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BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: :

PALOMAR GAS TRANSMISSION PROJECT : Project No.

: CP09-35-000

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Madras High School
390 SE 10th Street
Madras, Oregon

Tuesday, June 30, 2009

The above-entitled matter came on for scoping meeting, pursuant to notice, at 7:00 p.m., Douglas Sipe, project manager, presiding.

P R O C E E D I N G S

(7:00 p.m.)

1
2
3 MR. SIPE: Good evening everybody. I was sorry
4 we're starting a little bit late, but I had to start it --
5 you know, people were filtrating over from the Palomar open
6 house, so I apologize for that. I know your time is
7 important, so I'd like to kick it off. On behalf of the
8 Federal Energy Regulatory Commission, referred to as FERC,
9 I'd like to welcome all of you here tonight. This is a
10 supplemental scoping for the Palomar Gas Transmission's
11 proposed Palomar Gas Transmission Project. Let the record
12 show that the public scoping meeting began at 7:15 on June
13 30, 2009.

14 My name is Douglas Sipe. I am the FERC project
15 manager for this project. I'm also the Oregon coordinator
16 for all FERC jurisdictional gas projects within this state,
17 which is I believe five proposed right now. With me in the
18 back you may have met is Maggie Suter. She's the deputy PM.
19 She also works for FERC, and Joe is in the green back there.
20 He works for Tectra Tech EC, Inc. Tectra Tech is a
21 consulting firm assisting us in producing the Environmental
22 Impact Statement for this project. To my right is Molly
23 Brown. She works for the Bureau of Land Management and she
24 is the field manager for this area and is here; and she will
25 speak a couple of words later.

1 FERC is an independent agency that regulates the
2 interstate transmission of electricity, natural gas, and
3 oil. FERC reviews proposals and authorizes construction of
4 interstate natural gas pipelines, natural gas storage
5 facilities and liquefied natural gas terminals as well as
6 the licensing and inspection of hydroelectric projects.

7 The purpose of the Commission is to protect the
8 public and the energy customers assuring that regulated
9 energy companies that acting within the law. We are located
10 in Washington, D.C. That's where my office is. It's a long
11 trip out here. A lot of people think that we're in this
12 area. I know that FERC does have a little office for their
13 hydroelectric facilities in Portland, but they're not --
14 everything to do with natural gas is out of D.C.

15 FERC has up to five commissioners. Right now we
16 have four since the turn in the Administration. We used to
17 have a Republican chairman and since he's left and a
18 Democratic chairman moved up. Right now our chairman is
19 John Wellinghoff. The commissioners serve five-year terms;
20 have an equal vote on regulatory matters. One member of the
21 Commission is designated by the President to serve as the
22 chair and FERC's administrative head. We have approximately
23 1,200 employees that work for FERC.

24 The FERC is the lead federal agency responsible
25 for the National Environmental Policy Act of 1969 referred

1 to as NEPA and a review of the Palomar Project and lead
2 agency for the preparation of the Environmental Impact
3 Statement. If you are on the mailing list and you received
4 one of these -- it's a phone book type thing -- it's pretty
5 large. Actually, I'll get into that a later, but if you
6 want the phone book type, then you have to check the box or
7 you can just get a CD version that.

8 NEPA requires FERC to analyze the environmental
9 impacts, consider alternatives, and provide appropriate
10 mitigation measures on proposed projects. The Bureau of
11 Land Managements, the United States Forest Service, the
12 United States Fish and Wildlife Service, the Army Corps of
13 Engineers have agreed to participate and are cooperating
14 agencies working with us to produce the Environmental Impact
15 Statement.

16 On October 29, 2007, it's been a while back; FERC
17 issued a Notice of Intent to prepare an EIS for this project
18 and held four scoping meetings similar to this meeting
19 tonight in November 2007. The reason we were in Madras back
20 in 2007 was because we didn't really have a route that we
21 were really analyzing in this area. There was an
22 alternative that was always considered that the company was
23 looking at, but we have alternatives for pipeline projects
24 sometimes we don't go out and scope because at that point in
25 the project that may not be a viable alternative to us.

