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TRANSCRIPT OF PROCEEDINGS  
FEDERAL ENERGY REGULATORY COMMISSION  
PUBLIC SCOPING MEETING

PALOMAR GAS TRANSMISSION PIPELINE PROJECT

November 13, 2007

7:15 P.M.

Molalla Adult Community Center

315 Kennel Avenue

Molalla, 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 7:15 p.m. on November 13, 2007.

7 My name is Doug Sipe, I'm the FERC environmental  
8 project manager. Aileen Giovanello and Joe Iozzi, you met  
9 them at the sign-in table. I apologize that the line got so  
10 long getting in here but it's good that we have everyone sign  
11 in because we want to make sure you guys are on the mailing  
12 list and getting the information that we want to give you.

13 Aileen and Joe are with Tetra Tech EC,  
14 Incorporated. They are the consulting firm assisting us in  
15 the preparation of the environmental document. When I talk  
16 about an EIS throughout this presentation, this is similar  
17 (indicating). This is what it looks like. This is the one I  
18 did up in the Seattle area, a pretty thick document. Good  
19 reading if you want to go to sleep at night.

20 The FERC is an independent agency that regulates  
21 the interstate transmission of electricity, natural gas, and  
22 oil. FERC reviews proposals and authorizes construction of  
23 interstate natural gas pipelines, storage facilities, and  
24 liquefied natural gas terminals as well as licensing and  
25 inspection of hydroelectric projects. The purpose of the

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1 commission to protect the public and energy customers,  
2 ensuring that regulated energy companies are acting within  
3 the law.

4 We are located in Washington D.C. just north of the

5 United States Capitol. FERC has up to five commissioners who  
6 are appointed by the President of the United States with  
7 advice and consent of the Senate. Commissioners serve  
8 five-year terms and have an equal vote on regulatory matters.  
9 One member of the commission is designated by the President  
10 to serve as chair in FERC's administrative head. FERC has  
11 approximately 1,200 staff employees including myself.

12 The FERC is a lead federal agency responsible for  
13 the National Environmental Policy Act of 1969 referred to as  
14 NEPA, review of the Palomar project and the lead agency for  
15 the preparation of the EIS. NEPA requires FERC to analyze  
16 the environmental impacts, consider alternatives, and provide  
17 appropriate mitigation measures on proposed projects.

18 The Bureau of Land Management, the United States  
19 Forest Service who is here tonight, they're standing in the  
20 back, the Army Corps of Engineers, the Environmental  
21 Protection Agency, the United States Fish & Wildlife Service,  
22 the National Oceanographic & Atmospheric Administration, they  
23 have been invited to be cooperating agencies with us. We  
24 sent them letters and we're waiting for their acceptance. We  
25 can't do this alone and our cooperating agencies help us out

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1 a lot making sure that that EIS on the street is a good one.

2 This meeting is a public NEPA scoping meeting. The  
3 purpose of tonight's meeting is to provide each of you with  
4 the opportunity to give us your comments. We are here  
5 tonight to learn from you. It will help us most if your  
6 comments are as specific as possible regarding the potential  
7 environmental impacts and reasonable alternatives of the

8 proposed project. Your comments will be used to determine  
9 what issues we need to cover in the EIS.

10 As many of you may have attended Palomar's public  
11 open house meetings -- has Palomar had open house meetings  
12 here in this building? They were? They were here August 1st  
13 -- I want to take a minute to explain the difference between  
14 the open house meetings that were held by Palomar and the  
15 meeting that we're having here tonight which is the scoping  
16 meeting. Those meetings originally back in August, they were  
17 the Palomar company's meetings. They held those similar in  
18 format to tonight where in the back room they had a lot of  
19 displays set up and the maps and everything. This meeting is  
20 FERC's meeting.

21 The Palomar meetings were held with two primary  
22 purposes: providing information about its pipeline project  
23 to landowners that might be directly or indirectly affected  
24 by the project, and to gain feedback from the landowners and  
25 other stakeholders about the issues they have concerning

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1 initial routing work on the pipeline done to date. During  
2 that meeting, Palomar provided information about the project  
3 including staff who could answer questions about the routing  
4 process that was used, engineering, design, construction of  
5 the pipeline, and the environmental review process. Similar  
6 to tonight, they have provided detailed maps and aerial  
7 photographs showing the initial route location, alternative  
8 routes that are still under consideration, and private and  
9 public property boundaries.

10 I get that comment constantly about maps -- why the

11 company can't provide everyone with a complete set of maps,  
12 why they're hard to access. It is frustrating and I  
13 understand that, but this is the prefilling process. They're  
14 not required to file these maps with us or in the local  
15 libraries until they actually file an application. They plan  
16 on filing an application approximately about June of next  
17 year so at that point they will have the maps in the public  
18 libraries, they will have the maps with us -- which they  
19 already have the maps with us. But the reason why they don't  
20 have the maps really in the libraries to date is the fact  
21 that they're constantly changing. There's a lot of revisions  
22 done so they have to keep constantly updating, and sometimes  
23 you guys get a look at the maps and that route may have  
24 already changed.

25           When they file an application that route is -- you

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1 know, that's the route that they're proposing to use. So in  
2 June they will have the route and they will file it with us.  
3 At that point you guys can go and look at it. But if you  
4 want to look -- when a right-of-way agent approaches you guys  
5 he should have a map of your property and he may even have  
6 the maps of the entire route, and you definitely can set up a  
7 meeting to go to Palomar's offices and look at the route at  
8 any time you want. Just one second, sir. Let me go through  
9 the spiel and then the rest of the meeting is for you guys  
10 and I can answer whatever you want.

11           The routing issues and concerns that were collected  
12 from those meetings were documented in a tracking table and  
13 provided to me as part of the prefilling process. Palomar has

14 indicated to me that they've revised the route in several  
15 locations based on those comments received at the open houses  
16 and they're indicated on the maps tonight. I do appreciate  
17 -- to give Palomar a little pat on the back, they are decent  
18 maps they brought tonight. If you guys get a chance to look  
19 at them, we are here after the meeting and we were here  
20 before the meeting so they're pretty decent maps to look at.

21           The formal meeting tonight will be different.  
22 Because this is a formal scoping meeting held to meet the  
23 project scoping requirements of NEPA, the main purpose is to  
24 solicit input from the public on issues you feel should be  
25 addressed in our environmental assessment. These issues

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1 generally focus on the potential for environmental effects  
2 including the economic impacts but may also address  
3 construction issues, mitigation, the environmental review  
4 process which is key, and the need for the project which is  
5 another key aspect.

6           I'd also like to answer any questions you may have  
7 about the review process or FERC's role in the approval  
8 process. I have just one procedural request, and that is if  
9 you have any questions that you guys want to ask me, we have  
10 to come to the mike. We do have a signup sheet in the back  
11 and we do have already, I think, a decent amount of people  
12 signed up to speak tonight. I'll go down through that in  
13 order of how you signed up, so if you have questions you have  
14 to come up to the mike and state your name and spell it so  
15 it's on the record correctly. I just can't have people in  
16 the audience raising their hand and asking a question because

17 then Ms. Love here won't be very happy when she does the  
18 transcript.

19           If you prefer to send us written comments, please  
20 pick up one of the handouts from the sign-in table which will  
21 provide instructions on how to make it easier for you to send  
22 written scoping comments to us.

23           I have asked Palomar to keep its maps out and I've  
24 asked Palomar to come up with that map theory because that  
25 was an issue last night. So, again, if you guys want to see

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1 the entire route, look at it tonight or set up a meeting with  
2 Palomar. I can't stress that enough.

3           On October 29, 2007, FERC issued a notice of intent  
4 which I saw some people carrying around tonight which was  
5 published in the Federal Register on November 5, 2007.

6 Issuance of the notice of intent opened the formal comment  
7 period. It is during this period that we have accepted  
8 written comments on the project. The mailing list is very  
9 large and it's a constant revision, so if anybody in the room  
10 tonight did not receive a notice of intent I apologize. The  
11 landowner list is a constant battle for all of us involved  
12 and it keeps changing. I mean, to this day I sent out final  
13 environmental impact statements. You'd think the addresses  
14 would be right by then. We still get a bunch of returns. We  
15 do have extras in the back of the room tonight so if you guys  
16 need any pick one up.

17           The comment period will end on November 28, 2007.  
18 Do not be alarmed about that. That is a NEPA requirement of  
19 a scoping period ending. That does not mean that we're not

20 going to take comments after that date. You have from now  
21 until the project goes into construction to keep commenting  
22 on the project -- if it goes into construction. However, we  
23 encourage you to submit the comments as soon as possible in  
24 order to give us time to analyze and research the issues.  
25 I'd like to add that FERC strongly encourages

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1 electronic filing of all comments. The instructions will be  
2 on our Web site at [www.ferc.gov](http://www.ferc.gov) under the e-filing link.  
3 And, again, we have handouts in the back that go over the  
4 e-filing instructions and anything to do with our Web page.  
5 I also want to add that it's very good if you guys want to  
6 e-subscribe to this project. That's the way that I keep  
7 track of what's filed under the docket number at FERC. It's  
8 pretty easy. You just sign up and then everything that is  
9 filed on the record under this project you'll get an e-mail  
10 notification with a subject line. You can open it or not  
11 open it.

12 AUDIENCE SPEAKER: Do we subscribe online?

13 MR. SIPE: You can subscribe online -- the question  
14 was: Do you subscribe online? You do.

15 Regarding our process, we have begun what's called  
16 a NEPA pre-filing environmental review of this project. That  
17 doesn't mean much to you guys. It does mean a lot to us.  
18 Back a couple of years ago we wouldn't have had any of these  
19 meetings before the company actually filed an application.  
20 We wouldn't have attended the open houses. We wouldn't have  
21 had these scoping meetings before they filed an application.  
22 We wouldn't have held our interagency meetings. I wouldn't

23 have seen the route.

24           There's a lot of things that happen before the  
25 company files the application. The nuts and bolts behind

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1 that is we want to try to make sure that the company files  
2 with us the most complete application they can, and that  
3 provides us the information that we need to provide to the  
4 public in that environmental document. So basically it just  
5 -- the process starts a lot earlier than it used to.

6           The process is we encourage the involvement by the  
7 public, the government entities, and other interested  
8 stakeholders in a manner that allows us the early  
9 identification and resolution of the environmental issues and  
10 all comments. Again, a formal application has not been filed  
11 and that will be in June. That's what their proposal is  
12 right now. Again, we have the literature in the back with  
13 the environmental review process.

14           During our review of this project we will assemble  
15 information from a variety of sources including Palomar, you  
16 the public, other state, local, and federal agencies, and our  
17 own independent analysis and fieldwork. We will analyze this  
18 information and prepare a draft EIS that will be distributed  
19 to the public for comment. If you want a copy of the draft  
20 EIS make sure that -- that's why you all stood in that line  
21 tonight because we have to make sure we have your  
22 information.

23           On the NOI on the back page, it's a hard page, send  
24 that back in to us with your address on it and you want to  
25 check the box. If you don't check the box you're going to

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1 get a CD of that EIS. You're not going to get the hard copy.  
2 If you want the hard copy make sure you check the box. The  
3 reason we do that is the mailing cost of these things, you  
4 can imagine -- this is Vol. I of two volumes. To mail these  
5 all out to several thousand people gets pretty expensive so  
6 the CD version is really working out for us. It was because  
7 of this project we went to the CD.

8 It is very important that any comments you send in  
9 include the internal docket number for this project. The  
10 docket number is in the notice of intent, it is included in  
11 that and it is also included in all the handouts back at the  
12 sign-in table. The docket number for this project is  
13 PF07-13. The PF stands for prefilling. I'll add a note here  
14 that once the company files a formal application with FERC  
15 that number will change from a PF number to a CP number.  
16 When you e-subscribe -- you know, if you e-subscribe and you  
17 watch everything that's coming in you'll pretty much know  
18 when they're going to file an application if they file an  
19 application, and once that happens that number will change to  
20 CP08-something. I don't know what it will be yet but the CP  
21 stands for certificate proceeding.

22 After the draft EIS is issued you will have at  
23 least 45 days to review and comment on it. It may be 90. If  
24 the Bureau of Land Management needs to do a plan amendment --  
25 and they're not sure if they need to do that yet for this

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1 project -- it will be a 90-day comment period on the EIS if  
2 there is one needed. Towards the end of the comment period  
3 we will schedule a public comment meeting similar in format  
4 to this one to hear comments on the EIS. This meeting is set  
5 up for scoping. This is early on before they file an  
6 application. The next meeting that we'll have on this  
7 project will be a comment meeting on the environmental impact  
8 statement so, believe me, there's a lot of time to comment.

9           The only thing that I stress with the comments is  
10 the fact that the scoping period will end, the scoping NEPA  
11 period will end on that November date, but we do have a  
12 cutoff. When we start receiving too many comments late, your  
13 comment may just not be addressed in that EIS. It may have  
14 to wait for the final. So, basically, we do a draft  
15 environmental impact statement and then we do a final  
16 environmental impact statement, so there's two documents  
17 there.

18           The final EIS will be mailed to the people who are  
19 on the environmental mailing list, so if you receive a copy  
20 of the draft you will also receive a copy of the final. The  
21 final EIS is -- after the final EIS is issued, the FERC  
22 commissioners use our findings to assist their determination  
23 on whether to approve or deny a certificate for this project.  
24 To give you a little bit more background on that, we're staff  
25 for the commission. Those guys, they're approved by the

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1 President to be the commissioners of FERC. We as staff make  
2 recommendations upstairs on the Eleventh Floor to those guys  
3 basically with our environmental document and our

4 recommendations to the commission. Then they hold a meeting  
5 every third week, every three weeks I believe it is now. The  
6 commission holds a meeting to vote on these projects to deny  
7 or approve the project.

8 Before we start taking comments I've asked Palomar  
9 to provide a brief overview of the project and kind of give  
10 you guys an update of what's going on. Mr. Henry Morse has  
11 agreed to do that tonight so I'll turn it over to Henry.

12 MR. MORSE: Thank you, Mr. Sipe.

13 I'd like to do two things tonight. The first is to  
14 explain who Palomar is. Palomar is a joint venture between  
15 Northwest Natural Gas Company, the local distribution company  
16 that serves Portland, Vancouver, and some other portions of  
17 Oregon who has been in service for 148 years, and Gas  
18 Transmission Northwest is a subsidiary of TransCanada  
19 Corporation. Gas Transmission Northwest is a pipeline  
20 company. You could consider us more of a wholesaler whereas  
21 Northwest Natural is more of a retailer.

22 Gas Transmission Northwest is a pipeline company  
23 that's operated a pipeline, a very large pipeline that brings  
24 gas from Canada and serves customers located in Idaho,  
25 Washington, Oregon, and ultimately California. A significant

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1 amount of the gas that's consumed in Washington, northern  
2 Idaho, and Oregon comes from Canada and is transported into  
3 those states by Gas Transmission Northwest.

4 The Palomar project -- and I apologize to those in  
5 the back who may not be able to see the detail on these maps.  
6 These are the largest ones that we have for presentations

7 like this. The Palomar project starts at the existing  
8 pipeline, Gas Transmission Northwest pipeline in central  
9 Oregon north of Madras, runs across the Cascades and down  
10 into the Molalla area where it interconnects -- where it will  
11 connect to a city gate or a main interconnection point with  
12 Northwest Natural.

