intent.
17 Basically what that means is you have 30 days to comment on
18 the notice of intent.

19 We'd like to get your comments as early as we can.
20 There will be a cutoff point somewhere along the line once we
21 -- so we can get our draft environmental impact statement on
22 the street. Then when the draft environmental impact

23 statement comes out on the street you have time to comment on
24 that so there's a lot of time to comment yet. Don't be
25 alarmed by that first date you see. That's just the end of

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1 the NEPA scoping period. We always take comments at FERC --
2 late too.

3 During our review of the project we will assemble
4 information from a variety of sources including Palomar, you
5 the public, the state, local, and federal agencies, and our
6 own independent analysis and fieldwork. We will analyze this
7 information and prepare a draft EIS that will be distributed
8 to the public for comment.

9 If you want a copy of the draft EIS there are three
10 ways to let us know. On the back of this NOI form you'll see
11 a mailer. You basically fill this out and you send it back
12 in to FERC. You can sign up tonight and tell us if --
13 another key note is the mailing cost for distributing these
14 EISes has really gone up, so unless you indicate that you
15 want a paper copy of the draft EIS you're going to receive a
16 CD version in the mail that you can pop in your computer. It
17 saves the government a lot of money. A lot of these EISes
18 sometimes come in double volumes and the cost is astronomical
19 so just let us know. Make sure you send us something.
20 Either sign up tonight or send this back in to us or your
21 name will not remain on the mailing list any longer.

22 It is very important that any comments you send in
23 include the internal docket number for the project. The
24 docket number is in the notice of intent and it is included
25 in the handouts on the back table tonight. If you decide to

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1 send us a comment letter, please put that number on it. This
2 will ensure that I and members of the staff evaluating the
3 project will get your comments.

4 The docket number for the Palomar Gas Transmission
5 pipeline project is PF07-13. The PF stands for prefilling.
6 Once they file an application with us that PF will change
7 over to CP which stands for certificate proceeding. If you
8 e-subscribe to this project -- here's another loophole in
9 FERC's system -- you will not automatically get linked to the
10 CP number. I learned that the hard way on some of my
11 projects. You have to go back in and e-subscribe to that CP
12 number. We're trying to work that out, but just don't think
13 because you e-subscribed to the PF number you will
14 automatically be linked to the CP number. Again, that's
15 PF07-13.

16 After the draft EIS is issued you will have at
17 least 45 days to review and comment on it. Normally the
18 draft EIS comment period is 45 days, but because this EIS may
19 be used by the BLM to consider a land use planner amendment
20 the comment period may be extended to 90 days. Towards the
21 end of the comment period we will schedule a public comment
22 meeting similar to this one in format to hear comments on the
23 draft EIS.

24 So basically tonight we're here to get your
25 comments now on the information that you have early on. We

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1 want to hear about your routing issues, whether the routing
2 is going on your land or your neighbor's land or whatever
3 environmental comment you may have. When we come back to you
4 in this similar format you will have the document to comment
5 on, a big draft EIS, put you to sleep at night.

6 At that meeting you can provide your comments on
7 the draft EIS orally just like tonight, and at the end of the
8 comment period we will use your comments and any new
9 information that we gather to finalize the EIS. The final
10 EIS will be mailed to people who are on the environmental
11 mailing list -- it's key to be on that list. If you receive
12 a copy of the draft EIS you will receive a copy of the final
13 EIS. After the final EIS is issued, the FERC commissioners
14 will use our findings along with a lot of other information
15 like markets, tariffs, rates, and the need for the project
16 and their determination on whether to approve or deny a
17 certificate for the project.

18 Basically I work as staff to the commissioners. I
19 write the environmental impact statement and I put all the
20 information in there and make recommendations to our
21 commissioners upstairs. The commissioners can use those
22 recommendations however they see fit. They can either listen
23 to what the staff has to say or go the other way. Sometimes
24 it's different. Again, we're going to issue a draft
25 environmental impact statement, we'll have a comment period

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1 on that, and then we'll issue a final environmental impact
2 statement, so there will be two documents coming out.

3 Before we start taking comments we've asked Palomar

4 to provide a brief overview of their project. Mr. Henry
5 Morse has agreed to do so tonight so I will turn it over to
6 Mr. Morse.

7 MR. MORSE: Thanks, Doug. I'm here tonight just to
8 talk a little about the Palomar project and its purpose and
9 need. The project starts over at an existing pipeline that
10 Gas Transmission Northwest owns that comes down from Canada
11 and provides natural gas service to parts of Idaho,
12 Washington, and Oregon and then it goes into California.

13 The proposed east side of the project could start
14 over near Shaniko, run across the Deschutes River on through
15 -- I'm somewhat colorblind so seeing the red on the green
16 here is a little tough for me -- over to Molalla. This is
17 what we call the east side of the project. The purpose for
18 the east side is this station down here where gas will be
19 delivered to is one of the major places that Northwest
20 Natural Gas Company, the local distribution utility that
21 serves the greater Portland and southern Vancouver area, it's
22 one of the major places that they take gas into their system.