1 Further on down the line, we notice that some alternatives
2 that we've considered earlier tend to be viable
3 alternatives. That's why we're here. It's confusing
4 because we come out and hold scoping meetings, and we held
5 four and we spread them across the east side of the
6 Cascades. Three on the east side -- well, I always get the
7 east/west -- three on the west side and one in Maupin.

8 Now we're coming out again. We held one last
9 night in Maupin and tonight we're here in Madras because
10 these alternatives have become to be more viable. That's
11 why we're giving you guys the opportunity to voice your
12 opinion on these alternatives. Before when we issued the
13 initial NOI, you guys weren't even on the mailing list for
14 that. That's why we're coming out now and holding meetings
15 such as this for you.

16 On July 18, 2008, we held an additional scoping
17 meeting in the City of Molalla similar to what we're doing
18 here tonight. We originally held four. Palomar changed
19 their mind on a couple of their routing options. We held an
20 additional meeting in Molalla. Palomar came back to us and
21 they have some additional alternatives in Maupin and here in
22 Madras.

23 In order to keep the public informed and to
24 gather public comments on the additional alternatives, FERC
25 issued a supplemental notice June 10, 2009 and that's

1 hopefully -- I did hear that some people did not receive
2 this notice, but this is what the Notice of Intent looks
3 like and hopefully, the people or the public in the room
4 tonight did receive that. With notice we are specifically
5 requesting comments on alternatives for crossing the
6 Deschutes River, referred to as the Maupin Bridge
7 Alternative and the Warm Springs Alternative; and there are
8 several variations in there that I'll explain a little bit
9 later on the maps.

10 The focus of this scoping period is primarily on
11 these alternative routes. The maps show the three
12 variations of the Maupin Bridge Alternative, which I'll go
13 over in a second, referred to as Variation 1, 2, and 3 and
14 the two variations for the Warm Springs Alternative,
15 referred to on the map as the Warm Springs Variation or Warm
16 Springs Alternative and the Warm Springs Reservation
17 Northern Variation. It's confusing but it will all be in
18 the fine print for you.

19 I wanted to note that the scoping comments are
20 not necessarily limited to these route alternatives. You
21 can comment on the entire project, the entire 220 miles of
22 pipeline. This just isn't comments on these alternatives in
23 your area. If you have comments on any part of the project,
24 you're more than welcome to send those in. Again, the
25 reason we're holding this scoping meeting tonight in Madras

1 is because you guys did not get the opportunity previously
2 to voice public opinion to FERC, other than sending comments
3 in. We wanted to give you the public scoping meeting.

4 Regarding our process, Palomar filed a formal
5 application with FERC in December of 2008. Prior to filing
6 that application, they were in what we call the pre-filing
7 process for approximately I believe 16 months. So we've
8 been working with Palomar and working with the public and
9 the agencies 16 months prior to them filing their
10 application in December and now we continue to work with the
11 public and the agencies trying to figure out the best route
12 that we possibly can.

13 As I say, we've been working with the cooperating
14 agencies staffs and we have all been able to begin the
15 review of the application. During our review of the
16 project, we will assemble information from a variety of
17 sources, including Palomar, you, the public, which is very
18 important, other state, local, and federal agencies and our
19 own independent analysis and fieldwork. We will analyze
20 information and prepare a draft EIS that will be distributed
21 to the public for comment.

22 I mentioned earlier, if you want a copy of the
23 EIS it's important that if you received one of these NOIs or
24 if you want another one they're back there, there's a mailer
25 on the back. That's how we figure out if people really want

1 to be involved in this project and they want to receive
2 further information concerning this project. It's important
3 you guys fill this out and send it back into FERC. If you
4 want a hard copy of the EIS, there's a little box here to
5 check. The reason why we went to the version of the hard
6 copy to a CD form is literally to save money.