13 The purpose of this segment of the Palomar project  
14 is to provide for additional reliability to Northwest  
15 Natural. They get all of their gas today -- they get about  
16 two-thirds of their gas today through a pipeline that runs  
17 across The Gorge and then up into Seattle. Part of their gas  
18 comes down from Canada through Seattle, the rest of it comes  
19 across this project in The Gorge, and they have some concern  
20 about relying on a single pipeline as the way to get their  
21 gas.

22 So the first part of the Palomar project is about  
23 110 miles between the mainline and Molalla and the city gate  
24 of Molalla is primarily to provide reinforcement or  
25 additional reliability to Northwest Natural. We've been

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1 working with Northwest Natural off and on on this project  
2 concept for over ten years, and for the last four years we  
3 spent a lot of time trying to figure out the best way  
4 primarily to get through the Cascades.

5 The second part of the project goes from Molalla,  
6 which is also here on this map, around and all the way up to  
7 the Columbia River. This part of the project serves two  
8 purposes. What I'll call the southern end of it is also of  
9 interest to Northwest Natural. As their customer base

10 continues to grow westward they need pipelines providing gas  
11 into that expanding service territory.

12           The other part of the project is if a liquefied  
13 natural gas terminal is approved and constructed on the  
14 Columbia River, this would be a way to bring that LNG, turn  
15 it back into natural gas, by pipeline back down to more  
16 directly serve Portland and the Willamette Valley. We  
17 believe, assuming the project is approved, that this eastern  
18 segment of the project will be built whether or not an LNG  
19 terminal is ever permitted and built, and likely a portion of  
20 the western segment at least through this area will also get  
21 built whether or not there is an LNG terminal. Thank you.

22           MR. SIPE: Thank you, Mr. Morse. Again, I want to  
23 point out that after the formal part of this meeting I'm  
24 going to remain here and so is Palomar in the back of the  
25 room if you guys have any other questions that you don't want

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1 put on the record, we'll be here for that.

2           Henry just hit on it a little bit but I want to  
3 read a couple of paragraphs here for you guys that could  
4 clear the air a little bit -- I know there's a lot of other  
5 projects proposed for the state of Oregon and sometimes it  
6 gets confusing for us, let alone you guys.

7           As you probably know, the Bradwood LNG terminal,  
8 they had -- a draft EIS is out on the street for comment  
9 review and they had their comment meetings last week. They  
10 were held not in this area but they were held up near where  
11 the terminal is at the top of the state. The Bradwood LNG  
12 terminal and its proposed sendout pipeline are being analyzed

13 in a separate environmental impact statement.

14           Although gas coming into Bradwood LNG terminal may  
15 ultimately be shipped on Palomar, the terminal developers  
16 have stated that the Bradwood LNG terminal and its associated  
17 pipeline will be built regardless of whether Palomar is  
18 built. Also, Palomar would be built to serve Northwest  
19 Natural's supply reliability regardless of whether Bradwood  
20 LNG is built, although it would probably not need to be built  
21 the way that Henry described. Some of the sections may not  
22 need to be built.

23           Since both projects can be built regardless of  
24 whether the other is built, FERC believes that they are not  
25 connected actions under NEPA and that's why we're analyzing

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1 them in separate environmental impact statements. The  
2 relationship between the projects will be discussed in both  
3 environmental impact statements. You will see a discussion  
4 in the Bradwood EIS right now about Palomar and, again, the  
5 same goes for Palomar discussing these other proposals in  
6 front of us. In the response to these comments that we  
7 receive on the environmental documents and in the final will  
8 aid FERC in its decisions on need and purpose of those  
9 projects.

10           FERC has also initiated a prefiling process for an  
11 Oregon LNG project. This project includes a pipeline from  
12 Oregon's LNG proposed terminal site near Astoria to Northwest  
13 Natural's meter station at Molalla. Portions of the Oregon  
14 LNG route are near and in some cases may be identical to  
15 Palomar's. The two projects are independent of one other and

16 are being analyzed again in separate environmental impact  
17 statements.

18           It is conceivable that FERC could approve both  
19 projects if both are found to be a public convenience and  
20 necessity. FERC could deny certificates on either or both  
21 projects. This will largely depend on FERC's environmental  
22 review and on the ability for the projects to demonstrate the  
23 need for the project. Again, the public will have the  
24 opportunity to comment on FERC's environmental review of both  
25 projects and FERC staff's responses to those comments will be

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1 reflected in the final environmental impact statement.

2           It is troublesome for a lot of people to fathom  
3 that there may be two pipelines running down the same  
4 right-of-way close together for the two different projects.  
5 We know that that's a main concern. It's not the first time  
6 and it won't be the last time that we have both proposals in  
7 front of us. We do have to look at both of those as being  
8 built but the reason why is Palomar may fold up tomorrow and  
9 that's why we're going -- or Oregon LNG may fold up tomorrow,  
10 so that's why we have to analyze all of these guys as  
11 separate environmental documents.

12           There have been some cases where we have combined  
13 them when both projects were basically run to supply the same  
14 shippers or using an identical route. But these projects,  
15 Oregon LNG and Palomar, have a lot of differences to them.  
16 There's only a certain portion of it that they're combining  
17 right-of-ways and we're going to speak a lot about that  
18 tomorrow. We have a cooperating agency meeting in Portland

19 with all of the cooperating agencies to discuss that issue.

20 We will now begin the important part of the meeting  
21 with your comments. When your name is called, please step up  
22 to the microphone and state your name for the record. Your  
23 comments will be transcribed by the court reporter to ensure  
24 that we get an accurate record of your comments. A  
25 transcript of this meeting will be placed in the public

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1 record at FERC so everyone has access to the information  
2 collected here tonight.

3 Again, I can't stress it enough, once the questions  
4 start flowing and I start answering them a lot of people want  
5 to raise their hand and speak out in the audience. I can't  
6 have that happen. You have to come to the mike, and I'll  
7 watch for everyone when they start raising their hands and  
8 I'll point you out to come up.

9 So the first person on the list is Robert  
10 MacKimmie.

11 MR. MACKIMMIE: My name is Robert MacKimmie and  
12 it's spelled M-A-C-K-I-M-M-I-E and I live on Elliot Prairie  
13 Road. My question is, recently I've been doing some research  
14 into this routing problem, and by the last FERC document I  
15 received all the suggestions were to be received at this  
16 meeting, and recently we found that there's a 36-inch  
17 pipeline being built in Oxnard, California with an offshore  
18 docking facility. Interestingly enough, there's already one  
19 here in Oregon in Newport. Why aren't we using it? What  
20 that would do is it would eliminate this entirely, and if the  
21 offshore facility was used none of these tankers would have

22 to even go into the Columbia River whatsoever.

23           There's already a 36-inch double-insulated pipeline  
24 from Newport to Albany also connecting McMinnville with an  
25 additional pipeline underneath Interstate 5 at the Halsey

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1 Exit. All of these things should be utilized. Northwest  
2 Natural Gas does own the facility on Yaquina Bay so I'd like  
3 to know why they're not using it. Thank you.

4           MR. SIPE: Thank you for your comment. I'm not  
5 familiar with the facility you're talking about so it's hard  
6 for me to comment on it directly but your comments will be  
7 noted in the record and will be addressed in the  
8 environmental impact statement. Thank you.

9           The next speaker on the list is Ed Egging.

10           MR. EGGLING: The last name is Egging,  
11 E-G-G-L-I-N-G. I've got a few concerns that I have regarding  
12 this, and this is from information I've had before this  
13 meeting. Before I read what I've got here, I was informed  
14 that up to 93 percent of the gas coming through this line was  
15 going to California. What we heard this evening was that it  
16 sounds like the bulk of it is being kept in Oregon and that's  
17 not correct as far as I know. There's no benefit to the  
18 people of the state of Oregon to have these -- the storage  
19 facility or the high pressure pipeline put in Oregon. The  
20 only beneficiary is the state of California that voted it  
21 down. If the state of California wants this project let them  
22 build another terminal down there in California so their  
23 people can deal with the hazards that we would be forced to  
24 confront up here.

25                   Regarding the safety issues, I do not know what the

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1   blast zone for the terminal would be but we do know what  
2   happened when Mount St. Helens erupted. I've read that if a  
3   terminal facility were to explode it would make Mount St.  
4   Helens look like a firecracker versus a thousand pound bomb.  
5   There's no way that anyone can guarantee that some safety  
6   device could not fail or human error would not create a  
7   situation where an explosion would vaporize the corner of  
8   Oregon and southwest Washington.

9                   As far as the pipeline is concerned with a blast  
10   zone of 1,400 feet, no thank you. Put it in your backyard.  
11   Oregonians lives are as valuable to each of us as those who  
12   live in California. Oregon is seismically active just like  
13   California. Molalla experienced major damage just a few  
14   years ago from an earthquake, and having a high pressure,  
15   unodorized gas line on or near your property is a situation  
16   no sane person would accept.

17                  I'm a real estate broker in Oregon and Washington  
18   and I'm very concerned for my clients that have been notified  
19   that their properties are on the proposed right-of-way for  
20   the pipeline as well as other property owners in the area.  
21   Anytime a property is burdened with an easement it diminishes  
22   the value of the property. Most easements are for utilities,  
23   access, views, or use. These do impact property value but  
24   normally it is minimal. Putting an easement for placement of  
25   a potential bomb on your property does not equate or create

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1 positive property values. In many cases it might reduce the  
2 property to have no value and be unsalable.

3 The reasons for a high pressured LNG pipeline in  
4 Oregon: New jobs? Very few. Love Californians? Not  
5 likely. No valid reason for putting it here, not in our  
6 backyard.

7 (Audience applause.)

8 MR. SIPE: Thank you for your comments.

9 Next on the list is Susan Hansen.

10 MS. HANSEN: I'm Susan Hansen, P.O. Box 50,  
11 Molalla, Oregon.

12 I stand here tonight filled with disgust and  
13 revulsion. Disgust that I must defend my corner of the world  
14 by stating safety, environmental, and quality of life issues  
15 that seem to me ridiculously obvious. My deep revulsion  
16 stems from the fraudulent claim that this hideous process  
17 imposed upon us is fair and unbiased. Frankly, if this  
18 process were to be fair to the landowners here tonight we  
19 would turn the calendar back almost a year ago when Palomar  
20 and the City of Molalla began colluding behind our backs  
21 despite this obnoxious project on lands that Molalla has  
22 absolutely no jurisdiction over.

23 The fossil fuel carpetbaggers carefully avoided  
24 involving the rural landowners who would be affected as well  
25 as Clackamas County and the active Molalla Citizens Planning

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1 Organization. This gross omission proves to me that

2 landowners should not be called stakeholders in this land  
3 rip-off. Please call us instead pawns and dupes, for that is  
4 the way we've been treated by the coercive, lying, and pushy  
5 multinational corporations trying to dump their dangerous and  
6 unneeded LNG pipelines upon us.

7 By now, the draft letter from Governor Kulongoski  
8 to the pipeline promoters has been widely distributed. We  
9 thank him for stating that we have been grievously wronged by  
10 the pipeline promoters. Obviously since landowners have been  
11 carefully left out of the process so far, we demand that FERC  
12 extend the comment deadline so more citizens may gather  
13 environmental evidence and make comments.

14 The only good things to come out of this fiasco has  
15 been a newfound connection with the diverse group of local  
16 residents oppressed by the Palomar shills and the  
17 reinforcement of the importance of the environmental and  
18 archeological aspects of our land. My early discovery of the  
19 LNG plague led me to discover through the Oregon Department  
20 of Fish & Wildlife a wonderful program that has scoped and  
21 enrolled my property in a state conservation easement plan.

22 It renewed my understanding that the diverse,  
23 threatened, and of concern species that have been documented  
24 on my property do not recognize borders. They depend upon  
25 land, vegetation, and water features all over our area. The

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1 documented species of concern in my area include but are not  
2 limited to these sensitive, threatened, or endangered  
3 species: western gray squirrels, red-legged frogs, pileated  
4 woodpeckers, acorn woodpeckers, merlin, band-tailed pigeons,

5 and the western bluebirds. Wildlife consultants also believe  
6 that other sensitive, threatened, or endangered wildlife such  
7 as the Camas pocket gopher would be expected to occur in our  
8 area due to available habitat.

9           Additionally, my site and the general area contains  
10 remnant old growth including Pacific yew, Oregon ash, and big  
11 leaf maple. The rural lands surrounding Molalla have  
12 extensive stands of Oregon white oak habitat, an ecosystem  
13 actively promoted for protection and enhancement by the BLM  
14 and other state agencies. Many of these ecozones and species  
15 are threatened by the pipeline including the connectivity of  
16 many habitat.

17           In my discussions with Oregon Fish & Wildlife I  
18 asked about the caliber and methodology the consultants of  
19 the pipeline was allowed to choose to do its wildlife  
20 scoping. My query of Fish & Wildlife was answered with a  
21 snort and the comment that it is one of the least qualified  
22 they have been forced to work with. My private consultant  
23 observed that the only proper time to scope for any wildlife  
24 except big game is in the spring and summer when the animals  
25 are on site raising young and migratory birds are nesting.

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1 Why and how is it that Palomar does have an environmental  
2 scoping project that begins and ends in seasons that host the  
3 fewest active species? It could only be that they don't want  
4 to find any.

5           Over the course of 17 years as an organic farmer,  
6 forester, and wildlife conservationist I have collected a  
7 large array of rocks, some odd shapes, some brightly colored,

8 and some obviously a Native American tool. This seemingly  
9 motley collection was scoped recently on site by an  
10 archeologist from the University of Oregon. The artifacts  
11 are so diverse and significant that I am encouraged to enroll  
12 my property in the state Historical Protection Project and am  
13 in active contact with the National Land Trust and  
14 Confederated Tribes of the Grand Ronde, the modern tribe  
15 representatives of the Kalapuya tribe who populated and kept  
16 permanent camps on my land. Like the important birds, plant,  
17 and wildlife species in our area, the Kalapuya and the  
18 Molalla tribes did not have borders. It should be expected  
19 that imported Native American artifacts would be found all  
20 over the Palomar route.

21 Why did Palomar reject the University of Oregon  
22 team for their archeological scoping? My archeological  
23 consultant said U of O is usually the cheapest and is used by  
24 Oregon's Department of Transportation before highway projects  
25 begin and is the most thorough and knowledgeable about the

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1 Native American prehistoric inhabitants of our state. He  
2 believed U of O was rejected for this project because their  
3 methodology requires a U of O core sample every 20 meters  
4 along the route. It is obvious that the rejection of our  
5 most qualified archeological team shows that Palomar has  
6 little interest in protecting the prehistoric treasures of  
7 our state's past.

8 Aside from the obvious concern for flora, fauna,  
9 and artifacts, there is the glaring fact that we sit atop a  
10 very active and well documented earthquake fault. We live in

11 times of serious political unrest and depend on the integrity  
12 of manmade goods for our health and safety. Space shuttles  
13 blow up, nuclear plants leak, planes crash, and pipelines  
14 explode every day around the world. Words are cheap  
15 especially when they come out of the mouths of corporate  
16 apologists like those we've encountered from Palomar.

17           No pile of lies can convince us of the safety of a  
18 36-inch line filled with non-odorized LNG sitting on top of  
19 an active fault zone engineered and built for a price by  
20 for-profit multinational corporations. Will they endow our  
21 local fire and rescue agencies with the ability to stop the  
22 flames that will spread from the initial 1,400-foot blast  
23 zone? Will FERC ensure that there is an insurance trust fund  
24 available to pay us for pipeline explosion losses that our  
25 personal insurance will disallow? We have learned enough to

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1 know they'll declare an act of God and disappear with fists  
2 full of money.