23 They get much of their gas today from a pipeline
24 that runs through the Columbia River Gorge and then on up
25 into Canada north of Seattle, and they are concerned that if

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1 something were to happen to this pipeline they would not have
2 adequate gas available to serve their customers in the
3 greater Portland and Vancouver area, so they're looking for
4 additional reliability by having a second pipeline.

5 This existing pipeline through The Gorge has a
6 tendency occasionally in the winter to slide when the ground

7 gets wet because of the way it was constructed 50 years ago.
8 So this part of the project is really driven by Northwest
9 Natural's identified need for another way to get their
10 natural gas into the Portland area.

11 The western side of the project runs from Molalla
12 here around and then up to the Columbia River to connect up
13 to a pipeline that's being proposed to be built from a
14 liquefied natural gas terminal. It's also going through
15 FERC's certificate process. It would be built near Bradwood
16 Landing. The purpose for part of this piece is to support,
17 again, the westward expansion of Portland, and Northwest
18 Natural is looking for ways to get gas back into that side of
19 their expanding service territory.

20 The rest of it is designed to bring liquefied --
21 regassified LNG back down as an additional new supply into
22 the Oregon area. For those of you who are not familiar with
23 it, liquefied natural gas is natural gas that's been cooled
24 to minus 260 degrees Fahrenheit at which point it turns into
25 a liquid. As a liquid the volume in one cubic foot of LNG is

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1 the same as the volume of 620 cubic feet of natural gas at a
2 regular temperature of about 70 degrees. What this does is
3 make it possible to ship LNG in large ships that are much
4 like thermos bottles from across the ocean in places where
5 they have lots of natural gas but not much need for it.

6 In the Pacific Northwest we get our supplies of
7 natural gas primarily from Canada and a certain amount from
8 the Rocky Mountain region. Those supplies, particularly from
9 Canada, are projected to shrink over time as Canada uses more

10 and more of their natural gas and is less able to export. So
11 if an LNG terminal is built, if it's permitted and if it is
12 built and we connect to a pipeline that's connected to it we
13 could provide another source of natural gas to serve the
14 Pacific Northwest. So that's the purpose and need for the
15 Palomar project.

16 One other item for tonight in the scoping meeting,
17 those of you who were in the map room beforehand, in addition
18 to the maps we had two very preliminary conceptual renditions
19 of potential ways that the pipeline could cross the Deschutes
20 River, and I think we'd be very interested in your comments
21 on either of those two proposals as to how if it were put
22 across the river -- if it crossed the river on a bridge how
23 that might look. Thank you very much.

24 MR. SIPE: Thank you, Mr. Morse. Again, after the
25 formal part of this meeting I will be here and Palomar will

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1 be here back in the map room if anybody has any further
2 questions for any of us.

3 I know you guys all read the newspapers out here
4 and we get a lot of the articles back at FERC also. I wanted
5 to go over with you guys a little bit about what Henry hit on
6 about the other natural gas projects in northwestern Oregon.
7 As you probably know, there are several natural gas projects
8 being studied out here, and to help avoid the confusion I
9 want to take a few minutes to talk about the differences or
10 the relationships among them.

11 The Bradwood LNG terminal and its proposed sendout
12 pipelines are being analyzed in a separate environmental

13 impact statement. The Bradwood meetings were being held out
14 here last week that Paul Friedman from our office held. They
15 were the draft environmental impact -- they were the comment
16 meetings on the draft environmental impact statement.
17 Although gas coming into the Bradwood LNG terminal may
18 ultimately be shipped by Palomar, the terminal developers
19 have stated that the Bradwood LNG terminal and its associated
20 pipeline would be built regardless of whether Palomar is
21 built or not. Also, Palomar would be built to serve
22 Northwest Natural's supply reliability regardless of whether
23 Bradwood LNG is built, although it would probably not need to
24 be built all the way up to Wauna.

25 Since both projects can be built regardless of

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1 whether the other is built, FERC believes they are not
2 connected actions under NEPA and is analyzing the impacts in
3 separate environmental impact statements. A lot of times
4 when we have these many projects in one area sometimes we'll
5 look at joining the projects together in the environmental
6 impact statements, but these projects are a good bit
7 different and in geographically different areas so we chose
8 to have two environmental impact statements with this.

9 The public will have the opportunity to comment on
10 these discussions that we have, and we will talk about the
11 Bradwood LNG terminal in our EIS the same way Bradwood talked
12 about the Palomar pipeline project in theirs. We're all
13 staff at FERC, we all work pretty closely together. I work
14 with Paul. He's a couple offices down from me so a lot of
15 the same stuff will be in both environmental impact

16 statements.

17 The FERC has also initiated a prefilling process for
18 an Oregon LNG project. This project includes a pipeline from
19 Oregon's LNG proposed terminal site near Astoria to Northwest
20 Natural's meter station at Molalla. Portions of the Oregon
21 LNG route are near and in some cases may be identical to
22 Palomar's. The two projects are independent of one another
23 and are being analyzed in separate environmental impact
24 statements just like Bradwood and Palomar.

25 It is conceivable that FERC could approve both

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1 projects if both are found to be a public convenience and
2 necessity. Conversely, FERC could deny certificates to
3 either or both projects. This will largely depend on FERC's
4 environmental review and on the ability of the projects to
5 demonstrate the need for the project.