7 I had a project in Seattle that we ended up
8 issuing like 5,000 EIS and FERC looked at the amount of
9 money we spent to send those hard copies out to some people
10 who don't even want them, so we went to the CD version. It
11 really helped to save the cost. So it's important you guys
12 send that mailer back in, sign up back there tonight to make
13 sure you stay on the mailing list and you will receive
14 further information from FERC.

15 The purpose of tonight's meeting is to provide
16 each of you with the opportunity to give us your comments.
17 Now, this is set up in a public forum. If you're not
18 comfortable speaking in front of everyone, that's fine.
19 There are written forms back there. You can send written
20 comments into FERC. You can file electronically at FERC.
21 We encourage electronic filing. So there are multiple ways
22 that you can voice your comments.

23 We ask, though, that we are here to learn from
24 you tonight. It will help us most if your comments are as
25 specific as possible regarding the potential environmental

1 impacts and reasonable alternatives of the proposed project.
2 These issues generally focus on potential for environmental
3 effects, including the economic impacts, but may also
4 address construction issues, mitigation involved with the
5 project; but they almost -- any environmental review
6 process.

7 Your comments will be used to determine what
8 issues we cover in the EIS. I state this to all our
9 cooperating agencies and I always state this to the public
10 we are back in D.C. Yes, we have experience with pipeline
11 projects across the entire country. That's what we do. We
12 look at pipelines. That's all we do. The other agencies we
13 work with, we need their input. That's why we have
14 cooperating agencies because they live here, they work here,
15 and they understand the communities somewhat better than we
16 do. You guys own land here. It's your land, so that we
17 want your public input so we can look at how we can move the
18 pipeline around, how we can adjust it and which one of these
19 alternatives would best suit your community, if the pipeline
20 project would ever come through this area.

21 Issuance of the supplemental notice opened the
22 formal comment period. The mailing list for this project is
23 large and undergoing constant revision. I apologize if you
24 did not receive a notice. Sign up tonight and you will
25 receive future notices. This comment period will end on

1 July 13. That is a NEPA timeframe. When anybody sends out
2 a Notice of Intent, a federal agency sends out a Notice of
3 Intent for these projects for federal action there are NEPA
4 timeframes put on them. That doesn't mean that we won't
5 accept your comments if they're in after July 13. We have a
6 schedule that we're running with right now. We're trying to
7 get a draft Environmental Impact Statement out for the
8 public to view it, but we also have a lot of work to do
9 before we do that in analyzing these alternatives.

10 We want your comments as soon as possible. The
11 way it works is if you don't get your comment in soon, right
12 before we're ready to issue the draft, we'll address your
13 comments in the final EIS. So we just ask you guys to get
14 them in as soon as possible. As I mentioned earlier, we
15 strongly encourage electronic filing of comments. It's
16 quick; it's easy. We also encourage people to sign up for
17 e-Subscription at FERC. It's all on our website
18 www.FERC.gov. You can sign up for e-Subscription. That's
19 how I track what comes in on this project. Anything filed
20 from the public, anything issued from us, anything filed
21 from the company, and other agencies you'll get an email
22 alert. You can look at it or you don't look at it. It's
23 just a way of tracking what comes in on this project.

24 It's very important that any comments you send in
25 does include the internal docket number for this project.

1 This is one of many that FERC is looking at. The docket
2 number is on the NOI here that everyone has. It is
3 CP-09-35. That is the internal docket number that you would
4 want to put on your comments before sending them in.

5 After the draft EIS is issued, you have 90 days
6 to review and comment on it. Typically, a FERC project for
7 an interstate natural gas pipeline project, if it does not
8 involved a plan amendment, which Molly will talk about
9 later, it's a 45-day comment period. But since there are
10 plan amendments for the BLM and the Forest Service, you'll
11 have 90 days to comment on the EIS.

12 Towards the end of that comment period, we will
13 schedule public comment meetings similar to this in format
14 to hear comments on the EIS itself. These now, the meetings
15 we're having, the scoping comments where we're trying to
16 receive scoping comments from the public. The comment
17 meetings later are you're going to have an EIS that you can
18 look at and you can see what FERC is looking at what we're
19 recommending with this project. You can comment on the EIS
20 itself.