3           Speaking of money, Clackamas County where we live  
4 has been paying close to double the assessed value of land  
5 when a for-the-public-good project makes land condemnation  
6 necessary. Our lands are rich and capable of supporting a  
7 diverse number of farm, forest, and wildlife pursuits. Those  
8 uses will be highly restricted by any pipeline. Is Palomar  
9 prepared to negotiate for land rights in public for fair  
10 prices and be honest about the prospect of easement being  
11 reused for other unknown at this time uses?

12           Landowners have already experienced the deception  
13 of the land agents, and without an open process where each

14 landowner knows the amounts of money and the detailed  
15 right-of-way agreements negotiated by others the process will  
16 be grossly unfair. Landowners will be without compensation  
17 they deserve for the 10 percent or more depreciation their  
18 entire property will suffer due to the stigma of this  
19 hazardous nuisance.

20 Our group, Oregonians Against the Pipeline, has  
21 detailed information for anyone interested in learning more  
22 about the safety of LNG. We have sample, detailed  
23 right-of-way agreements and lists of qualified land  
24 appraisers and pipeline attorneys. We urge you local  
25 landowners to work with your friends and neighbors to make

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1 sure that FERC and Palomar don't railroad you into dangerous  
2 deals. Sign up in the back of the room after this is over.

3 And finally, I am ashamed of an America that  
4 fosters laws like the 2005 energy deal which allows bullying  
5 of citizens to force them to surrender their land rights to a  
6 profit organization. I'm ashamed of anyone, especially those  
7 in this room tonight representing Palomar and FERC who work  
8 to impose such indignity and duress on my friends and  
9 neighbors. I'm ashamed that an alleged local company like  
10 Northwest Natural would seek to balance its greedy profit  
11 margin on the backs of earnest Oregonians who have nothing to  
12 gain and everything to lose by the presence of a hazardous  
13 product like liquefied natural gas. Our lives and land are  
14 too valuable to be the dump for ugly projects rejected by  
15 other states and countries. We say take your lies and spread  
16 your misery somewhere else.

17 (Audience applause.)  
18 MR. SIPE: Thank you. I will make a note, I know  
19 it's confusing with all the projects around here, the Palomar  
20 gas project is not a liquefied natural gas project.  
21 Basically the way it works is you have Oregon LNG, that will  
22 be a liquefied natural gas terminal; you have Bradwood LNG,  
23 that's another one, and then down south you have Jordan Cove.  
24 They are LNG facilities. The liquefied natural gas is  
25 shipped into the terminal, it's stored at the terminal. When

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1 the gas leaves the terminal itself it is vaporized and made  
2 back into a gas form, into a natural gas form to go into the  
3 pipeline. So none of the LNG itself will be going through  
4 the pipelines.

5 The next speaker on the list is Pat Ross.

6 MS. ROSS: My name is Patricia Ross;  
7 P-A-T-R-I-C-I-A, R-O-S-S. I live at 31728 S. Shady Dell Road  
8 in Molalla.

9 I am not an affected property owner with the  
10 prospect of having my land condemned but I personally have  
11 experienced that painful process. I know how it feels to not  
12 be able to sell my property for a fair price because I have  
13 an undesirable facility and pipeline on the property next to  
14 mine. I am concerned about the possibility of a pipeline  
15 leak and subsequent fire explosion because the pipeline will  
16 be installed near seismic faults near my home about 30 miles  
17 SSE of Portland.

18 The second largest quake recorded in Oregon  
19 happened just south of the proposed path. On March 25, 1993

20 a magnitude 5.6 earthquake struck 30 miles to the south of  
21 Portland near Mount Angel rocking the entire region. The  
22 quake caused \$30 million in damage and was felt over an area  
23 of more than 50,000 square miles. The casing in my well was  
24 broken as a result and we now have undesirable minerals in  
25 the water.

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1 Small quakes happen regularly. A magnitude 3.6  
2 quake happened on Sunday, September 23rd southwest of  
3 Woodburn. On Wednesday, July 11, 2007 a magnitude 3.3  
4 happened southwest of Canby, Oregon. This quake shook boxes  
5 off of high shelves and cracked the floor of our RV barn even  
6 though the footings and floor had 40 cubic yards of concrete  
7 in them. A 1992 aerial geophysical study conducted by the  
8 U.S. geological survey confirmed the existence of the East  
9 Bank fault but also suggested that it would have the  
10 potential to produce large earthquakes.

11 The magnetic pattern associated with this fault  
12 extends at least 30 miles to the southeast of Portland, much  
13 farther than previously thought. I don't want to know what  
14 will happen if a quake ruptures a 36-inch high pressure LNG  
15 pipeline near my home -- and I realize it's not liquid as it  
16 goes through the pipeline but it's still gas explosive.

17 I'm a local property owner who lives less than two  
18 miles down river from where the pipeline will cross the  
19 Molalla River. I'm concerned about the loss of trees in a  
20 120-foot strip next to the river. The Molalla River is water  
21 quality limited for temperature and our Oregon DEQ has been  
22 working on a TMDL to resolve the problem. The cutting of

23 trees next to the river will degrade the existing problem on  
24 a river that is one of the few left in Oregon in which  
25 salmonids survive. A great deal of money and effort has

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1 been expended for the restoration of our native fish.

2 A very dense, desirable span of trees follow the  
3 river on both shores and if the pipeline ruptures with fire  
4 it will spread so quickly that the houses in the stand of  
5 trees will not be able to survive just like California. You  
6 may call me an alarmist but I believe in Murphy's Law: What  
7 can happen will happen.

8 I'm also very concerned that our state and county  
9 officials have not been included or involved in the siting  
10 process. You contacted federal officials and set up a  
11 parley. Why not our Oregon officials who are responsible to  
12 protect our citizens, our homes, our farms, and our way of  
13 life? Palomar contacted city officials about the proposed  
14 pipeline but yet not Clackamas County officials. The county  
15 residents will have to take the risks, not the city  
16 residents, so why were the county officials not contacted at  
17 the same time?

18 Why is this process being rushed? More time is  
19 needed to allow citizens time to become educated about LNG  
20 and its dangers. Oregon citizens will be the ones to suffer  
21 the consequences if this pipeline has accidents. In the FERC  
22 guide to LNG it speaks about terminals and ships and how safe  
23 they are but nothing about safety of the transmission  
24 pipelines for which our citizens will have to live near.

25 In the September 2003 CRS report for Congress it

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1 states that there are 40 LNG terminals in the world and since  
2 1944 there have only been ten serious accidents with  
3 facilities directly related to LNG. In the May 2004 CSR  
4 report for Congress it states that there have only been 13  
5 serious accidents at these facilities directly related to  
6 LNG, an increase of 3 or 30 percent in one year. How many  
7 more accidents occurred in 2005 and -6 are not available. As  
8 the volume of terminals grow will the accidents grow?

9           The guide states that as LNG vapor warms it becomes  
10 lighter than air and will rise and disperse rather than  
11 collect near the ground. An eyewitness to the Algerian  
12 accident in 2004 that killed 29 and injured 80 people stated  
13 that the vapor did not behave like it was explained in the  
14 LNG guide from FERC. It did not rise. It traveled a long  
15 distance along the ground. Nothing in the guide mentions  
16 pipelines themselves, yet a definition of facility includes  
17 everything attached to the facility.

18           The U. S. Office of Pipeline Safety report 180  
19 incidences from January 1, 2002 through 31 December 2003 with  
20 two fatalities, 13 accidents, and \$66,351,182 in property  
21 damages just for transmission pipelines, the same kind as  
22 we're talking about here. Why the difference? There are  
23 currently over 25,000 miles of pipeline in Oregon including  
24 distribution pipelines that send gas to individual  
25 properties. What about the safety of these existing pipes

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1 when the use of LNG will destroy the aging fittings and  
2 joints? How do we know?

3           Accident numbers started increasing significantly  
4 in Maryland in 2003. Then a District Heights house exploded  
5 in March 2005 from a gas leak. The Washington Post reported  
6 on January 13, 2005 that the natural gas imported LNG that  
7 the company started using in August 2003 was drying the  
8 rubber seals of aging metal couplings in sections of the pipe  
9 and the gas company knew in 1992 that this was possible.  
10 Even if only some of this LNG is mixed with our current  
11 supply, the same will happen or the gas suppliers will have  
12 to replace the pipes and raise prices. I don't think  
13 Oregonians are going to be happy with that tidbit of  
14 information especially if they're committed to becoming  
15 independent of fossil fuels.

16           Why risk Oregon lives when we know that the gas is  
17 destined for California? In the Oregon LNG project  
18 presentation to the California Energy Commission on July 26,  
19 2007, the conclusion of that presentation was the pipelines  
20 to California will be full. Then after a topic question was  
21 slated, are there too many projects in Oregon? Why it is  
22 necessary to affect so many Oregon landowners for this  
23 project if the gas is for California? If it is so safe, why  
24 not make the pipeline follow the existing road right-of-ways  
25 instead of denying farmers the full use of their land to grow

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1 whatever they need to make a living?

2           I believe that the safety of LNG has been grossly  
3 overstated. I can find no convincing evidence that LNG is

4 safe enough to risk the installation of these huge sized  
5 transmission pipes in Oregon. In other words, it's not  
6 needed. The benefits will not outweigh the potential  
7 negative impacts of putting Oregon citizens in harm's way.  
8 Thank you.

9 (Audience applause.)

10 MR. SIPE: Thank you. The next speaker on the list  
11 is Jim Cross.

12 MR. CROSS: I have a very short statement. My name  
13 is Jim Cross and my family lives and owns 32602 S. Highway  
14 213 where you have proposed to put over 2,000 feet of this  
15 pipeline which I oppose. I have a short statement and a  
16 single question.

17 I couldn't help but ponder at the foot of my  
18 father's grave on Veterans Day of what my father would feel  
19 about having this pipeline imposed upon him and his family.  
20 You see, my father was a World War II veteran and he served  
21 as a 1st Cavalry in the Big Red One unknown to me until we  
22 displayed his badge and some service items for his funeral.  
23 There it was, the Big Red One patch. I knew he had started  
24 in France and ended up in Czechoslovakia giving background  
25 that his fellow servicemen had given the ultimate sacrifice

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1 for. My father had a sound understanding of what sacrifice  
2 it took.

3 He was not proud of the things he had to do but he  
4 knew that the things that he did were the right things to do.  
5 He knew his sacrifice was for all Americans and their  
6 property to be protected under the U.S. Constitution. It

7 broke my heart to think of how he might feel if he knew that  
8 the very government that he served would impose this pipeline  
9 upon him and his family. I ask one question: For what  
10 purpose will this pipeline serve if it is imposed upon the  
11 will of my family?

12 (Audience applause.)

13 MR. SIPE: Thank you, sir. The next speaker is  
14 Kay Peterson.

15 MS. PETERSON: My name is Kay Peterson,  
16 P-E-T-E-R-S-O-N. I live at 13740 Wilco Highway NE in  
17 Woodburn. I live on ten acres. My water comes from an  
18 artesian spring approximately 60 feet from the proposed  
19 pipeline. How is the pipeline going to affect my spring?  
20 I'm directly over the Scotts Mills fault line. Can the  
21 pipeline withstand an earthquake? My house is within the  
22 blast zone. If my house is blown up my insurance will not  
23 pay for the loss of my home. My insurance will not pay for  
24 any damages that could occur due to this proposed pipeline.  
25 My property value will go down. My trees will be cut, never

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1 to be replanted. My stream will be destroyed. I will  
2 forever be limited as to what I can do within this easement.  
3 Forever is a long time. I'm obviously opposed to this  
4 proposed pipeline.

5 In addition, I would like to ask Palomar to quit  
6 calling my husband's office to ask for our unlisted home  
7 phone number. His staff has asked me to ask this because  
8 whoever is calling has been extremely rude to the people at  
9 my husband's office so I want that on the record that I do

10 not appreciate them calling my husband's office. Thank you.

11 (Audience applause.)

12 MR. SIPE: I apologize for that. Palomar will note  
13 that.

14 The next speaker on the list is Bill Taylor.

15 MR. TAYLOR: Good evening. My name is Bill Taylor,  
16 T-A-Y-L-O-R. I'm the president of Molalla RiverWatch.  
17 Molalla RiverWatch is a nonprofit organization created in  
18 1992 for the purpose of protecting, preserving, and restoring  
19 the flora, fauna, and water quality of the Molalla River and  
20 its tributaries. We are concerned about the negative aspects  
21 of this proposed pipeline on the Molalla River and its  
22 tributaries, and because the Molalla River is a part of the  
23 larger Willamette and Columbia watersheds our concerns extend  
24 to them also.

25 Some of our specific concerns include, No. 1:

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1 Damage to riparian habitat where a proposed pipeline will  
2 cross rivers and streams bearing ESA listed salmon and  
3 steel head.

4 Increased erosion and sedimentation to waterways  
5 during the construction of the pipeline and throughout the  
6 life of the pipeline due to loss of native vegetation.

7 No. 3: Loss of shade and increased temperatures in  
8 fishbearing streams and rivers along the route of the  
9 pipeline.

10 No. 4: Negative impacts to the function of  
11 wetlands through which it may cross.

12 No. 5: Increased opportunity for nonnative

13 invasive species along the 50-foot wide swath across the  
14 state.

15           No. 6: -- and I realize that this is a different  
16 project but I think the two projects are related -- impacts  
17 from transportation and storage of liquefied natural gas  
18 along the Lower Columbia River, an environmentally sensitive  
19 estuary and part of the Columbia River water trail, a trail  
20 146 miles long on the Lower Columbia from Bonneville Dam to  
21 the Pacific Ocean.

22           These negative impacts would result from dredging  
23 the river to allow passage for huge tankers developing a deep  
24 water port along the river and building an enormous LNG  
25 facility on the riverbank. Please consider the negative

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1 consequences to our river, our community, and our environment  
2 as you make your decision. Molalla RiverWatch objects to  
3 these projects and requests that you deny this proposal.  
4 Thank you.

5           (Audience applause.)

6           MR. SIPE: Thank you. The next speaker is  
7 Marjie Castle.

8           MS. CASTLE: Good evening. My name is  
9 Marjie Castle; M-A-R-J-I-E, C-A-S-T-L-E. I live at 212 White  
10 Water Road in Longview, Washington. Up until last week my  
11 home was the drill site to bring the pipeline under the  
12 Columbia River called Bradwood Pipeline. As of last week we  
13 found out that the DEIS contains more than one hole, more  
14 than one lie, and I caution the people on the Palomar  
15 pipeline to really watch the DEIS when it comes out to you.

16 This drill site is moving over a quarter of a mile away and  
17 is not listed anywhere on the DEIS.

18 I'm here tonight though to talk about the northwest  
19 section, what I call the northwest connection. Northwest  
20 Natural Gas is one of the partners in the Palomar project.  
21 Northwest Natural Gas is also a partner with the Bradwood  
22 project with Northern Star Natural Gas. In fact, as of  
23 December 15, 2006, Northwest Natural Gas and Bradwood were  
24 finalizing the sale of the Bradwood pipeline to Northwest  
25 Natural prior to it even being permitted, prior to the DEIS

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1 even being out. That is a big thing.