6 Again, the public will have the opportunity to
7 comment on FERC's environmental review of both projects and
8 the FERC staffs' responses to these comments will be
9 reflected in the final environmental impact statement which
10 will be used, again, by FERC in making their decisions on the
11 two projects. Oregon LNG, they have already held their
12 scoping comments similar in format to this one. So basically
13 Bradwood LNG, they held scoping meetings and now they've held
14 their comment meetings on their draft environmental impact
15 statements so you have a draft out there to look at.

16 Oregon LNG, they've come out and held their scoping
17 meetings like we're doing tonight. Now Palomar, this is the
18 first meeting of four that we're doing out here for the

19 Palomar project. So Bradwood is a little bit further along
20 than Oregon LNG and Oregon LNG is a little bit further along
21 than Palomar in the FERC review process. I'm not exactly
22 sure where they are in all their engineering, design, and
23 such on those two different projects -- three.

24 So it is confusing. A lot of times even at FERC
25 when we're talking to staff it gets confusing about the three

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1 projects. I'm sure it's confusing for you guys. If you guys
2 have any questions for us like that just let me know, I can
3 try to answer them.

4 We will now begin the important part of the meeting
5 with your comments. When your name is called please step up
6 to the microphone and state your name for the record. Your
7 comments will be transcribed by the court reporter to ensure
8 that we get an accurate record of your comments. A
9 transcript of the meeting will be placed in the public record
10 at FERC so everyone has access to this information collected
11 here tonight.

12 We have three people on the list right now. Just
13 because your name is not on this list doesn't mean you can't
14 speak. After I get through the three people on this list you
15 can raise your hand and come over to the microphone and state
16 your name, make sure you spell it correctly so it gets into
17 the record correctly and you can ask any questions you want.

18 So the first speaker on the list is Daniel Serres
19 from the Columbia Riverkeeper.

20 MR. SERRES: I am representing Columbia
21 Riverkeeper. My last name is S-E-R-R-E-S.

22 I was born and raised in Oregon City and grew up
23 fly fishing on the Clackamas, Deschutes, other areas around
24 here so I know it sort of well. I want to start by saying
25 that it's very hard for us to submit detailed comments on a

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1 project in which we don't have detailed maps. To walk into
2 the room and see multiple variations that I haven't seen yet
3 until 30 minutes ago makes it difficult to provide
4 substantive comments. I know this is an early stage of the
5 project but it's no reasonable defense for FERC and Palomar
6 in not putting detailed maps into libraries for this project.
7 That's a basic request. People should be able to get a
8 bigger picture of this project than just a pipeline across
9 their property and that's just -- it's not reasonable. It
10 doesn't make for a good NEPA process.

11 Secondly, I want to point out that the project
12 description is inadequate. It says that there's no
13 compression likely to be needed. I was surprised by that.
14 Oregon LNG is not planning to use compression near Forest
15 Grove? I think there needs to be some clarification on that
16 point and that might be a question that Palomar could clarify
17 why there's no compression needed. It's a long way between
18 Molalla and here. I was surprised there's no compression for
19 a pipe that's going to be pushing potentially billions of
20 feet of gas out of the Columbia River.

21 Second, I want to say that there's -- on the
22 question of need, the idea that this is a project to move gas
23 from Maupin to the Willamette Valley kind of turns how we
24 view this all on its head. We've been fighting liquefied

25 natural gas for over two years as the Columbia Riverkeeper

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1 because of its huge potential impact on public safety and the
2 environment of that river. I was surprised a little bit when
3 I found out that that project was likely to result in a
4 210-mile pipeline across the Willamette Valley and all the
5 way out to Maupin. I think they are connected actions.

6 I think it's impossible to say that Bradwood isn't
7 going to result in this pipeline. They've said that if
8 Bradwood is built our pipeline would be suspended from
9 Molalla to Bradwood, and it's interesting to me that the
10 timing of the two projects being proposed is very close in
11 time together and only now are we seeing they would join
12 together. It's sort of a bait and switch, the LNG proposal
13 and Bradwood where they proposed originally only a 35-mile
14 pipeline across Cowlitz County and now we find out it's a
15 210-mile pipeline across all of western Oregon.

16 And, again, to be clear about the need, the project
17 size for Bradwood and this Palomar pipeline is about twice
18 what Oregon uses daily in natural gas on average, so the
19 project is exceeding -- Bradwood is 1.3 billion cubic feet of
20 gas per day. This pipeline is likely to be able to carry
21 about that amount of gas and Oregon uses about .63 or .64
22 billion cubic feet per day, so the idea that this is serving
23 Oregon's demands is killing a very small bird with a very
24 large stone. We don't buy it. We think this is a California
25 driven project and that's what this is all about.

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1 The economic impact of the area is negative and I
2 encourage and ask you to evaluate the impact not only to farm
3 and forest land but also property values that can't be used
4 for development for farms or forest, all those different
5 things. It's not just a strip of land you're taking. It's
6 how it affects the property value and the way it -- a large
7 social impact, people facing the prospect of eminent domain
8 if this pipeline is approved.