21 At the end of the comment period, we will use
22 your comments and any new information that we've gathered to
23 finalize the EIS. So what happens is there's a draft EIS
24 issued and then there's a final EIS issued. The way that
25 works is within probably two to three months a draft will be

1 on the street. The way these Oregon projects have been
2 running it's been taking us a little longer, say six months
3 later you're get a final EIS on the street. Sometime after
4 that the Commissioners will make a decision on this project.
5 The final EIS will be mailed to the people who are on the
6 mailing list. If you receive a copy of the draft EIS, you
7 will receive a copy of the final.

8 I stress that the EIS is not a decisional
9 document. It is being prepared to advise the Commission and
10 to disclose to the public any environmental impact of
11 constructing and operating a proposed project. When it is
12 completed, the Commission will consider the environmental
13 information in the EIS, along with the non-environmental
14 issues such as engineering, markets, tariffs, rates.
15 There's a lot of information that goes in upstairs to the
16 Commissioners. We basically have an 11-story building at
17 FERC and the Commissioners are on the 11th floor.

18 The environmental staff we prepare an order.
19 That's what the Commissioners look at in order to make their
20 decision. Part of that order is environmental, part of it's
21 engineering, part of it is rates, part of it's tariff
22 information. So there's a number of group of staff at FERC
23 that put this information altogether on a given project and
24 then it goes upstairs for the Commissioners to make the
25 decision on it. Now, they do have a -- every third Thursday

1 of every month they do have a public meeting where they make
2 their decisions on certain projects and it is public. So
3 the EIS, when you read it, it's not a decisional document.
4 The Commission has the final say on whether to approve or
5 deny a certificate, which would be FERC's authorization for
6 the project. There's no review of FERC's decision by the
7 President or Congress, maintaining FERC's independence as a
8 regulatory agency in providing for fair and unbiased
9 decisions.

10 If the Commission votes to approve the project
11 and a certificate of public convenience and necessity is
12 issued, Palomar will be required to meet certain conditions
13 outlined in the certificate. FERC does issue a conditional
14 certificate, which means, yes, the Commission may approve
15 the project but at the back of that approval there is going
16 to be a number of conditions that the Applicant must comply
17 with before they go forward with construction. Just because
18 FERC issues a certificate doesn't mean that the BLM is going
19 to issue their right-of-way grant, doesn't mean the Forest
20 Service is going to issue their permit, doesn't that the
21 Corps is going to issue their permit. There are a lot of
22 other agencies that have to issue permits for this project
23 to go forward. We are the lead. We are the first decision-
24 making authority, but then there has to be a lot of other
25 conditions met.

1 Before we start taking comments from you, I'd
2 like to provide a brief overview of the project. The
3 purpose and need for the project is to provide a second
4 source of natural gas for the Portland area, which is
5 currently dependent on one pipe that runs through areas in
6 the Columbia Gorge. Palomar proposes to build a 217-mile,
7 36-inch diameter bi-directional pipeline, which means they
8 can flow gas east to west for this pipeline, between the
9 existing GTN gas pipeline at Kent and the proposed liquefied
10 natural gas terminal at the Bradwood Landing on the Columbia
11 River. No compressor station would be needed for the
12 proposed route. The pipeline would be capable of
13 transporting North American gas west to the Portland area
14 from the GTN Pipeline, imported gas east from the Bradwood
15 Landing if the terminal is built.

16 There were comments last night that were made
17 that this project is not reliable on that Bradwood LNG
18 Project. For example, right now this is the entire pipeline
19 project. It starts up in the Clackamas area where the
20 Bradwood Landing LNG terminal has been approved by FERC, but
21 now they're in the process of complying with the conditions.
22 And this is a secondary source for Bradwood Landing to get
23 rid of their product, basically. Right now, the Bradwood
24 Landing Project, say, is in here. Their first line runs out
25 and connects to the northwest system that's already

1 existing. The Palomar Pipeline would provide a secondary
2 source for gas to get into the Portland area. If Bradwood
3 never gets built, anything west of Molalla most likely won't
4 be built because it won't be needed. But just because the
5 Bradwood Landing Project never gets build, it may or it may
6 not, the project from Malolla east is a viable project.