2 Northwest Natural Gas owns the pipeline along  
3 Highway 30, they own the Nestorage (phonetic) Caverns, they  
4 own the Katy pipeline. They'll own the Bradwood pipeline and  
5 have the right to take care of it after it's been permitted  
6 if it is permitted. They currently are negotiating a  
7 partnership for the Gill Ranch storage facility in  
8 California. They are a partner with Palomar. They have been  
9 wanting since the early '90s to be running with the big dogs  
10 rather than being a receiver of gas from the Williams  
11 pipeline system. We are all just pawns in the Northwest  
12 Natural Gas game and it behooves each and every one of us to  
13 dig a little deeper and find out just what the connection is  
14 between Northwest Natural Gas, GTN, Northern Star, and any of  
15 the other gas companies that Northwest is playing games with.

16 It is inconceivable to me that the FERC has not  
17 included Northwest Natural Gas as part of the environmental  
18 impact statement or part of the application for the Bradwood

19 site for Northern Star LNG. The fact that they have been  
20 involved in each one of these projects and are part of this  
21 Palomar pipeline, and this Palomar pipeline was mentioned in  
22 the December 15, 2006 SEC application of Northern Star  
23 Natural Gas for their IPO as beginning at their site. That  
24 connection was already made. To have it not included and  
25 have these two projects combined is ridiculous. Thank you.

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1 (Audience applause.)

2 MR. SIPE: Thank you, Ms. Castle. The next  
3 speaker, Ludwig Hitz.

4 MR. HITZ: I'm Ludwig Hitz, H-I-T-Z. Those last  
5 few speakers are a hard road to follow here.

6 I have a few questions, one for FERC. Was FERC  
7 involved in California when they applied for terminals down  
8 there on -- I think there was four or five of them applied  
9 for?

10 MR. SIPE: I know of one that has been proposed.  
11 I'm not sure of the four or five.

12 MR. HITZ: Were you involved in it?

13 MR. SIPE: Yes. If it's an interstate facility  
14 then FERC would be involved.

15 MR. HITZ: How long has FERC been involved in this  
16 pipeline business?

17 MR. SIPE: Since -- that's a good question. Thirty  
18 years, 30-plus years. It used to be the federal --

19 MR. HITZ: -- gas pipeline business?

20 MR. SIPE: Yes.

21 MR. HITZ: How many have you turned down?

22 MR. SIPE: A handful.  
23 MR. HITZ: What for? What did you --  
24 MR. SIPE: Why did we turn them down?  
25 MR. HITZ: Yes.

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1 MR. SIPE: I don't know. I can't answer that. I  
2 don't know.  
3 MR. HITZ: Is Mr. Morse here? I'd like to ask him  
4 a couple of questions.  
5 MR. SIPE: Mr. Morse is here but can you direct  
6 them to me?  
7 MR. HITZ: I can direct them to you but I'd like to  
8 know what Mr. Morse was dealing with when he was -- was he  
9 involved in the Baja California terminal that they're  
10 building right now in Mexico?  
11 MR. SIPE: I can't answer that.  
12 MR. HITZ: That's why I want Mr. Morse up here.  
13 (Audience applause.)  
14 I don't usually ask questions unless I know what  
15 the answer is, and one of the answers that Mr. Morse is maybe  
16 trying to avoid, I don't know, but the gas in Mexico is  
17 slated for the San Diego area and I understand that you're  
18 not involved in the Mexican part of it, are you?  
19 MR. SIPE: No.  
20 MR. HITZ: I just wondered why Mr. Morse didn't go  
21 back and have another one put in, but also why Mexico turned  
22 it down when they did go back and try to have another  
23 terminal put in.  
24 The other thing is foreign money. How much foreign

25 money is involved with Palomar and the rest of these

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1 conglomerates? Who are we supposed to be dealing with in the  
2 state of Oregon? Where is the foreign money coming from?

3 MR. SIPE: I can't answer that either. You're  
4 asking me company questions and I understand -- I can get the  
5 answer for them, but if I don't know the exact answer I can't  
6 answer it.

7 MR. HITZ: Well, you know, LNG comes from foreign  
8 countries, all of it just about, and it seems to me like  
9 somebody is making a lot of money on this at our expense.  
10 Our land is going to be devalued to next to nothing. Maybe  
11 Einstein was right when he said that there's only two things  
12 constant and the same all the time. He said that's the  
13 universe and man's ignorance. I wish you would have answered  
14 my questions. Thank you.

15 (Audience applause.)

16 MR. SIPE: Thank you. Sir, I can get you those  
17 answers after the meeting but you're asking me questions that  
18 I don't know.

19 MR. HITZ: Well, I'd like the group to hear the  
20 answers.

21 AUDIENCE SPEAKER: Yes, that's the whole thing.  
22 They've never answered questions publicly.

23 MR. SIPE: Every comment that we receive tonight  
24 will be addressed in the environmental impact statement.

25 AUDIENCE SPEAKER: But not in a public hearing.

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1 When we ask questions to Palomar they refuse to answer --

2 MR. SIPE: Ma'am, if you want to speak you need to  
3 come to the microphone.

4 MS. PETERSON: Can I take the mike again because I  
5 didn't take as much time as Susan Hansen, which I loved her  
6 comments. Thank you very much.

7 Every hearing that I have gone to since the  
8 beginning, it was either LNG, Palomar -- I don't care who it  
9 is. I don't want any pipeline. I don't care what's in the  
10 pipeline. It's all wrong. I don't want it. LNG, Palomar,  
11 liquefied, nonliquefied, whatever. I don't want it. But  
12 what really angers me is that when they have had their little  
13 public open houses they refuse to allow in a forum like this  
14 people to ask questions and everyone hear the answer.

15 That started in June of this year, either the 26th  
16 or 27th of June in Woodburn when they said they would have  
17 this lovely informational hearing. Yeah, they threw this  
18 information out at us about all the little bugs and bunnies  
19 that aren't going to be heard, but then when everybody asked  
20 -- starting asking questions from the audience, me included,  
21 they said no, you can't ask them. They'll be answered later.

22 Well, this is now later. How come we still in a  
23 public forum have Palomar stand up there, everybody, and  
24 answer our questions because we have to go around and send  
25 e-mails to each other, figure out who is on the line, who is

0044

1 not on the line, get phone numbers, addresses, swap

2 information that this person heard this from Palomar, this  
3 person heard that from Palomar, but they wouldn't stand up --  
4 I don't think they have the guts to stand up, frankly, in a  
5 public forum and tell us -- you know, give us answers. This  
6 holds for Palomar, LNG, Northwest Natural, I don't care, none  
7 of them will stand up in front of an audience like this and  
8 answer questions for everyone to hear, and that is just flat  
9 out wrong.

10           They keep having these little maps set aside in the  
11 back of the room. In Woodburn City Hall they had all the  
12 maps in the hallway, but at that FERC hearing when Hansen was  
13 asked -- he's the head of LNG -- when he was asked to come up  
14 and answer questions he was gone. He refused. That is  
15 wrong. Here we are the people who are affected by this, we  
16 don't get anything. Maybe \$500, maybe \$1,000 for nothing.  
17 For ever our land will be ruined and they wouldn't -- they  
18 don't have the decency to stand in front of all of us and  
19 answer questions and that's just wrong. Thank you.

20           (Audience applause.)

21           MR. SIPE: I can make note on that. And everyone  
22 has to be fair to me as the Federal Energy Regulatory  
23 Commission standing up here. I will answer every question  
24 that I know. This is a FERC public scoping meeting. This is  
25 not a Palomar company meeting where they're going to stand up

0045

1 here and address questions. If Palomar would want to do  
2 that, that's fine, but this is a FERC scoping meeting. We're  
3 here to get everyone's comments and, again, if I don't have  
4 the answer for them I apologize to you.

5           The last speaker was asking me a lot of  
6 company-related questions where I could give him somewhat of  
7 an answer, but if I'm not exactly sure on it I'm not going to  
8 answer it and I apologize for that. But that will be in the  
9 draft environmental impact statement, and then when we come  
10 back to hold the comment meetings on the draft environmental  
11 impact statement I will know the answers to those questions  
12 and we can discuss them. But everyone has to remember, this  
13 is early on in this project and I understand everyone is  
14 frustrated towards that but, again, it's a long ways away  
15 from a pipe being approved to go in the ground. Everyone  
16 just has to remember that.

17           If I can hit on -- and this is a major beef. I  
18 know that from a lot of other projects. I just did a project  
19 down in the Phoenix area and that was a lot of concern from  
20 the Phoenix residents that all the gas in that line was going  
21 to California. Everyone believes that a lot of the gas is  
22 going to California and we understand that at FERC, but what  
23 I want everyone to understand is there's a grid being built.  
24 There's a grid now existing in the United States to move gas  
25 around.

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1           I mean, there's the Williams system right now up in  
2 the Washington area that actually comes down here into  
3 Oregon. It's a bi directional pipeline. It can take gas to  
4 Canada, it can bring gas from Canada, it can ship it east, it  
5 can ship it west -- that's what these supply lines do. All  
6 states have to take the brunt of a pipeline facility in their  
7 state to move gas around. So everyone has to understand

8 that, yes, maybe some of this gas from some of these proposed  
9 facilities may be moved to California, it may be moved to  
10 other bordering states around here, but that is what the grid  
11 is for.

12 FERC is involved in two things. It's a balancing  
13 effect. We protect the public and the environment, but we  
14 also have to protect the public and make sure the  
15 infrastructure is in the ground to supply the gas to the  
16 people who need it. It's a complete balanced system. That's  
17 why we're here and that's why we're taking your comments.  
18 That's why we look at so many proposals.

19 An example, with this many projects proposed in an  
20 area -- this has happened many times before in many other  
21 different states and competition wins out. Some are built,  
22 some are not built. The craze a couple years ago has been  
23 the LNG facilities. There were a ton proposed at FERC and  
24 you can go back and look at the records of actually how many  
25 were built. So it's like anything, competition will drive

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1 what -- and the need for the project will determine the need  
2 for the facility to be built.

3 So I just wanted to explain that it's just a grid.  
4 We can't say where the gas is going. It's going to be going  
5 a bunch of different directions. And I apologize again, I  
6 will answer anybody's questions that they have that I can  
7 answer.

8 The next speaker on the list is Dan Serres. You  
9 must like me, Dan. You came last night.

10 MR. SERRES: My name is Dan Serres, S-E-R-R-E-S. I

11 was born and raised in Oregon City, Oregon, and I'm here  
12 representing Columbia Riverkeeper and the Columbia River  
13 Clean Energy Coalition. I'm going to address a few different  
14 points than I did last night.

15 First, I want to say that this project is clearly  
16 California driven. When you look at the project as a whole,  
17 210 miles from near Bradwood to Maupin, there's no mistaking  
18 what the project is for. 1.4 billion cubic feet per day will  
19 pass through this project and Oregon uses less than .7  
20 billion cubic feet per day on average. The math doesn't lie.  
21 It's clearly driven by an out-of-state market. Just the size  
22 of the project dictates that.

23 I want to continue and just say that what is  
24 happening here is a bait and switch, and now it's sort of a  
25 bait and switch and switch because now we hear that --

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1 initially in open houses we heard from Maupin to Molalla  
2 right here, everything east depended -- that was a different  
3 project. Everything west depended on LNG. Now we hear that  
4 somewhere in the middle of the western Willamette Valley they  
5 might build more on the Palomar project than just the eastern  
6 half. That's not a clear description. The public has no  
7 project to comment on here if there's like fifteen different  
8 options for the project. It's a real problem.

9 I point out that what portions west of the Molalla  
10 pipeline will be built regardless of LNG? That's extremely  
11 important that people here understand the project. It's not  
12 clear in the notice of intent. The notice of intent is  
13 inadequate and this scoping meeting is inadequate. What is

14 the project? It's a basic question.

15 We don't have maps. And the question for you -- I  
16 mean, I know you tried to address this but why aren't there  
17 maps better than that or maybe that quality even would be  
18 pretty good or a little bit better in public libraries around  
19 the area? I noticed that in the back the maps that are  
20 available, last night they stopped, you know, somewhere kind  
21 of on the eastern edge of the Cascade Range. Tonight they  
22 stop sort of on the western edge of the Cascade Range. I was  
23 pretty concerned about the Clackamas River crossing which  
24 might end up being an open trench across the wild and scenic  
25 Clackamas. A lot of people here probably fish up there and

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1 that's a major concern, and not knowing how the stream is  
2 going to be crossed is a big problem so you can't comment on  
3 the entire project without knowing the project route.

4 To close, I want to read a statement from A  
5 Thousand Friends of Oregon regarding the LNG pipeline  
6 terminal and the pipelines that are proposed.

7 MR. SIPE: Who is it from?

8 MR. SERRES: A Thousand Friends of Oregon. One of  
9 the cofounders is Tom McCall, a former governor of Oregon.  
10 And I'll actually begin with a quote that ends their  
11 statement and I apologize if this is a little bit crass but  
12 it's the words of our former governor so I guess it's okay.  
13 "Oregon is demure and lovely, and ought to play a little hard  
14 to get. And I think you'll all be just as sick as I am if  
15 you find it is nothing but hungry a hussy, throwing herself  
16 at every stinking smokestack that's offered."

17           A Thousand Friends and I say A Thousand Friends of  
18 Oregon is opposed to these proposals because the pipelines  
19 threaten family farms and forests and the terminals threaten  
20 sensitive estuaries and the fisheries that depend on them.  
21 Oregon and the Pacific Northwest are already feeling the  
22 effects of global warming. Construction of huge facilities  
23 to import fossil fuels will worsen the effects and undercuts  
24 proposed energy independence. And I know that Thousand  
25 Friends is -- there's a lot of people that don't agree with

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1 all the petitions but that's, I think, fairly well put and I  
2 think it captures the tenor of this group. Thank you.

3           (Audience applause.)

4           MR. SIPE: Thank you. We have an issue that we're  
5 working on where it's a constant battle, and I'm going to try  
6 to explain it to you guys a little bit. There's certain  
7 supply centers for natural gas in the United States. There's  
8 a lot of studies done on this. The supply of actual natural  
9 gas in the United States is drying up. That's why you are  
10 seeing different pipelines come from Mexico, different  
11 pipelines coming from Canada, LNG import terminals come --  
12 there's actually only five right now existing in the United  
13 States of LNG terminals. That's why you're seeing LNG  
14 terminals start to be proposed because we need to have the  
15 gas still in the United States.

16           It's hard to try to place some of these LNG  
17 terminals, it's hard to try to place some of the storage  
18 facilities, but what we have to do is we have to get the gas  
19 to the demand centers. That's where these come in. You have

20 a demand center which you have to get the gas to. You have a  
21 powerplant that provides the electricity. You have to place  
22 all of those facilities in different areas. That's why we  
23 hold these forums. That's why FERC is out here beating the  
24 bush and trying to get all the comments because that's a hard  
25 thing to do. That's why you have the transmission facilities

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1 which is the pipelines supplying all of this gas to different  
2 areas. So that's what we're trying to make sure, again, that  
3 we have the infrastructure to provide and do provide the gas  
4 to the people that need it.

5 The prefiling process, I want to hit one quote that  
6 Dan just said, this is a changing process. This pipeline may  
7 not be on your property the next time you see me here  
8 whenever I come to do the draft -- I see you Dan, I see your  
9 hand -- that's why these maps are not in the public libraries  
10 right now. They are constantly changing. If we put a map  
11 out in a library right now it may change a week later and  
12 what you're seeing in the public library would not be  
13 correct. When they file an application that will be their  
14 proposed route. That will be what they propose and we will  
15 still look at that route. Again, you can meet with Palomar  
16 to go over those maps.