9 You say you're going to look at the purpose and
10 need of the project. The need clearly lies to the south of
11 Oregon in California where they use ten times as much gas as
12 we do. The purpose and need -- at least in the Bradwood EIS
13 -- is kind of circular in how it's defined in the opening
14 statement. I encourage you not to use that as a template
15 because it's -- I think it's a poor document in terms of how
16 they evaluate the purpose and need. I think the purpose and
17 need for a project like this is providing the Northwest with
18 clean, affordable energy and, unfortunately, I don't think a
19 liquefied natural gas funnel through Oregon into the
20 California market meets either of those standards.

21 I want to make some comments about some specific
22 resource impacts. First, the Deschutes crossing. I saw that
23 the two bridge designs -- I would, I guess, caution Palomar
24 that putting a pedestrian walkway over a bridge that's over
25 1,000 psi of nonodorized gas, I don't know if that -- I don't

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1 know what the state regulations are about that. I just don't

2 know and I think that should be included in the applications
3 and we can comment on it then.

4 I'd also say that the disturbance salmon bearing
5 streams through trenching -- open trenching? -- is that
6 appropriate in this project, particularly if it does not --
7 there's all kinds of alternatives for this project. You
8 could use open trenching techniques across salmon bearing
9 streams and that's not just the Clackamas. It goes all the
10 way out to the Nehalem. And we don't have detailed
11 information of how all the stream crossings are happening to
12 give you detailed feedback about what the alternatives should
13 be.

14 The last thing I want to point out that I thought
15 it was interesting that Natural Resource Group developed the
16 environmental impact statement for Bradwood. They're also
17 doing the resource work for Palomar. I think that's a
18 conflict of interest. FERC needs to sort that out. And that
19 was brought up -- brought that up and I know it's a legal
20 matter that should be taken up now, but FERC needs to clarify
21 with everybody here how it's not a conflict of interest
22 because I think it's a pretty important piece of information.

23 That's it. If anybody else wants to talk to me
24 there's a whole bunch of people across the Willamette Valley
25 all the way up to the Columbia River who are trying to stop

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1 this project and LNG terminals. Come find me in the back. I
2 have a sign-up sheet. Thank you.

3 MR. SIPE: Thank you, Dan. I made a couple of
4 notes here of what you spoke about. Maps, every time we come

5 out that's a huge comment that we get that people don't have
6 all the maps they need to make decisions on the project. We
7 do give you overview maps, and work with your right-of-way
8 agent and they can give you -- they can supply you guys with
9 all the maps that you need. They won't necessarily give you
10 the maps of the entire project but they can show them to you
11 and they will give you maps of your own personal property.

12 MR. SERRES: Can I ask whether --

13 MR. SIPE: If you want to say something you have to
14 come to the mike. Sorry.

15 The question was: Is it possible to buy the maps
16 from Palomar? Usually Palomar will -- is that how you said
17 it, Daniel?

18 MR. SERRES: Just put them in the libraries so
19 people can come in and see them, just a hard copy in the
20 public library in these areas -- you know, Molalla, Maupin,
21 maybe in Sandy at the Forest Service building.

22 MR. SIPE: Like I said, work with us and work with
23 Palomar and we'll get you the maps you need.

24 Compression. Our engineers at FERC will be taking
25 a hard look at if compression is needed for this project

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1 along with the rest of the public projects in the area. They
2 will file an application and state whether they need it or
3 whether they don't need it. We will be looking into that.

4 The need. Obviously the need, the commissioners
5 will vote on whether the need -- sometimes you get a public
6 determination on projects, a preliminary determination on a
7 project. It's up to the commission whether they want to do

8 one or whether they do it, wait for the order or they do one
9 early. It just depends on the specifics of the project or
10 sometimes you see a preliminary determination for the need of
11 these projects.

12 There is a lot of controversy on LNG terminals in
13 the area. There's a lot of controversy throughout the United
14 States with LNG terminals. The problem is we need to get
15 this supply into the demand center. There's a lot of
16 proposals out there for LNG terminals up and down the
17 northwest coast, the southwest coast, the northeast, the
18 southeast, the gulf coast. There's a lot of LNG terminals
19 out there being proposed. The problem is getting the
20 terminals built in an area where it meets the demand center's
21 need, and a lot of times you have to put these LNG terminals
22 in and then you have to have the pipelines to feed the
23 system. It is a problem and we're trying to provide -- you
24 know, FERC has a balance. We protect the environment but
25 also we have to make sure the infrastructure is in the ground

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1 to supply the gas to people who need it, so it's a delicate
2 balance.

3 Back to the conflict of interest, we have been
4 aware of this for a while now. Our attorneys have been
5 looking into this and we always look into this. This is a
6 constant revision that the consultants have to do. They have
7 to send in information to us because constantly there's
8 projects being proposed and there's constantly changes being
9 made to each project. We have looked into this and our
10 lawyers have made determinations, but I'm not a lawyer and

11 I'm not sure exactly what they said about this project here
12 or any of the projects in Oregon. But we do have the
13 information and we are looking into it.