7 So there's a lot of misinformation that, yes, the
8 Bradwood Landing Project must be built in order for this
9 pipeline to go through. That's not the case because really
10 the Palomar Pipeline Project, in a partnership with
11 Northwest Natural to connect to the Northwest Natural system
12 and feed this local distribution company within Portland.

13 The pipeline would be buried, except for three
14 aboveground river crossings, the Deschutes River near Maupin
15 where we held the meetings last night and Fish Creek and the
16 Clackamas River on the Mount Hood National Forest. The
17 proposed route crosses BLM managed lands along the Deschutes
18 River about 1 mile downstream of Maupin. The Deschutes is a
19 congressionally-designated Wild and Scenic River. There is
20 concern that the proposed overhead crossing would adversely
21 affect outstanding remarkable values of the river, including
22 scenery. Palomar tried to use an existing utility corridor
23 closer to Maupin, but the topography was not suitable for a
24 pipeline crossing at that point. The proposed crossing
25 point is about 3,000 feet downstream from the transmission

1 line.

2 Palomar is considering an alternative route along
3 Highway 197 through the Town of Maupin. I'm going through
4 these alternatives in Maupin. I was thinking about not
5 going through them, but at last night's meeting that why we
6 were in Maupin and tonight we're in Madras. But I have to
7 explain to you guys what we're looking at in Maupin compared
8 to what we're looking at here in your part of the woods.

9 The route would cross the Deschutes River on a
10 segment designated by the Wild and Scenic River, but on
11 private land adjacent to the existing Highway Bridge. This
12 area has a lower scenic quality rating due to the existing
13 developments in Maupin. After crossing the river on a new
14 bridge structure, the pipeline would be buried in city
15 streets and would rejoin the proposed route approximately 2
16 miles west of Maupin. Any of three variations of the Maupin
17 Bridge Alternative would be about 1.3 miles shorter and
18 would cross fewer streams in the proposed alternative. None
19 of the three variations through Maupin would require a
20 compressor station.

21 The Confederated Tribes of Warm Springs requested
22 that Palomar route the pipeline through the Reservation.
23 The pipeline route would cross the Deschutes River above the
24 re-regulation dam, not in the portion of the river
25 designated as Wild and Scenic. This route would begin at

1 the Crooked River National Grasslands east of Madras.
2 Unlike the proposed route in the Maupin Alternative, both
3 the Warm Springs Reservation Alternative and the Northern
4 Variation would require a compressor station. The Warm
5 Springs route would be -- we have 9 miles shorter in here,
6 but we're hearing it could be somewhere around 9 miles
7 shorter than the proposed route that they have filed with
8 FERC at this and would require several additional crossing
9 of fish streams. The Warm Springs Alternative could only be
10 selected if the Tribe and Palomar negotiate an agreement.
11 The FERC cannot mandate a route across the Reservation.

12 So the reason I talked about the Maupin routes,
13 and we don't have those up here tonight, and I can just go
14 through those a little bit because right now it's hard to
15 see from the audience, but you saw this at the open house.
16 Right now, the red line is the proposed route that Palomar
17 has in front of FERC and the other agencies right now. Due
18 to the Deschutes River crossing near the Maupin area and due
19 to the area they're proposing to cross, the agencies and
20 FERC and a lot of people are up in the air of whether that
21 crossing of the Deschutes River could ever go forward. So
22 they needed to come up with some alternatives in crossing
23 the Deschutes River. The problem with crossing the
24 Deschutes River is basically it's all Wild and Scenic from
25 here down to some point in here.

1 Right now, we haven't found a pipeline that has
2 gone across a Wild and Scenic river at this point. We've
3 found pipelines that have go across Wild and Scenic rivers
4 before they were designated Wild and Scenic, but at this
5 point we haven't found a pipeline that has crossed a Wild
6 and Scenic river. It's a problem crossing a Wild and Scenic
7 river from a number of issues with fishermen and with
8 environmental agencies and with the general public and with
9 the agencies.