17 But the prefiling process, we used to get beat up,  
18 FERC used to get beat up that all of a sudden we get an  
19 application filed with us with no public input into that  
20 application. Now we're coming out early on and we're meeting  
21 with the public. That's why this is early on in the process  
22 and where these facilities are proposed they can change. I

23 just want to make that clear that it's not a done deal.

24 If you are having issues with your right-of-way

25 agent -- that did not come up yet. If you are having

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1 right-of-way agents tell you this is a done deal, we know  
2 that is a problem throughout the country and we are working  
3 on that. I have not heard that happen on this project yet  
4 and I hope it does not happen, but everyone has to understand  
5 this is not a done deal.

6 You have a question? I'll take like one more  
7 question but I do need to go down through the list and make  
8 sure that people get a chance to speak.

9 MS. CASTLE: Marjie Castle. I have a question  
10 about what you just said about the need and putting the gas  
11 where the hubs are needed. One thing that bothers everybody  
12 and probably bothers everybody in this room is that there has  
13 been no assessment of where the need really is. Our federal  
14 government, your department, the Federal Energy Regulatory  
15 Commission, has not done any kind of regional assessment of  
16 need and put it out there in the public.

17 So you have five projects or four projects that are  
18 proposed for Oregon alone and any one of them is more gas  
19 than what the Pacific Northwest -- as all of us were taught  
20 in our classes as Washington, Oregon, Idaho, and Western  
21 Montana -- you have more gas with any one of these projects  
22 than all of those states put together can use and still have  
23 it left over. We are the guppies for the projects to take  
24 the gas somewhere else. That's not right. There is no  
25 regional need assessment that has been done.

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1 MR. SIPE: There will be --

2 MS. CASTLE: And you cannot go by the Northwest Gas  
3 Association. That is a lobby group for the gas companies and  
4 the pipeline companies.

5 (Audience applause.)

6 MR. SIPE: Thank you. The Federal Energy  
7 Regulatory Commission, just for the record, will make a  
8 public determination if there is need for all of these  
9 projects. It has not been done yet, everyone has to  
10 understand that. Every project that we're talking about is  
11 in the prefilling process. I think there's only one so far  
12 with the Bradwood that has been filed with a formal  
13 application. That one will be the first one you see the  
14 determination of the need for.

15 The next speaker is Lolita Carl.

16 MS. CARL: Lolita Carl, C-A-R-L. I am on the  
17 Pudding River Watershed Council board of directors and our  
18 county farm bureau board of directors. I am opposed to the  
19 establishment and construction of the LNG pipelines through  
20 Oregon farms and forest land. It appears this project is  
21 being foisted onto our state because other areas have been  
22 smart enough to see that this is an ecological disaster  
23 waiting to happen. Most of this pressurized gas is going to  
24 be piped east and then south for California's use. This  
25 pipeline is not for the benefit of Oregon or Oregonians.

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1           At the Columbia River terminal site it will further  
2 erode threatened fisheries and ruin the spectacular natural  
3 beauty and riparian habitat. The proposed pipelines are  
4 already causing distress in the agricultural community of the  
5 Willamette Valley. Farmers rely on their ability to be  
6 adaptable to market demands. In my lifetime on our farm I  
7 have seen flax, sheep, wheat, oats, hogs, corn, cattle,  
8 trees, apples, dairy, peas, alfalfa, and hazelnuts grown.  
9 We've already been told that there are certain crops that  
10 can't be grown over the easement -- but it won't devalue your  
11 land. This is absolute nonsense. If they can come in and  
12 tear up your property and limit what you can grow for  
13 eternity, of course it devalues your land.

14           Our family farm has been in our family for over 90  
15 years. We are currently working with the fish & wildlife  
16 department to improve the habitat of endangered fish, birds,  
17 and reptiles on our farm. These projects are threatening our  
18 work. Agriculture is a major industry in our state but the  
19 front people for the pipeline haven't a clue about what it  
20 has taken to produce, maintain, and nurture our crops. To  
21 these pipeline people it's just an open field, easy to tear  
22 up.

23           I do not believe that there are adequate safety  
24 standards in place now. Safety issues must be addressed  
25 before a pipeline is put in place. If approved, the pipeline

0055

1 should be required to go along roadways and public utility  
2 corridors, not through farm fields and forest land. They  
3 definitely should not be sited through river bottomland and that

4 is under water for months out of the year. Our agriculture  
5 economy must be considered.

6 Our natural habitats must not be put at risk. Our  
7 cultural heritage must not be threatened. Our state's plan  
8 for energy independence must not be sabotaged. Thank you.

9 (Audience applause.)

10 MR. SIPE: Thank you. The next speaker is  
11 Jim Gilbert.

12 MR. GILBERT: My name is Jim Gilbert,  
13 G-I-L-B-E-R-T. I am the chair of the Molalla Community  
14 Planning Organization. The Molalla CPO represents the  
15 citizens living around the city of Molalla, and this  
16 particular project as routed, it will travel through and  
17 impact thousands of acres of our farm and forest land within  
18 the boundaries of our organization. The Molalla CPO strongly  
19 objects to this project. It will have significant impacts on  
20 our rural area and will threaten the safety and health and  
21 welfare of our citizens.

22 We ask you to reject this project for the following  
23 reasons, and one that's already been talked about a lot is to  
24 consider the inadequate and rushed public review of it. The  
25 first chance the public in our area and affected landowners

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1 had to learn about this project was at an open house on  
2 August 21st. While the public was invited to this open house  
3 there was no general presentation of the project and no  
4 opportunity for discussion or questions except on an  
5 individual basis. Since this event, there has been no public  
6 meeting where the proponents presented their plan.

7           In addition, public notice about this evening's  
8 meeting, the first open forum about this project was received  
9 barely two weeks ago which is really an inadequate amount of  
10 time to do research and prepare comments. It's pretty  
11 obvious this project will have major impacts on our  
12 community. While the proponents have not presented their  
13 plan in a public meeting, surveyors are already at work on  
14 the proposed route causing concern and confusion among  
15 landowners.

16           And the review of this proposal really should not  
17 be rushed. There has not been adequate time for the CPO and  
18 other groups and citizens to do adequate research about the  
19 environment and other impacts of this project. There's also  
20 not been adequate time for those groups and the citizens they  
21 represent to learn about their rights in dealing with the  
22 proponents of this project.

23           This project is also a threat to our public safety.  
24 It represents a clear danger to the citizens living near it.  
25 It is carrying a highly volatile, odorless gas under high

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1 pressure across a populated rural area far from emergency  
2 services. The pipeline will traverse known fault lines and  
3 the risk of explosion and fire is magnified by the potential  
4 of damage from earthquakes.

5           It also has a very negative effect on our farm and  
6 forest land. Oregon's land use laws largely make it very  
7 difficult to convert farm and forest land to other uses. Our  
8 forests and our small farms are the backbone of our local  
9 economy, yet this proposed pipeline will create a swath

10 across miles of protected farm and forest land, a wide strip  
11 that cannot be planted to pruning crops, just for trees,  
12 hops, or timber.

13 Besides this negative impact to our economy, the  
14 construction of this pipeline will disrupt sensitive  
15 wetlands, streams, and rivers and wildlife. It's our opinion  
16 that if such a pipeline must be built it should not be  
17 exempted from following the rules other projects must follow.  
18 The pipeline should be required to be located along existing  
19 rights-of-way and to comply with all of our state land use  
20 laws.

21 I think the bottom line is the questionable need  
22 for this project. If it is built with all these negative  
23 impacts there should be no doubt about the need for the gas.  
24 And while the proponents talked about how this will help  
25 Oregon, the proposed pipeline will be able to transport far

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1 more gas than Oregon will foreseeably need. Our state and  
2 our region should not be used as a conduit to supply gas to  
3 California for such projects that have already been rejected.  
4 Our state and region should not be exploited for a dangerous  
5 and unsafe project that will endanger our citizens, harm our  
6 environment, and hurt our economy.

7 (Audience applause.)

8 MR. SIPE: Thank you.

9 Nancy Hankins.

10 MS. HANKINS: My name is Nancy Hankins and I live  
11 out of Woodburn on Manning Road. I'm affected in three ways.  
12 Not only is the proposed line coming through my property, it

13 also goes parallel to my two boys on the Coast so we're  
14 really impacted. Not only will I not be able to use my land  
15 when I grow grass seed and hay and I raise my cattle, but it  
16 comes through a low wetlands that is not usable but,  
17 obviously, it's going to be used if it is approved.

18           The pipeline in the receiving station is a very,  
19 very tough situation for me because my family is, as well,  
20 commercial fishermen -- salmon fishermen, crab fishermen --  
21 and guess what it implies. A new dug-up commercial bay in  
22 the Columbia River destroying more habitat that is already  
23 environmentally restricted. I just feel that this is really  
24 unnecessary and it's just, it's just totally out of line.

25           And also I have had two calls this past week from a

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1 representative, a Palomar person, the first time calling me  
2 asking me if I'd gotten notice of this meeting and I said no,  
3 I hadn't. So he then informed me that he would send me a  
4 letter which he did. Then the next night I got a call from  
5 him and I was told that I should really consider allowing  
6 them to come on my property and do this survey, that it would  
7 be easier for me to cooperate with them now instead of later.  
8 And I said, "Is that a threat?" And he said, "Oh, no, no,  
9 no. No, it's not a threat, but you should think about what  
10 you're saying when you tell us no." So that's my --

11           (Audience response and applause.)

12           MR. SIPE: I'll touch on that a little bit. The  
13 right-of-way agents themselves will be contacting everyone  
14 for survey access of their property. We do ask that survey  
15 access is granted for the reason that the fact --

16 AUDIENCE SPEAKER: No, no. They have no legal  
17 right.

18 MR. SIPE: Excuse me, just let me finish. We ask  
19 because we need the information from the surveys to make a  
20 decision. If we don't have that information from a survey,  
21 we don't have the information we need to make our decision,  
22 so that's the reason we ask --

23 AUDIENCE SPEAKER: -- take us all to court. Then  
24 you can find out.

25 MR. SIPE: The next speaker, Al Borrromeo.

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1 MR. BORRROMEO: B-O-R-R-O-M-E-O. My name is  
2 Al Borrromeo and I live in Molalla. When I was in the U.S.  
3 Air Force I was stationed in Okinawa, Japan, and I was  
4 looking for a place to live. And I really realized that --  
5 you know, when I checked the Internet I saw Oregon, and I  
6 wanted to raise my daughters in a place where I could raise  
7 them, and I think that Molalla is like a slice of heaven  
8 that's here and I'm calling it my home.

9 I'm one of the properties that will be impacted by  
10 the project if the Federal Energy Regulatory Commission  
11 approves one of these proposals. I'm against these projects  
12 for three reasons. One is for the private property rights.  
13 There's taxation without representation that is involved here  
14 because I am taxed on the property which I'm not able to say  
15 no for its use and, also, the environmental impacts which  
16 I've heard a lot of.

17 The other thing is the safety impacts which, of  
18 course, the danger of explosions and all of that but also the

19 literature says that most of the safety occurs from the  
20 outsiders -- or all the incidences occurs from outsiders.  
21 But it doesn't matter if it's vandals or the weather, but  
22 it's still a danger to our -- my family and, of course, the  
23 animals. I'm asking the Federal Energy Regulatory Commission  
24 to reject these proposals. Thank you.

25 (Audience applause.)

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1 MR. SIPE: Thank you. The next speaker,  
2 Earl Powers.

3 MR. POWERS: My name is Earl Powers, P-O-W-E-R-S.  
4 I'm a Molalla person at 34012 S. Ellis Road. I'm a  
5 semi-farmer, own a small amount, but after hearing all the  
6 speakers tonight I could not have done that research in two  
7 years so I won't even try and repeat it all, but I have wrote  
8 a letter to our representative, Darlene Hoolley, asking her to  
9 get involved in this because it seems to me it's just totally  
10 ridiculous. I can't imagine why it was ever proposed and why  
11 it was ever considered, and I've asked her to get involved  
12 immediately.

13 I've went over the environmental impact, the  
14 hazardous situation of it, and the fact that most of us in  
15 Clackamas County who are informed do not want this pipeline  
16 any way, don't want any of it, period. As somebody said it  
17 kind of emotionally here a minute ago, they didn't want  
18 anything of any of it, and that's how we all feel about it  
19 and we're not letting anybody on our land to do any survey.

20 (Audience applause.)

21 MR. SIPE: I know the survey access is a tough

22 issue. I'm just giving you the process of why we ask for  
23 survey access. I'm not saying you have to give it, I'm not  
24 saying you should give it, but the reason we need the survey  
25 access is to have the information we need to make a decision

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1 on the project.

2 AUDIENCE SPEAKER: -- call yourself "we." Are you  
3 with the pipeline company or are you independent?

4 MR. SIPE: "We" as in -- yes, FERC needs that  
5 information. That's what we use in our environmental impact  
6 statement.

7 AUDIENCE SPEAKER: Well, then you take us to court  
8 -- tell you -- our property, that's what we're doing. We  
9 know our property. We don't need foreign surveyors on our  
10 property.

11 MR. SIPE: If you want to speak you need to come to  
12 the microphone.

13 MR. POWERS: One thing I wanted to add here. I  
14 looked at your environmental impact statement here. I would  
15 say for anybody to review that they'd have a full-time job  
16 for about two months even to start to understand it. Are you  
17 going to do something to condense that down to something we  
18 can actually take and get through it?

19 MR. SIPE: The EIS is -- they are thick and they  
20 have a lot of information in them, but we need to provide you  
21 all the information. You can pick and choose what you need  
22 to look at in there.

23 MR. POWERS: How do we do that?

24 MR. SIPE: The next speaker on the list is

25 Randy Hironimus.

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1 MR. HIRONIMUS: Randy Hironimus, H-I-R-O-N-I-M-U-S;  
2 P.O. Box 50, Molalla, Oregon. My property is configured in  
3 the proposed blast zone. That's why I'm here tonight to  
4 express my reservation about granting Palomar and their  
5 unknown partners rights-of-way onto our property. About the  
6 only thing we'll have to show for this effort is 200-year-old  
7 trees converted to plywood and lost forever, damaged streams.  
8 Native plants and wildlife don't stand a chance when a fossil  
9 fuel industry invades your property with backhoes,  
10 excavators, fuel. Unknown strangers will have a permanent  
11 right-of-way easement onto your property. Beware. Protect  
12 yourself, protect your neighbors against this seizure and  
13 confiscation of our treasured land. Thank you.

14 (Audience applause.)

15 MR. SIPE: I just want to state on the record you  
16 guys are giving us good comments. We appreciate the comments  
17 that you've put together so far. Don't feel rushed. Don't  
18 feel rushed with this. You have a lot of time and a lot of  
19 information is still going to be coming your way so don't  
20 feel rushed. Joe, has anybody else signed up to speak?

21 AUDIENCE SPEAKER: I'd like to speak.

22 MR. SIPE: You're next.

23 MR. VISTICA: Ivan Vistica, V as in victory,  
24 I-S-T-I-C-A. The pipeline proposed comes right through our  
25 property through two corner sections of land. I noticed on

0064

1 your photo tonight west of me is an oval diagram, additional  
2 review is to be considered, and on the east side of me is the  
3 same way. What am I, the bull's-eye? I want review too.

4 Back to your EIS. I have both told both companies  
5 I'm not going to let them on the property. I know you need  
6 this stuff but my philosophy is if you don't have the stuff  
7 you can't very well give them a federal answer, can you? And  
8 that's my objective.