14 The next speaker, Ralph Wimmer.

15 MR. WIMMER: Boy, what an act to follow.

16 Ralph Wimmer, W-I-M-M-E-R; P.O Box 277, Maupin, Oregon. I
17 want to put that in there because I didn't get notice of this
18 meeting until last night when I got back from elk hunting,
19 and if I hadn't gone out for supper I wouldn't have known
20 about it. I'm second chair on the planning commission
21 although I'm not speaking for the planning commission tonight,
22 just for myself, and as far as I know none of us knew
23 anything about it.

24 You already answered another question I think for
25 me and that was the pumps that might be needed. Also

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1 refrigeration plants that might be needed in order to keep
2 this cold enough. We're talking, I believe you said 2,000
3 degrees --

4 MR. SIPE: 260 degrees Celsius.

5 MR. WIMMER: That's pretty cold. Ground
6 temperature here in Maupin is 60 degrees at six feet deep and
7 what's this going to do to the plant life around it and above
8 it? I'm sure the DEQ statement will answer that question.

9 The noise impact of the pumps, I used to live in
10 Washougal, Washington. We had a plant up on the hill pumping
11 gas. You could hear it for seven miles and I'm sure we
12 wouldn't want that in town. And I hear about this plan is
13 really needed for Portland, for the west side of Portland.

14 What benefits is this pipeline going to do for Maupin or the
15 surrounding area? I haven't heard anything about that.
16 Maybe something for California and the west side of Portland
17 but nothing for here. That's all I have.

18 MR. SIPE: Just to clarify a couple of things
19 there, Mr. Wimmer. This project in particular doesn't have
20 LNG, liquefied natural gas, associated with it. The other,
21 the Bradwood Landing LNG, the Oregon LNG, there's a Jordan
22 Cove LNG, there's three other projects in Oregon proposed in
23 Oregon that do have to do with LNG but this -- they can't --
24 well, not to say they can't yet, but they can't ship the LNG
25 for long distances.

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1 The LNG comes in on a ship and it's stored at the
2 LNG terminal. What happens from there is it's turned back --
3 it's a liquid when it comes in there and it's stored as a
4 liquid. Then they regassify it and they send it out as a
5 natural gas form. It's not a liquid anymore. So it's only
6 really cold when it's in the storage terminals when it's on
7 the ship.

8 An interesting note that doesn't have to do with
9 this project but the Washougal plant that you were talking
10 about, that was my last project up in the Northwest and that
11 did become an issue and that was somewhat resolved from the
12 last project, so hopefully the people around there are not
13 hearing that thumping noise for seven miles away.

14 I appreciate it. Thank you, Mr. Wimmer.

15 The next speaker on the list, Jon Helquist.

16 MR. HELQUIST: Jon, J-0-N; Helquist,

17 H-E-L-Q-U-I-S-T. I also am a member of the city planning
18 commission in addition to being the fire chief for the city
19 of Maupin. I had a couple of questions.

20 You touched on the Oregon LNG project. Does that
21 coincide with this one at all? Is it anywhere near where
22 Palomar is thinking of putting through the line?

23 MR. SIPE: There's areas that Oregon LNG and
24 Palomar are right beside each other proposed right now.
25 Oregon LNG comes from --

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1 MR. MORSE: It's this map, Doug.

2 MR. SIPE: Oregon LNG comes from basically up here
3 at Astoria, comes down this way, so when it gets down around
4 in this area here they may be co-located a lot. That's how
5 they're proposed right now.

6 MR. HELQUIST: So there's a potential that it could
7 be co-located through our area?

8 MR. SIPE: No, not in this area.

9 MR. HELQUIST: Reading through this information
10 that was sent out, my initial impression is that it's a done
11 deal and we'll take your environmental concerns and
12 everything else and we'll tweak it or adjust it however to
13 make it palatable for everyone. That makes me uneasy.

14 MR. SIPE: It should.

15 MR. HELQUIST: I hope it's not a done deal --

16 MR. SIPE: It's not a done deal.

17 MR. HELQUIST: The impression gets across that it
18 is.

19 My primary concern being the fire chief here in

20 Maupin obviously is safety and potential for fire. It
21 doesn't come through Maupin city limits but we're close
22 enough to it that we would have to go out there if something
23 were to happen, and maybe one of the folks here can address
24 those safety concerns. We don't have the equipment to fight
25 something of that magnitude nor do we have the training nor

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1 does anybody that I'm aware of in our fire district have
2 that.

3 MR. SIPE: Usually the companies that go through
4 the local areas will work with the -- always they work with
5 the local fire companies and provide them the assistance and
6 offer them the training they need to deal with an accident
7 with the pipeline.

8 MR. HELQUIST: And that's great just as long as
9 people keep in mind that we're volunteer forces. All the
10 little towns out here -- Shaniko, Dufur, and all the way down
11 the line -- we're volunteers. You know, we don't get paid
12 for this. We don't -- we've got other jobs.

13 MR. SIPE: And I applaud you for that.

14 MR. WOODSIDE: There is no fire district once you
15 cross the Deschutes.

16 MR. HELQUIST: That's true. And so there's a lot
17 of issues here safety-wise. And I didn't happen to see on
18 the map but it must cross the railroad somewhere too at least
19 once which is downstream here a ways. The railroad is the
20 No. 1 safety concern of ours right now since it parallels the
21 river. This would seem to potentially duplicate it going
22 over the top of the railroad and also crossing the Deschutes

23 River.

24 The Deschutes River is kind of our lifeblood here
25 in the city of Maupin and a lot of the surrounding areas.

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1 This is where people come to fish and hunt and raft and
2 entertain themselves so that's a big concern. That's
3 basically what I have to say.

4 MR. SIPE: It should be. Thank you.

5 We do get a lot of complaints in general on
6 projects across the board that you hear that this is a done
7 deal, this pipeline is coming through. You have no say.
8 That is so far from the truth that usually I'd like to fire
9 all right-of-way agents that portray that image. We work
10 hard with the companies. We are in the process of working
11 hard right now in developing a better program to train
12 right-of-way agents on what to say, what not to say. We do
13 not regulate the right-of-way agents. Generally the
14 right-of-way agents who are working these pipeline projects
15 are pretty good, but you do have some that portray a
16 different image than what we would like them to.

17 We get the threat of eminent domain. Eminent
18 domain is there. It is under the Natural Gas Act. The
19 companies, once they receive a certificate from FERC, they do
20 have the right of eminent domain to take your property. That
21 is true. But it's a long way between now and then and
22 there's a lot of comments that we can take and there's a lot
23 of adjustments we can make to a route and a lot of things
24 that we can do with the companies in working with you before
25 they have to take property by eminent domain.

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1 Usually at the end of projects we ask the
2 companies: How many properties did you have to take by the
3 use of eminent domain? Usually the number is very, very low.
4 So there's a good negotiation process out there. I
5 understand that for a lot of people in this room it's
6 intimidating for them to negotiate with a right-of-way agent
7 when they come to your property.

8 If you are having issues with the right-of-way
9 agent when they come out to your property and you are not
10 communicating well with them, please let us know. We can
11 assign you a different -- I can ask Palomar to assign you a
12 different right-of-way agent.

13 If you do need help with negotiating, I can talk to
14 you somewhat on negotiating. I can give you some tips and
15 tools on what to use, what to ask for. It's an intimidating
16 process and especially when a right-of-way agent comes out
17 and threatens the use of eminent domain. I've asked Palomar
18 repeatedly about this and they promised me that that would
19 not happen, so if that does please let me know.

20 MR. WOODSIDE: Rod Woodside, just like it sounds,
21 W-O-O-D-S-I-D-E, Maupin. Speaking of the right-of-way agent,
22 at what point do we start talking to the right-of-way agent?
23 I've allowed several, I've allowed several states (phonetic)
24 through my place, I've allowed people to go look for
25 arrowheads and measure the water flow and stuff and I've

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1 really never been approached by anybody or anything. You
2 know, I'm just kind of an easy guy to get along with and I
3 said yeah. The final weekend of deer season we go out on our
4 final hunt and for two days orange vests have been going in
5 and out. I told them they could. They just happened to be
6 right in the middle of our deer hunting -- or the day before
7 our deer hunting.

8 But expanding on the right-of-way agent, at what
9 point do we start talking with them and when does one
10 approach us? Should that have already happened or are we
11 about to get to that process?

12 MR. SIPE: Usually I'd like to see everyone that
13 comes to these meetings to already have been approached by a
14 right-of-way agent. This is a long pipeline project and a
15 lot of times it's difficult for the right-of-way agents to
16 set up a meeting with everyone and get with everyone before
17 we get to this process, but you should be contacted by a
18 right-of-way agent very soon.

19 MR. WOODSIDE: So is it a formal process? I mean,
20 I've met, briefly shook hands and everything, and I've said,
21 yeah, send the guys in, that's no problem. Was I approached
22 by a right-of-way agent and I don't know it? That's what I'm
23 asking. What is a right-of-way agent and when does it
24 happen?

25 MR. SIPE: There is a difference. You'll have a

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1 right-of-way agent hopefully approach everyone here before
2 you see any surveyors on your properties. But a lot of --

3 MR. WOODSIDE: I can tell you right now that hasn't

4 happened --

5 MR. SIPE: And I'm glad you came and told me that
6 because --

7 UNIDENTIFIED SPEAKER: Bruce is your right-of-way
8 agent.

9 MR. WOODSIDE: Okay, then maybe it has happened.

10 MR. SIPE: But that's how it's supposed to --

11 MR. WOODSIDE: I'm not saying it hasn't happened.
12 I'm saying I don't realize it. I'm town drunk so it's -- it
13 might have been said and I didn't understand it. I don't
14 know.

15 MR. SIPE: Totally understood. You should be
16 approached -- this is how it usually should work. You should
17 be approached by a right-of-way agent. The right-of-way
18 agent should be talking to you about what they're proposing
19 to do on your property, and then you may see some surveyors
20 and such if you grant survey access, which we ask everyone to
21 grant survey access because if we don't have the information
22 from the surveyors I don't know whether or not the pipeline
23 should be or should not be on your property, so we appreciate
24 giving the survey access. I mean, I understand certain
25 people want to fight the project and do not want to allow

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1 surveyors on their property but that's how we get our
2 information.