9 Now, specifically to the property I'm talking  
10 about, part of that goes through pretty near bottomland.  
11 Some of the slopes are 8 percent or more. The god-dang USGA  
12 -- geology or whatever they are -- have a flood plain that's  
13 way up on the bench and that's makes me mad too because  
14 you'll never see a flood like that. Otherwise, we'll all  
15 drown. And anytime you want to get a -- have to get a permit  
16 to build something you got to have a surveyor come out there  
17 and measure and get the sea level and elevation for them to  
18 do and that costs lots of money.

19 That river when it's high water does have some  
20 turbulence to it and it just takes the ground and rips it  
21 right out, sod and all, and you have these things like a  
22 stump rotted, there's that hole and you have to fill it in or  
23 something else. I've also told these fellows no excavation.  
24 If they do get their permit, no excavation from October to  
25 April because there's a soil erosion problem and the

0065

1 turbulence.

2                   And the other aggravation is the shallow-rooted  
3 vegetation in their 50-foot easement. They call it annual  
4 cropping but there's some perennial crops that are  
5 shallow-rooted. What about all these pulp trees that are  
6 being planted in a lot of these wetland areas? A line does  
7 stand by irrigation permitted outlet source on the river for  
8 a small few acres.

9                   Also, these environmental studies that are  
10 requiring us to eventually have a 100-foot shaded area along  
11 the river. Well, how are you going to get a shaded area on  
12 those easements? I hope you're getting that information  
13 tonight to put in your EIS. And the land use zoning out  
14 there is exclusive farm use zone and I don't see where it  
15 calls for a gas line. Take that and put it in your EIS.

16                   (Audience applause.)

17                   Now, in your document that you sent out you talk  
18 about different things to consider. You got reliability and  
19 safety there. Well, I heard some things about safety  
20 tonight, but there's one in there about social economics and  
21 I think you ought to heed what you hear tonight. That social  
22 economics is a good example to you. Like Reagan said to  
23 Gorbachev, "Tear down that wall." EIS, "Decline to give  
24 these people permission to build the pipeline." I'm out of  
25 here.

0066

1                   (Audience applause.)

2                   MR. SIPE: Thank you. Next?

3                   MS. GOLDIN: My name is Carine Goldin, G-O-L-D-I-N,  
4 and I live on Sawtell Road in Molalla. I want to say -- I've

5 written a statement here. As farmers and landowners we  
6 diligently respect the ecology of our lands. We practice  
7 water conservation, fallowed farmlands (phonetic) for a safe  
8 environment. We conduct close to natural and organic  
9 application onto our soil. We encourage a safe environment  
10 for people and wildlife such as deer, pheasant, migratory  
11 birds, and salmon runs. We add soil amenities for a safe  
12 food source for people and animals. In other words, year  
13 after year we all work hard at it. We follow these rules for  
14 the good of Oregon, for ecological-minded sanctuaries, and  
15 all the ways of sustaining environmentally agricultural  
16 economies.

17 Here in Clackamas County we're the second largest  
18 county supporting Oregon's high valued farmland. According  
19 to the Oregon Department of Agriculture in June of 2007  
20 agricultural fact publication, our agricultural production  
21 totals were \$4.5 billion and yet Northwest Natural Gas and  
22 Palomar will trample onto our lands and in one large scoop  
23 and destroy years of sound, intelligent, and responsible  
24 practices of hundreds of parcels of land. They will stake  
25 ownership of property that they do not care about, have no

0067

1 stake in other than tearing up the land to put in a conduit  
2 of fossil fuel for a for-profit venture. They sweep under  
3 the rug seismology safety issues and project -- statements  
4 that they're monitoring their pipelines for leaks  
5 unconvincingly.

6 In 1993 Molalla High School was destroyed in a 5.6  
7 magnitude earthquake with nearly 200 detectable aftershocks.

8 No utility company with a for-profit agenda can look at us in  
9 the eye and tell us candidly that a highly pressurized  
10 natural gas pipeline three feet underground is safe from  
11 leakage during the course of an earthquake or an accidental  
12 disturbance.

13 Complete, detailed pipeline runs are not divulged  
14 because of the constant changes, thus fueling uncertainties  
15 on whether it will cross my property -- by the way, it's  
16 across the street from my property. The pipeline is deemed  
17 safe enough to be installed in my neighborhood and -- but yet  
18 pipelines are deemed safe enough to be installed in my  
19 neighborhood. I should end, should I feel good about it?  
20 Who will come to our rescue? Will it be Molalla Fire  
21 Department's four or five fire engines? I doubt it.

22 As landowners we are being used. We are told that  
23 we can no longer grow orchards or plant trees on a 50-foot  
24 right-of-way following the whole length of the pipeline  
25 crossing. There's no gain for Oregon to support this

0068

1 for-profit venture of fossil fuel loaded onto our ports and  
2 piped to our farmlands. We should be discussing instead the  
3 production of alternative fuel. The gain of this LNG does  
4 not equal farmers' losses in revenue, land usage, loss of  
5 deferred agricultural taxes, safety, and loss of their lands.  
6 We do not want an alternative route. I do not want an LNG  
7 pipeline on my property or nearby. Thank you.

8 (Audience applause.)

9 MS. WOOD: My name is Ester Wood, W-0-0-D, and we  
10 live on Palmer Road, and the proposed pipeline is going to go

11 right through our front yard probably destroying at least  
12 half of it including huge trees, and I just have two  
13 questions. Is vaporized gas safer or more volatile than  
14 liquid gas?

15 MR. SIPE: Safer or more volatile than liquid gas.

16 MS. WOOD: Vaporized gas, is it -- vaporized gas is  
17 what's going through that big 36-inch pipeline. Correct?

18 MR. SIPE: The LNG is a liquefied natural gas.  
19 That's what comes in on the ships and that's what's stored at  
20 the facility.

21 MS. WOOD: Okay.

22 MR. SIPE: And what happens is it's stored at a  
23 real cool temperature, 260 degrees Celsius. What happens is  
24 that gas, as they heat it back up it's gasified and that's  
25 what they send through the lines.

0069

1 MS. WOOD: Right. So that's what's going to be  
2 going past our house --

3 MR. SIPE: Yes, it will not be liquefied --

4 MS. WOOD: It will be vaporized. Right?

5 MR. SIPE: It will be a natural gas.

6 MS. WOOD: So is liquid or vaporized gas safer?  
7 Which is more volatile?

8 MR. SIPE: I would hate to answer that question.  
9 There's a lot of studies being done with that right now and  
10 I'm not the engineer doing them so I'd hate to answer that  
11 question.

12 MS. WOOD: So my other question is: Why aren't  
13 other options of energy being pursued more actively?

14 MR. SIPE: By Palomar? By FERC?  
15 MS. WOOD: By FERC, yes.  
16 MR. SIPE: We regulate the natural gas industry.  
17 We don't regulate the other energy. That would be from the  
18 Department of Energy themselves. I can't answer that  
19 question. That's not FERC's role.  
20 Tammy Emmert.  
21 MS. EMMERT: My name is Tam Emmert, E-M-M-E-R-T and  
22 I have several questions for you. First of all, how will  
23 these pipelines hold up next to landslides? because twelve  
24 years ago we had one next to our house.  
25 MR. SIPE: The answer to that is when they site

0070

1 these pipelines they try not to put them on a side slope of a  
2 hill.  
3 MS. EMMERT: Your proposed site is within a mile of  
4 a landslide, a natural -- and the geologist determined that  
5 it is a natural fault line for landslides.  
6 MR. SIPE: They are engineered to withstand  
7 earthquakes and landslides. I mean, DOT requires them to do  
8 that.  
9 MS. EMMERT: How about heat pockets that are caused  
10 by the earthquakes?  
11 MR. SIPE: I can't answer that. I don't know.  
12 MS. EMMERT: Okay. My other question is: How do  
13 you put a price tag on your future and your past for your  
14 farmland that you're going to destroy, and who is going to  
15 take care of the fucking weeds when you decide to take the  
16 easement and decide not to have to worry about taking care of

17 it afterwards? Thank you.

18 (Audience applause.)

19 MR. SIPE: Thank you. The negotiation process for  
20 these pipelines FERC does not regulate. I can give you guys  
21 -- I know that's an intimidating thing that is put in front  
22 of you guys because, first of all, you're not familiar with  
23 natural gas pipelines or LNG facilities and the negotiation  
24 process can be intimidating just like buying a car. If you  
25 guys have specific questions for me I can give you some tips

0071

1 and ideas on how to negotiate, but talk to your right-of-way  
2 agent. Don't leave any stone unturned.

3 The next speaker on the list is Mel Ulven.

4 MR. ULVEN: Good evening. My name is Mel Ulven,  
5 U-L-V-E-N, and we live outside of Hubbard, Oregon. I'm a  
6 visual kind of guy so I don't know how this translates to you  
7 taking that on your machine over there, but we were all  
8 handed out this which shows the proposed route in a nice  
9 little red line that runs through there. And we have 15  
10 acres outside of Hubbard and it looks like that (indicating)  
11 -- and, again, I don't know you get that in there but --

12 MR. SIPE: You can give it to me and I'll put it  
13 in.

14 MR. ULVEN: Okay. And if I may, I'll share it with  
15 my neighbors here, but it looks like that. And I got to  
16 thinking, what does it look like when they do that to it?  
17 And the gray represents the construction or the -- during the  
18 construction phase and the darker gray shows the permanent  
19 50-foot easement through there. And if I go back and we take

20 a look at virtually the only portion of that 15 acres that we  
21 can use for nursery ground, that's eliminated entirely by the  
22 construction zone along with farm buildings, trees, and a  
23 wetlands area down in here. And this, we've been talking  
24 about as the Pudding River flood plain is all this area down  
25 in here, in here, and it runs straight on through that.

0072

1 So I just wanted to try to give a little graphic  
2 interpretation of how this red line actually ends up  
3 affecting ground where we live and our grandkids play around  
4 on there and we try to raise a few things and do stuff that  
5 we enjoy there. Thank you so much.

6 (Audience applause.)

7 MR. SIPE: I appreciate that.

8 Another note I wanted to add, I usually state this  
9 at meetings, again, FERC is here for the public. That's what  
10 we do. And I understand that there's a lot of opposition  
11 towards this pipeline just like there is in a lot of other  
12 areas in the United States. If you do decide to use an  
13 attorney to represent you against the pipeline project, make  
14 sure that we at FERC have the information that is going back  
15 and forth between you and your attorney and the company. A  
16 lot of times it happens where you -- I will caution you that  
17 attorneys will basically take a line list of a pipeline  
18 project and will send out mailers trying to get business --  
19 not all attorneys do that but some do -- and what they'll do  
20 is they'll promise you a lot of money and a lot of things  
21 that they can do for you. That's fine and dandy, they can do  
22 that, but I just caution you to make sure we have the

23 information going back and forth between you and your  
24 attorney and the pipeline company.

25 The next speaker on the list is Kathleen Carl.

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1 MS. CARL: My name is Kathleen Carl;  
2 K-A-T-H-L-E-E-N, C-A-R-L. I'm part of a farm family in  
3 Hubbard and I think most of the people that have farms have  
4 spoken very well about trying to preserve farmland and keep  
5 our businesses going. I would like to just mention again  
6 with the woman who talked about the Columbia River, I'm very  
7 concerned about the mouth of the Columbia River being such a  
8 dangerous place for ships to come in, one of the most  
9 dangerous places. And the kind of ships that will come in,  
10 these aren't going to be -- you know, they might be Liberian  
11 tankers that aren't very well built and it just happened in  
12 San Francisco Bay -- and I think they really need to think  
13 about the dangers of entering the Columbia River with this  
14 many ships and what it might do to that wonderful river.  
15 Thank you.

16 (Audience applause.)

17 MR. SIPE: Thank you.

18 The next speaker on the list, Robert Kiser.

19 MR. KISER: Robert Kiser, K-I-S-E-R, 2109 -- excuse  
20 me -- 2112 Westside Highway, Kelso.

21 I'm very familiar with the Bradwood project and I'm  
22 here to tell you and the rest of the folks here that in the  
23 scoping process that they had they definitely did not mention  
24 everything in the draft environmental impact statement.  
25 Unstable soils, for example, was not identified in their

0074

1 scoping for that particular project. Folks, be careful. The  
2 scoping process drives the whole process into what should be  
3 the evaluation alternatives and in evaluating the  
4 alternatives. Be careful, please.

5 A question for you. How many landowners are  
6 involved in the Oregon pipeline, the Bradwood pipeline, and  
7 the Palomar pipeline? How many people are you stressing out  
8 as a result of all of these pipelines when the need is not  
9 there? There's a tremendous amount of them and that's one of  
10 the reasons why you should be driving very hard for a needs,  
11 independent needs assessment for this area.

12 Me personally, yeah, I had a heart attack. I've  
13 got two stents in. How many other people out there my age  
14 and older are you putting under tremendous stress as a result  
15 of this? Don't lie to us. Okay? We get enough lies from  
16 the companies. Time after time after time they do not tell  
17 the truth. We as local landowners are used to being told the  
18 truth. We don't know the difference between a truth and a  
19 lie. We're not used to that.

20 The Bradwood DEIS, there's no question that Palomar  
21 is part of that project. Folks, it is. You got to cut off  
22 the snake's head in order to prevent this Palomar project,  
23 and that is write your comments to Bradwood on the Bradwood  
24 DEIS. That's where it is. Just recently at the Bradwood  
25 hearings it was determined that they used a model incorrectly

0075

1 for the blast zone. That's one of those things that they  
2 tried to slip by you. Other than that, I have nothing else  
3 to say but good luck, folks. You're going to need it.

4 (Audience applause.)

5 MR. SIPE: Tom Derry.

6 MR. DERRY: I'm Tom Derry. I live on Dickey  
7 Prairie -- and that's D-E-R-R-Y. I'm against this hideous  
8 pipeline coming through a state that I love. It's appalling  
9 the disregard for our environment. Gas lines over and under  
10 wild and scenic rivers is simply unacceptable. I hope FERC  
11 gets the message we don't want this pipeline. There are no  
12 options or alternate routes. If this is a public scoping  
13 meeting it must be obvious to you that we don't want this.  
14 And, lastly, over the years we've heard so many public  
15 agencies say that their top priority is taking care of our  
16 environment, and if this is the case why is every species on  
17 earth exempting us in decline? Thank you.

18 (Audience applause.)

19 MR. SIPE: Thank you. Mary Jo Mackie.

20 MS. MACKIE: I have several things to address that  
21 I don't believe have been touched on. These terminals that  
22 are proposed for the Columbia River and Coos Bay have major  
23 impacts on our livability. The benefits are a few dozen jobs  
24 and a promise, not a guarantee, of lower natural gas rates.  
25 The primary beneficiaries are the energy firms and their

0076

1 largest customers.

2 Questionable security and environmental grounds.

3 First, West Coast prospects are Long Beach, California and

4 Bradwood Landing on the Oregon side of the Columbia River.  
5 Tremendous amounts of carbon dioxide are released in  
6 production, storage, and overseas transport of LNG on diesel  
7 powered supertankers. LNG tankers and terminals are or could  
8 be a prime terrorist target. I don't believe that this has  
9 been addressed. Each ship would hold as much energy as a  
10 nuclear weapon and fire three miles wide or more. The only  
11 protection we have at this time is the Coast Guard  
12 helicopters. The primary sale, of course, rests with FERC.  
13 The rush to make us more independent on foreign natural gas  
14 and, meanwhile, an energy bill seeking to make us less  
15 dependent on foreign oil. Northern Star, LLC, is a developer  
16 of proposed Bradwood Landing LNG terminal. It has an option  
17 to take capacity on Palomar should Bradwood Landing and  
18 Palomar pipelines be constructed. This means if an LNG  
19 terminal is constructed on the Columbia River the Palomar  
20 pipeline can be extended to serve it. Thank you.