3 But that's how it should go. Right-of-way agent,
4 you should get some surveyors. The right-of-way agent should
5 be contacting you frequently. You should have easy access to
6 that right-of-way agent where you can talk about any issue

7 you have with them and --

8 MR. WOODSIDE: Well, I've got a phone call and I
9 said, "Sure, go ahead and survey it. Let me know what the
10 survey is." I'd like to know myself. I've got line issues
11 that I'd like to know about, you know, and stuff. But I
12 guess I'm telling you formally, I don't realize I've talked
13 to one and I've been sitting here wondering when we get down
14 to the wallet issue, you know. I mean, that's -- 90 percent
15 of the people, that is the issue.

16 MR. SIPE: Sure.

17 MR. WOODSIDE: So I guess that's what I'm curious
18 about.

19 MR. SIPE: I just advise you to talk to Palomar
20 after the meeting and get it from them.

21 Any other questions or speakers? Sir.

22 MR. LARSELL: My name is Bob Larsell,
23 L-A-R-S-E-L-L. I've lived in Maupin for the last four years
24 but also for the first 16 years of my life. I noticed on the
25 maps in the map room that we have 26 water body crossings in

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1 the east/west transit of this pipeline, and if they look like
2 the one that is proposed for the Deschutes I'm really
3 disappointed. I'd like to know from Palomar and from FERC
4 what the plans are for those water body crossings, and I will
5 certainly provide my address at this time to allow that
6 information to come to me. I am not directly affected by
7 this pipeline; however, the winds here (phonetic) run south
8 to north. My property is approximately two miles north of
9 the proposed crossing of Highway 197. Thank you.

10 MR. SIPE: Thank you. We will talk to you about
11 the information we have now in front of us, how they propose
12 to cross those streams. That information will definitely be
13 in the environmental impact statement and it will definitely
14 be in their application when it comes into FERC. Right now
15 we are in a pre-filing process. They generally know the route
16 that they want to use but they're not exactly sure how they
17 want to cross each one of those streams. That's why we're
18 working now with our cooperating agencies and they're working
19 with the landowners and such, so that information is not
20 totally put together yet but that should not -- that still
21 should not affect Palomar in talking to you about those
22 stream crossings, how they expect to cross them right now.

23 MS. MACK: My name is Maureen Mack; M-A-U-R-E-E-N,
24 M-A-C-K. I live in Culver, Oregon but my family's property
25 here is affected by this pipeline. As I was driving here I

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1 started thinking about some things and I have a question.
2 How is a visible pipeline crossing the Deschutes River in
3 compliance with the Wild and Scenic River designation?

4 MR. SIPE: Could you ask that again?

5 MS. MACK: Yes. This river has been designated as
6 a wild and scenic river, and how does placing a pipeline
7 across this river, how is that in compliance or not in
8 compliance with that federal statute?

9 MR. SIPE: That's definitely what we're going to be
10 talking about on Wednesday during my interagency meeting with
11 the BLM and the Forest Service.

12 MS. MACK: Okay.

13 MR. SIPE: We're all concerned about that crossing.

14 MS. MACK: If a pipeline crossing is over the
15 river, which agency is going to police the traffic, clean up
16 the litter, and be responsible for picking up the stuff that
17 people throw into the river when they're walking across that
18 or riding their bicycles or whatever? You know, I don't know
19 what kind of access there will be on either side.

20 MR. SIPE: That's a very good question and it's not
21 determined yet if it's going to be -- first of all, it's not
22 determined yet if they're going to put an aerial crossing
23 over the Deschutes River. It hasn't been determined yet what
24 type of aerial crossing they will use, whether it will be a
25 pedestrian bridge or just a pipeline going across it, so all

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1 that stuff is up in the air. There's a bunch of options and,
2 again, we'll probably look to the BLM. I believe that's all
3 on the BLM, the Deschutes River. We'll look to them to
4 provide us a lot of input on that.

5 MS. MACK: Okay. If this pipeline goes above the
6 river -- and I presume that there may be some way that it can
7 go under the river.

8 MR. SIPE: Right.

9 MS. MACK: -- what kind of security is going to be
10 on the site for malicious destruction, and if there is a
11 destruction of this pipeline, whether it's somebody shooting
12 -- you know, a kid, a drunk, whatever, a hunter -- what's the
13 impact of the inhalation of these fumes, for instance, in the
14 town of Maupin or for anybody who might be camping along the
15 river? So there's got to be -- is there going to be any

16 evacuation time for the city of Maupin? How do you take care
17 of these concerns?

18 MR. SIPE: Hopefully everyone gets a chance to look
19 -- Palomar did bring like a sample, like a little carpet
20 sample of a piece of steel pipeline, the thickness of that
21 pipeline. We do have an example of it over there, a sample
22 of it. But all safety-related issues with pipeline
23 crossings, especially aerial crossings, are handled by the
24 Department of Transportation so they will have to meet code.
25 And they're another cooperating agency with us. I just noted

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1 that they're not in my speech tonight.

2 The Department of Transportation, we do work well
3 with them. They provide all the safety input for these
4 pipelines whether they're in the ground or an aerial
5 crossing.