21 (Audience applause.)

22 MR. SIPE: Thank you. The last speaker I have down  
23 is Randy Hironimus.

24 MR. HIRONIMUS: Palomar and the City of Molalla  
25 have been able to negotiate a deal which exempted them from

0077

1 any intrusion of the pipeline. The City of Woodburn also  
2 enjoyed a similar view from the pipeline intrusion. I wonder  
3 if you have any insights on why these cities want this unique  
4 status and why equal protection is not available to all  
5 Oregon landowners.

6 AUDIENCE SPEAKER: Do you have an answer?

7 MR. SIPE: Can you repeat that first part again?

8 MR. HIRONIMUS: Palomar has engaged in frequent  
9 meetings with the City of Molalla. Oregon LNG is involved in  
10 parallel meetings with the City of Woodburn. Both cities  
11 have wanted exemptions from intrusion of the pipeline into  
12 their boundaries as a result of these meetings. These  
13 meetings are not transparent to the public. Molalla  
14 indicates that no notes were kept from these discussions but  
15 the net result is the pipeline will not enter Molalla's  
16 borders or the City of Woodburn's borders. All the burden  
17 has been placed on rural landowners on the periphery of these  
18 areas.

19 MR. SIPE: Thank you for your comments. This is  
20 news to me so we'll look into that.

21 Any other questions or speakers? Sir, go ahead.

22 MR. WOOD: My name is Dennis Wood, W-0-0-D. Two  
23 questions. If the proposal is accepted, if you say okay and  
24 we don't let them onto our property, will they condemn the  
25 property?

0078

1 MR. SIPE: If the Federal Energy Regulatory  
2 Commission votes for the project and it is a public need and  
3 necessity and the environmental reviews have been completed  
4 on that on the properties, they can -- they do have the  
5 option of taking your -- taking for the use of your land --  
6 not taking it -- taking it for the use by eminent domain.  
7 That's in the Natural Gas Act.

8 MR. WOOD: And your commission is -- what is your  
9 commission exactly designed for? Is it to keep us safe or is

10 it to keep this gas moving?

11 MR. SIPE: It's -- the commission does both things,  
12 it protects the public and also it provides the  
13 infrastructure for the people who need it. Thank you.

14 MR. MAURER: My name is Adam Maurer, M-A-U-R-E-R.  
15 This gas line does not go through my property but it is close  
16 to my neighbor's property that we share a well with, and as  
17 an electrician and having a line of work based on maintenance  
18 of what was already there, not being a pipefitter and not  
19 understanding the engineering of these pipes -- and I'm not a  
20 gas user myself. I believe in wood, renewable energy -- the  
21 question that begs me is what kind of maintenance are we  
22 looking at for something like this that could be buried  
23 anywhere from 10 feet down to who knows? Once we put these  
24 lines in how can you possibly monitor something that you  
25 can't see, and being this long how accurate can you be when

0079

1 you do monitor it? You can do every inch. You can do every  
2 300 miles. Do you have an answer for that?

3 MR. SIPE: Sure. DOT regulates the safety of these  
4 pipelines. What FERC does is we go through the process of  
5 siting pipelines. Once the pipeline -- we follow it all the  
6 way through construction. Once it's deemed restoration is  
7 complete it turns over to the operation side. The operation  
8 side is -- DOT regulates that.

9 There's a lot of computer technology on these  
10 pipelines to protect them. There's Smart Pigs used which  
11 means you put something in the pipe that runs through it to  
12 test it for, you know, anomalies and it has to be done in a

13 certain time frame. The Pipeline Safety Improvement Act of  
14 2002, what that did is require a lot of these companies to do  
15 that testing more frequently and more often depending on  
16 exactly where -- you know, in the high demand centers down to  
17 the real rural areas they have to test their pipeline. It's  
18 scheduled.

19 MR. MAURER: Do you know how these pipes are  
20 assembled, if they're welded or if they're fitted with  
21 gaskets?

22 MR. SIPE: They are welded, 40-foot lengths  
23 usually.

24 MR. MAURER: If these pipes are welded -- I have no  
25 understanding of how a metal would be flexible enough to

0080

1 withstand anything from an earthquake, seismic tremors,  
2 anomalies to stop from losing its structural integrity and  
3 it's got to have the flexibility of these things. And I  
4 understand gaskets but I also understand gaskets leak. I  
5 understand. There's no way unless you're God to know where  
6 these leaks can be coming from. And I understand that if  
7 there's no flexibility you're going to get a crack. You get  
8 a crack you're going to get something coming out. You get  
9 something coming out how do you smell it? How do you detect  
10 it? I mean, we're talking about lives.

11 And I agree with what I've heard tonight about if  
12 there's already an infrastructure here and the demand isn't  
13 there, we're taking a lot of risk. Why can't we maintain  
14 what's here? Maybe dig it up and see how it's done. Look at  
15 a couple of studies of what has been put in in 40 years' time

16 coming from all of these other places that the representative  
17 told us about.

18           Forty years is a long time when you're studying a  
19 pipeline. Have they done their homework, dug those up, taken  
20 a look at them to see what has occurred over that amount of  
21 time? Has there been any leaks? Has there been third  
22 parties to do any considerable work on the soils to see what  
23 has leaked? What effects has it taken with habitat? We can  
24 go the full gamut here of these impacts.

25           But coming from a mechanical field I just can't

0081

1 help but think about the maintenance on this. If they did it  
2 right -- I mean, homeowners, landowners, you know what  
3 maintenance is. You dread it. It's costly, it's time  
4 consuming, and it can just devour you mentally, and that's  
5 what we're looking at here. Not just this meeting here and  
6 the whole idea of getting this plan put in, but our own lives  
7 are being devoured by the idea of something that's going in  
8 that's going to require all of this maintenance just for our  
9 safety. That isn't including the environmental, everything  
10 else, including our economy and our forest and farms that are  
11 deemed just that. I mean, we're looking at a complete  
12 lifestyle change here with a lack of studies on maintenance  
13 of what has been installed and how it's fared.

14           So I don't know, this hard, welded pipe underground  
15 without having any kind of knowledge -- and maybe you can  
16 gather this for us how these are assembled, what testing has  
17 been done on them, you know, what time monitoring there is,  
18 what kind of alert stations there are because, I mean, even

19 eastern Oregon where they've got these hazardous weapons that  
20 are being incinerated, you know, they've got so many alert  
21 stations for those in case some of this stuff goes up in the  
22 air. I mean, I feel like that's what we need because we're  
23 looking at the same hazards but we can't smell this hazard.  
24 We don't have detections up for us. This stuff is all in the  
25 ground -- right? -- I'm assuming.

0082

1 MR. SIPE: There are several arrow crossings that  
2 are being proposed.

3 MR. MAURER: And when you say arrow crossings, what  
4 do you mean by that?

5 MR. SIPE: Like an arrow crossing would be a point  
6 above something that you can't actually go through the  
7 ground. Like a stream that's in a V or something like that,  
8 a cliff coming down on both sides, or they actually can't cut  
9 through the stream for some reason for environmental reasons  
10 or they can't actually directional drill, but there are arrow  
11 crossings. Not many but they are.

12 MR. MAURER: Well, I don't want to take too much  
13 time because I understand there's other questions, but my  
14 main gist is the maintenance of what's already here, I would  
15 love to see what it looks like.

16 MR. SIPE: You will see that.

17 MR. MAURER: Okay. And any studies of how -- I  
18 would love to understand how this goes together, not because  
19 I want to hear but because there is a weakness and that needs  
20 to be understood in installing anything. Thank you.

21 (Audience applause.)

22 MR. SIPE: Thank you.

23 MR. CLARK: Steven Clark, C-L-A-R-K. I was just  
24 curious as to why we're allowing for-profit companies to  
25 determine our need. That should be something that I would

0083

1 expect to come from you rather than them saying, "Hey, we're  
2 going to put this in. Just give us the okay." Why don't you  
3 go to them saying, "Hey, we need this"?

4 And I've heard at least 30 basic questions tonight  
5 -- for two, liability. If the pipeline is in my backyard and  
6 it blows up and it blows my house down and burns everything  
7 up who pays? What's the liability? because obviously it's  
8 not homeowners. Do they have to provide insurance? Is it  
9 required? Is it mandated by the federal government?

10 MR. SIPE: I have that as the top thing here on my  
11 -- it's the first I've heard that insurance companies would  
12 not back you for a pipeline.

13 MR. CLARK: Thank you.

14 MR. SCHOBBER: My name is Harlan Schober. I live on  
15 S. Herman Road in Molalla here. I have a few questions for  
16 you.

17 You started off real early on saying that the  
18 Bradwood terminal and the Palomar pipeline were entirely  
19 different concerns and you were thinking that you were  
20 considering them separately, and that doesn't make sense if  
21 you have a terminal and no pipeline. I mean, how does -- why  
22 would you have one without the other? They seem like they're  
23 one thing.

24 MR. SIPE: Bradwood has a proposal now for an LNG

25 terminal with a sendout line. The sendout line that is going

0084

1 off from the terminal is heading east to connect to a  
2 Williams pipeline.

3 MR. SCHOBBER: Okay. So Bradwood could get to  
4 another place by another pipeline.

5 MR. SIPE: Right. And that's why we view them as  
6 their own independent projects.

7 MR. SCHOBBER: Would Palomar make sense without  
8 Bradwood?

9 MR. SIPE: Well, as stated before, if Bradwood is  
10 not built, the line Palomar is telling us right now -- this  
11 information is just coming to us like it is to everyone else  
12 -- Palomar is telling us now that they would not need to  
13 extend the line up north to hook to Bradwood. They would be  
14 able to stop it somewhere shorter.

15 MR. SCHOBBER: Then a couple of times you said that  
16 the maps weren't available in the libraries because they  
17 change.

18 MR. SIPE: They're not right now. Once they file  
19 an application they will be in all the public libraries.

20 MR. SCHOBBER: And you said because it could be that  
21 as soon as they got in the library it would be obsolete so  
22 there would be no point in doing that. Is that what you  
23 said?

24 MR. SIPE: Well, there is a point of doing that and  
25 we are going to talk -- because that is a big concern across

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1 the board --

2 MR. SCHOBBER: Okay. The time line doesn't have to  
3 be there. The maps in the back have captions saying they're  
4 prohibited from being made available on the Internet, but you  
5 could make all of this stuff available on a real-time basis  
6 so it wouldn't have to be a two-week lag time in the library  
7 if the companies were willing to be forthright.

8 MR. SIPE: That's a new rule. Actually it just got  
9 voted in at FERC a month ago.

10 MR. SCHOBBER: Which is the new rule?

11 MR. SIPE: The maps that we see now will be on the  
12 Internet. After 9/11 people wanted us to remove the maps  
13 from the Internet sites but that has actually been reversed  
14 now. The only thing that's going to not be on the Internet  
15 site will be critical energy infrastructure information. So  
16 the maps will be back on the Internet.

17 MR. SCHOBBER: If the maps are on the Internet and  
18 we're not dealing with the problem of the time lag of getting  
19 a hard copy in the libraries, why couldn't we have real-time  
20 depictions of what the companies are thinking as they go on?

21 MR. SIPE: That they have on their Web site.

22 MR. SCHOBBER: Yes, because they could be  
23 instantaneous. We don't have to worry about the library  
24 piece of it.

25 You made a point of saying that FERC is not the

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1 pipeline company, that you regulate them.

2 MR. SIPE: Correct.

3 MR. SCHOBBER: But the line does seem to get blurred  
4 a little bit. I mean, sometimes you're apologizing for them  
5 and it seems like your business is, as you said, not if the  
6 pipeline should be made but more like how to get it done, and  
7 the message from this room tonight is more, maybe not to do  
8 it at all. So are you the right people to talk with if your  
9 focus is how to get it done and our focus is maybe not to do  
10 it at all.

11 (Audience applause.)

12 MR. SIPE: Do you want me to address that?

13 MR. SCHOBBER: Yes, please.

14 MR. SIPE: Again, I'll state, we look at proposals  
15 for natural gas pipeline projects. We also look at the need  
16 for the pipeline project. If the commission votes there is  
17 not a need for a particular pipeline then it doesn't go any  
18 further. But the commission, we have to assume in a proposal  
19 until that determination is made by our commissioners that  
20 this is a viable project and we have to go forward with the  
21 environmental review. That's the proposal set in front of  
22 us.

23 MR. SCHOBBER: But when you analyze need it sounds  
24 like your level of responsibility is the national grid, not  
25 whether Oregon needs it or not.

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1 MR. SIPE: No, that wouldn't be true.

2 MR. SCHOBBER: It would not. Okay. I thought you  
3 were saying we needed this bi directional business even if we  
4 weren't using it here because we had to move it from

5 terminals around the continent to get it to where it had to  
6 go.

7 MR. SIPE: There's a lot of information that goes  
8 into the need of the project. The environment, the actual  
9 supply need, the actual engineering of the project -- there's  
10 a lot of information that gets forwarded to the commissioners  
11 for them to make their decision. It's not just if Oregon  
12 needs it or --

13 MR. SCHOBBER: That's what -- here we're saying,  
14 hey, we need it in half this volume -- we probably don't need  
15 a pipeline at all and the need will be only if you look at it  
16 on a national scale. Oregon doesn't need this but maybe  
17 there's a need to get it somewhere else. Is that what you  
18 consider?

19 MR. SIPE: They will consider that.

20 MR. SCHOBBER: Okay. The big topic these days is  
21 peak oil, and from the bit I've read about, oil gives you a  
22 little bit of warning that it's running out. It has a  
23 decline curve that's kind of like the ramp-up of supply when  
24 you produce it. But what I read now is that natural gas is  
25 more of a, it's plentiful and then one day or nearly in one

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1 day it's over, that supply goes fast. At this rate of 1.4  
2 million capacity how long do you think this pipeline would be  
3 in service?

4 MR. SIPE: I mean, there's pipelines that -- we  
5 also look at that where you do remove a pipeline, it has to  
6 be -- that is another process that we look at, the  
7 abandonment of pipelines. There's new ones put in every day

8 and there's abandonments -- not every day but abandonment of  
9 a pipeline.

10 MR. SCHOBBER: And when they get abandoned do they  
11 get removed or do you just stop serving the site and leave it  
12 alone?

13 MR. SIPE: Some get removed, some remain in place.  
14 That's somewhat left to the landowner themselves.

15 MR. SCHOBBER: Thank you.

16 (Audience applause.)

17 MS. PETERSON: Kay Peterson. If the pipeline is  
18 abandoned what happens to that easement that's across all the  
19 farmer's land?

20 MR. SIPE: It reverts back to the landowner's use.

21 MS. PETERSON: Okay.

22 MR. SIPE: Thank you.

23 UNIDENTIFIED SPEAKER: I take it that the pipeline  
24 company came to your agency and requested that it go through  
25 this; is that correct?

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1 MR. SIPE: They did.

2 UNIDENTIFIED SPEAKER: Then is the pipeline company  
3 paying your salary or are you paying your salary for doing  
4 this?

5 MR. SIPE: The federal government pays my salary.

6 UNIDENTIFIED SPEAKER: Well, I realize that. But  
7 what I'm asking you, is there an assessment to the pipeline  
8 company? Because you're spending -- right now you've  
9 probably already spent several million dollars on this just  
10 -- is that coming out of my back pocket or is the pipeline

11 company reimbursing the government?

12 MR. SIPE: The pipeline companies -- how FERC is  
13 set up is all of our -- it's set up like a lot of the other  
14 federal agencies. For example, like the BLM, all of their  
15 costs included to do their work is paid back by whoever, the  
16 industries or right-of-way grants. We have a system in place  
17 that all the -- every hour that's spent on pipeline projects,  
18 basically the industry gets a bill at the end of the year.  
19 So, in other words, the taxpayers themselves really do not  
20 pay FERC's paycheck but, in turn, how it all works out, it's  
21 usually full circle -- you're rate payers of the energy  
22 that's in the United States.

23 UNIDENTIFIED SPEAKER: We pay it.

24 MS. HANSEN: Susan Hansen. You asked me to come to  
25 the podium again about my question about your encouragement

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1 before there is any legal need for anyone to let land agents  
2 on their land. You heard people testify that people have  
3 been hounding them. I have a person working against this,  
4 have people calling me saying, "What do I? What I do?" So  
5 let's make it clear. These companies have no legal right at  
6 this time.

7 They have schlocky, used car salesman quality land  
8 agents who are trained to trick and hound landowners. We  
9 have talked to other landowners who have been through this  
10 process. They have tried to trick people, they have gone to  
11 people's homes. They've said to the farmer across the road,  
12 just settle for pennies on the pound, and why didn't this  
13 farmer do that? And that farmer, the first farmer called and

14 said, "Joe, come on over." And then they show the land  
15 agent, Hey, we're united. We have some kind of power here.  
16 At least we can all talk together about this process.

17 So I really dispute you if you're trying to be  
18 independent why you would possibly be encouraging people to  
19 let these people on their land right now because these people  
20 know the quality, they know what's on their land, they know  
21 the environmental concerns better than any paid, for-profit  
22 land agent could ever tell you anything. So that is a  
23 complete falsity at this time to say that those land agents  
24 are going to help anybody in this process. They are there  
25 strictly for the bidding of the Palomar pipeline. They are

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1 not there to help us in the least.

2 So I want to hear your statement about that again.  
3 You tell us again about letting Palomar's land agents on our  
4 land when they have no legal right.

5 MR. SIPE: You're correct. They do not have legal  
6 right.

7 MS. HANSEN: All right. Thank you.

8 MR. SIPE: I'm not encouraging or asking. I'm  
9 giving you the process that we use. The process we use is we  
10 need the environmental information for everyone's land to  
11 make a determination --

12 MS. HANSEN: Well, then everyone here has the right  
13 to submit their own information in their own way about the  
14 land that they have lived on for, in many cases, generations.  
15 A land agent who is going to walk through their land, kick  
16 the soil, and say, "There's nothing here important," and then

17 say, "Let's put up the stakes," that is the process these  
18 people have been experiencing. That is the process that our  
19 governor has decried in a draft letter to the Palomar  
20 pipeline and all the other pipeline people. So don't be an  
21 apologist for the process that these people are imposing on  
22 us.

23 This is -- you're supposed to be independent.  
24 You're not supposed to be standing here encouraging people to  
25 let land agents on their land at this time. They have other

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1 ways to make environmental impact statements. They may call  
2 the University of Oregon archeologists as I did who are  
3 willing to bring out teams of volunteers to comb their  
4 properties unlike the Palomar paid agents, and you can call  
5 Fish & Wildlife and have them assess possibly what you have  
6 on your property, and you know what's on your property. So  
7 don't be telling people to do something that is not legal in  
8 this process and that those people have no right to run all  
9 over us. So thank you.

10 MR. SIPE: Thank you.

11 MS. CARL: Lolita Carl. I have to say that as an  
12 American citizen I am disgusted with what's happening in our  
13 country. When the regulatory agencies are in bed with the  
14 developers we're not being protected. As American citizens  
15 we are being used and abused. It's totally clear. And FERC  
16 is in bed with the pipelines.

17 (Audience applause.)

18 MR. SIPE: Thank you for your comments.

19 MR. COLEMAN: Bill Coleman, C-O-L-E-M-A-N. As a

20 full-time farmer, and the map shows that on the property that  
21 my great-grandfather was farming over 100 years ago they're  
22 going to run 1,800 feet right through the middle of the field  
23 -- not on the property line. Then it wanders over to my  
24 neighbor and parallels both us for probably 2,500 feet. Now,  
25 in all that land through the years we put an underground

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1 mainline in, and I keep hearing that this supposed 36-inch  
2 pipeline is going to be three feet under the surface.

3           Now, in 1972 I saw them putting in pressured water  
4 lines anywhere from six to twelve inch. I have three feet of  
5 dirt above them. Now, this so-called Palomar outfit that's  
6 supposed to be so brilliant, there's no way in hell that they  
7 can put it three feet under the surface without ruining the  
8 pressure lines I have for the irrigation system and also all  
9 the tile, and the tile are anywhere from three to five feet  
10 deep.

11           Now, if they're going to wander through there and  
12 tear the hell out of it and leave a mess and I'm supposed to  
13 repair it. And I was told by some drain specimen that they  
14 could get that tile to work. Now, how are they going to run  
15 it through that 3-foot line I don't know, but as far as I'm  
16 concerned I believe everybody that has had anything to say  
17 about this deal. And as for another one will say that you  
18 can stay the hell off of my property. Thank you.

19           (Audience applause.)

20           MR. SIPE: Thank you.

21           Just for a note, that is a DOT requirement that has  
22 a three foot cover. That doesn't mean that that's the depth

23 of the pipeline. They have some that may go lower than  
24 that --

25 MR. COLEMAN: Okay. If I come along and tell them

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1 I want it eight feet deep am I going to get it eight feet  
2 deep? I got a drain field that's a mile away and I got to go  
3 7-1/2 feet that I can't run by there when I own the damn land  
4 to start with?

5 MR. SIPE: So you're asking for the whole pipeline  
6 to be eight feet deep?

7 MR. COLEMAN: We found -- twelve feet deep. We  
8 raise hops. The deadman that we screw in the ground at five  
9 feet deep -- 100 feet wide out of that damn thing. It's  
10 rendered useless for the crops that I'm raising. And I know  
11 good and well that if I told them when they come through  
12 there that I want it ten feet deep they'll tell me to go to  
13 hell. That's why I don't want anything to do with it.

14 (Audience applause.)

15 MR. SIPE: Thank you.

16 MR. CROSS: When you're talking about drain tile --  
17 Jim Cross -- drain tile is going through the easement you're  
18 not going to allow anything within that 50-foot easement; is  
19 that correct?

20 MR. SIPE: Anything as in --

21 MR. CROSS: You can't grow anything, you can't  
22 drain, you can't do anything.

23 MR. SIPE: Yes, there's a lot of things you can do  
24 over the permanent easement. There's only certain  
25 restrictions like trees with deep roots. I mean, like normal

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1 crops can go on the top of the pipeline. It's just the  
2 matter of trees with deep roots can affect the pipeline --

3 MR. CROSS: -- drainage could go through the --

4 MR. SIPE: Yes.

5 MR. COLEMAN: Sir, if that drainage depth has to  
6 fall to grade and it ends up in the middle of that, that  
7 renders that field useless. There's going to be a pretty  
8 damn wet farm.

9 MR. SIPE: All those issues could be addressed.

10 MR. COLEMAN: Let's hope so.

11 MR. SIPE: I agree.

12 Sir?

13 MR. ROSS: Mitchell Ross, R-0-S-S, Molalla. My  
14 question is if the pipeline is not set as a standard yet of  
15 where it's going to go, how can you actually do a proper  
16 environmental study because you don't know what lands it's  
17 going to be going through? Just 40, 50 feet in this area can  
18 make a big difference in the type of land that you're running  
19 through whether it's wetland, slopes, just agricultural  
20 crops, hops a river very quickly, and there are a great  
21 number of folks that go through this area that are not  
22 necessarily highly --

23 MR. SIPE: They have an initial route. All  
24 pipeline companies when they come in for the prefiling  
25 process at FERC they have somewhat of an initial route for

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1 how they'd like to get from point A to B or however you look  
2 at it. The studies that they do along that route from that  
3 point forward determines whether the pipeline needs to move  
4 or where it needs to move.

5 MR. ROSS: And you trust these companies to give  
6 you accurate, complete data for the information that  
7 they're --

8 MR. SIPE: It's required by law.

9 MR. ROSS: I won't say anything about.

10 MR. SIPE: It's required by law. We do our own  
11 independent analysis of that information.

12 MR. ROSS: You do one without them --

13 MR. SIPE: They supply us the information in an  
14 application. In that application there's 13 resource  
15 reports. There's a lot of information for minimum filing  
16 requirements that they must address in that application or we  
17 can reject the application. So there's minimum filing  
18 requirements and information that we must have to accept the  
19 application.

20 MR. ROSS: And FERC ground truths the information  
21 that --

22 MR. SIPE: I take that information, my consultant  
23 and myself, and then we provide an environmental impact  
24 statement with that information. There's a lot of  
25 information sometimes missing in an application and you'll

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1 send out a data request requesting additional information on  
2 that.

3 MR. ROSS: But do you have an independent third

4 party ground truthing of that information?

5 MR. SIPE: Do we hire a third party to look at what  
6 we do?

7 MR. CROSS: No. The information that you're  
8 giving, do you hire a third party?

9 MR. SIPE: We do have a third party consultant.  
10 That's what they -- they analyze the information for us along  
11 with us. We have staffers at FERC that do that also.

12 MR. ROSS: And there's no communication then  
13 directly between your consultant company and the pipeline  
14 company?

15 MR. SIPE: Not unless it's directed by us.

16 MR. CROSS: Okay, thank you.

17 MR. SIPE: Any other questions?

18 MR. GILMER: My name is Ed Gilmer, G-I-L-M-E-R, and  
19 I live on S. Needy Road and I have 20 acres and I'm 800 feet  
20 from the proposed pipeline. I worked on a drill rig back in  
21 the '50s and we worked basically in the Viking Gas deposit in  
22 Alberta. I'm familiar with pressures of gas and, of course,  
23 the delinquency that -- in cases of explosions. I haven't  
24 read in any of the literature what the pressure on this line  
25 will be and/or if any of the people involved directly or

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1 indirectly landwise are going to be able to hook on. I would  
2 assume not because these are high pressure lines.

3 MR. SIPE: These are interstate natural gas  
4 pipelines. Now, they do hook on into the local distribution  
5 companies and that's where you would be able to get your gas  
6 from.

7 MR. GILMER: See, I live about 3/10 -- 2.5/10 of a  
8 mile south of an existing high pressure line. I don't know  
9 the exact size but probably, I'm going to say, twelve inch,  
10 and I think it ends up going into the service area on  
11 Barnards Road, the terminal there. And I approached the gas  
12 company in 1964 when I moved there, you know, get together  
13 with the local people that live on that road and get a supply  
14 of gas, and the question was no -- or the answer was no  
15 because -- and even in the event that we would get hooked up  
16 we would have to bear the cost of the lines so that pretty  
17 much got rid of that. But I'd like to get rid of burning oil  
18 in the event that we do get this gas line but it doesn't  
19 sound like it's going to happen. Thank you very much.

20 MR. SIPE: Thank you. Sir?

21 MR. WOOD: Dennis Wood. On your Web site will some  
22 of the answers to these questions, we'll be able to get  
23 those --

24 MR. SIPE: Every comment --

25 MR. WOOD: -- before that comes out?

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1 MR. SIPE: Every comment we receive will be  
2 addressed in the environmental impact statement.

3 MR. WOOD: Now, you said you -- question on the  
4 insurance part. You said you haven't heard that insurance  
5 companies won't cover an exploded gas line or whatever damage  
6 may come from that. Is that something you're going to  
7 address at a meeting like next week when your next meeting  
8 comes up?

9 MR. SIPE: I could call back to FERC and try to get

10 that information for tomorrow night's meeting. A lot of  
11 times what I'll do is I'll take a lot of the questions that I  
12 can't answer and I'll repeat those the following night. If I  
13 get questions Thursday night I don't have a meeting Friday so  
14 at some point you'll get an answer.

15 MR. GILBERT: Jim Gilbert again. I'm just  
16 wondering, if the FERC commissioners approve the project then  
17 is there an appeal process and how would that work?

18 MR. SIPE: There is an appeal process. If the  
19 project is approved there's a 30-day rehearing on that matter  
20 so you can protest it and appeal the project.

21 MR. GILBERT: Is that an appeal to the FERC  
22 commissioners or is this a higher organization or --

23 MR. SIPE: How it works -- excuse me. I can't hear  
24 from the talk in the back. I can close the formal part of  
25 this meeting right after this question and then we can talk.

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1 There is a -- you can request a rehearing on that  
2 decision and that decision of the rehearing will come back  
3 into the FERC and we have to address that in the hearing.

4 MR. GILBERT: Is that the final word then?

5 MR. SIPE: You can take it farther. You can go up  
6 to the next court.

7 MR. GILBERT: So the court is where you go then  
8 after for FERC approval.

9 MR. SIPE: Right.

10 I understand there's a lot of questions that need  
11 to be addressed, I can hear it in the back so I appreciate  
12 all the comments and concerns tonight. Can I at least say it

13 one more time, I'm giving you guys the process, I'm giving  
14 you what FERC does to look at a pipeline project. We are not  
15 an advocate for the project. We are an advocate for the  
16 process. The process is to take everyone's comments and  
17 address them in an environmental impact statement. So again,  
18 we're not asking for anything besides what we do in our  
19 process. When I spoke earlier about -- I'm sorry it came out  
20 the way that it did with the access to the right-of-way  
21 agents. My point is that we need that environmental  
22 information. That's it. You don't have to allow it but I'm  
23 just saying what FERC needs to be able to analyze, to be able  
24 to make a decision on it. That's it.

25 I'm going to close the formal part of the meeting.

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1 So that's the end of the list. Without any more speakers the  
2 formal part of this meeting will conclude. On behalf of the  
3 Federal Energy Regulatory Commission I'd like to thank you  
4 for coming tonight. Let the record show that the Palomar Gas  
5 Transmission pipeline project public scoping meeting  
6 concluded at 9:50 p.m. Thank you.

7 (MEETING CONCLUDED AT 9:50 P.M.)

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1 CERTIFICATE

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3 STATE OF OREGON )  
4 COUNTY OF MULTNOMAH ) ss:

5

6 I, Anne K. Love, a certified shorthand  
7 reporter for Oregon, hereby certify that the transcript of  
8 proceedings occurred before me at the time and place set  
9 forth in the caption hereof; that at said time and place I  
10 reported in stenotype all testimony adduced and other oral  
11 proceedings had in the foregoing matter; that thereafter my  
12 notes were reduced to typewriting under my direction; and the  
13 foregoing transcript, pages 1 to 101, both inclusive,  
14 constitutes a full, true, and correct record of such  
15 testimony adduced and oral proceedings had and of the whole  
16 thereof.

17 Witness my hand at Portland, Oregon, this 29th  
18 day of November 2007.

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Anne K. Love, OR WA CSR  
Certi fi ed Shorthand Reporter  
Oregon CSR No. 02-0379

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