6 MS. MACK: Well, I guess just with the concerns
7 that I have and, certainly, I'm not paranoid about terrorists
8 or whatever, but I think that if this thing has to happen,
9 perhaps they should consider strongly putting it under the
10 river where nobody has to look at it and nobody has to litter
11 it and nobody has to deface it and --

12 MR. SIPE: I agree with you 100 percent.

13 MS. MACK: Excellent. Thank you.

14 MR. SIPE: Aerial crossings are troublesome. The
15 industry feels that, FERC feels that, but there are some
16 times on the routing of a pipeline project where you try to
17 route it here or there to try not to do an aerial crossing
18 and sometimes you can't avoid it. There are a lot of aerial

19 crossings across the United States for pipelines and there
20 are definitely a lot of safety constraints on this. Shooting
21 of one probably wouldn't happen because they're all encased,
22 especially the newer ones.

23 Anybody else have any questions? Concerns? Sir.

24 MR. SMERAGLIO: John Smeraglio, S-M-E-R-A-G-L-I-O;
25 city councilman.

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1 MR. SIPE: Great.

2 THE WITNESS: I believe this is all smoke and
3 mirrors. I do not believe whatsoever that this pipeline is
4 needed at all. Most of these LNGs are brought in from
5 overseas -- Russian, other countries, the Middle East -- and
6 they're reduced to 260 degrees so they can transport them to
7 freighters. Well, if they can transport them to freighters
8 to northwest Oregon, they can just take the freighters and go
9 down to California where the need is much higher and much
10 greater.

11 There's absolutely no need to run a pipeline across
12 the state of Oregon going through natural wetlands, people's
13 properties, defacing the value of our natural resources for
14 an impact that we have no idea of what could be if there was
15 a disaster. It's absolutely ridiculous. It should not
16 happen at all. If they can bring the tankers to the
17 Northwest, they can take them to California. Thank you.

18 (Audience applause.)

19 MR. SIPE: Thank you for your comment.

20 Any other questions? Concerns?

21 Again, I hope like the last comment that was just

22 stated, this is not smoke and mirrors. We do realize that
23 there are a lot of projects out here. We will look at
24 minimizing the amount of impact that there has to be for
25 these pipelines to go through. Again, I can't stress enough

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1 that there are a lot of proposals around here. There's one
2 for an LNG terminal in California right now. I just had a
3 pipeline project in Phoenix, Arizona, and that was one of the
4 main complaints, that all the power and such that's going to
5 be generated by this pipeline coming in that area, it's all
6 going to go to California.

7 What everyone has to understand is there's a grid.
8 There's a grid in the United States that's approximately
9 350,000 miles of pipeline in the United States. That
10 includes liquid lines also. And there's a grid that has to
11 be used out there to supply the gas to the people who need
12 it. There are import terminals needed. That's why everyone
13 -- there was a crunch a while back where you'd see a ton of
14 LNG facilities being proposed. It's all competition. We had
15 a lot of proposals in at FERC and you can look back through
16 the records and honestly see how many are actually going to
17 be built. But when you bring an LNG terminal in you've got
18 to find a way to get the gas from that LNG terminal into the
19 grid itself.

20 These projects in nature here, a lot of people
21 think that the gas is going to be going to California. I'm
22 sure some of it will be. But I'm sure some of it will be
23 going elsewhere also because a lot of these pipelines are
24 bi directional. You can run this gas to the north, you can

25 run it to the south, you can run it to the east, you can run

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1 it to the west, but you've got to have a grid in place to be
2 able to do that.

3 So I just hope that everyone realizes that FERC is
4 definitely looking at the need for these pipeline projects
5 but also we're definitely looking at the infrastructure
6 needed to supply this gas to where it's needed. Everyone
7 doesn't want to have a pipeline in their backyard and we
8 totally understand that. That's why we're trying to look for
9 the best place to run this pipeline. We work with the
10 industry a lot with this so --

11 Any more speakers? Any other questions? I'm going
12 to close the formal part and I'll still be here for anybody
13 else's questions.

14 Without any more speakers the formal part of this
15 meeting will conclude. On behalf of the Federal Energy
16 Regulatory Commission and our cooperating agencies, I'd like
17 to thank you all for coming tonight. Let the record show
18 that the Palomar Gas Transmission pipeline project's scoping
19 meeting concluded at 8:10 p.m.

20 (MEETING CONCLUDED AT 8:10 P. M.)

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CERTIFICATE

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

I, Anne K. Love, a certified shorthand reporter for Oregon, hereby certify that the transcript of proceedings occurred before me at the time and place set forth in the caption hereof; that at said time and place I reported in stenotype all testimony adduced and other oral proceedings had in the foregoing matter; that thereafter my notes were reduced to typewriting under my direction; and the foregoing transcript, pages 1 to 42, both inclusive, constitutes a full, true, and correct record of such testimony adduced and oral proceedings had and of the whole thereof.

Witness my hand at Portland, Oregon, this 26th day of November 2007.

Anne K. Love, OR WA CSR
Certified Shorthand Reporter
Oregon CSR No. 02-0379