10 So there are several alternatives that we're
11 looking at up in the Maupin area, which if any of those
12 alternatives in the Maupin area would work, Madras would not
13 be affected.

14 Not too often you get an a landowner that wants a
15 pipeline on their property, but Warm Springs has asked for
16 the pipeline to be on their property, so that's a viable
17 alternative that we need to look at. So it would come
18 through the National Forest and come down through the Warm
19 Springs area, and where it heads out of the Warm Springs
20 area is where it would affect your town in Madras.

21 Now, there are two routes that we are looking at
22 in Madras. One is considered the northern route and one is
23 considered the southern route. So I'm asking you guys here
24 tonight to give us your public input on these routes and any
25 other route that you want to talk about. But really this is

1 the area we're focusing on for you guys. We're asking for
2 public input. We're asking for you guys to talk to Palomar.
3 We're not sure yet which route we're going to use, to be
4 honest. That's why we're out here doing this public forum.
5 I mean there's a lot of pros and cons for every route. It's
6 a complete balancing act. We need to analyze all the routes
7 equal and then make a decision on which route would best
8 work, if this pipeline project gets built.

9 So with that, the BLM would like to give a couple
10 of words and then I'll be back. You're not rid of me yet.

11 MS. BROWN: So as Doug said, I'm Molly Brown with
12 the Prineville BLM and I am the Deschutes Resource Area
13 field manager; and those lands run from The Dallas in Oregon
14 down to LaPine. In addition, in the audience tonight we
15 have Christina Lilienthal, our Public Affairs officer and
16 John Styduhaur, our project manager for this from our
17 Portland office.

18 So I thought we'd have the chance tonight just to
19 kind of clarify BLM's authority related to this proposed
20 pipeline route. We have the authority to grant or not grant
21 a right-of-way across lands managed by the Bureau of Land
22 Management for a pipeline to cross. So we're limited to our
23 jurisdiction and we don't have the authority to grant a
24 right-of-way on private, state land or Indian Reservation
25 lands.

1 Then I thought I would go into our responsibility
2 that BLM has in relation to this proposal. So as Doug said
3 to you, we are a cooperating agency in the development of
4 this Environmental Impact Statement and we're responding to
5 the right-of-way request that Palomar has filed. In doing
6 so, BLM must obey the laws set out by Congress and we must
7 follow the rules and regulations and land management
8 direction adopted and implemented by the agency as directed
9 by law. In addition, we have to ensure that the National
10 Environmental Policy Act document analyzes the affects to
11 BLM managed resources and that there is an adequate range of
12 reasonable alternatives considered.

13 The management direction that we must comply with
14 for the proposed Deschutes River crossing includes mainly
15 the Wild and Scenic Rivers Act. So in 1988, when Congress
16 designated that lower 100 miles of the Deschutes River from
17 the Pelton Re-regulating Dam to the Deschutes River
18 confluence with the Columbia as a national Wild and Scenic
19 river, they designated that section in recognition of the
20 scenic, recreation, fisheries, wildlife, cultural, geology,
21 and botany resources which constitute the River's
22 outstandingly remarkable values.

23 The Wild and Scenic Rivers Act provides that it
24 is the policy of the United States that certain selected
25 rivers shall be preserved in a free flowing condition and

1 that they and their immediate environment shall be protected
2 for the benefit and enjoyment of present and future
3 generations. The BLM may only allow uses where consistent
4 with the Wild and Scenic River Act mandate to protect and
5 enhance the River's outstandingly remarkable values.

6 So again, when Congress made that designation in
7 1988, they also provided that the river is to be
8 administered by the Secretary of Interior through a
9 cooperative management agreement between the Confederated
10 Tribes of Warm Springs and the State of Oregon. So there is
11 an intergovernmental cooperative management agreement that
12 was completed in 2002. So again, we don't manage this river
13 alone. There are other key partners.

14 Other management direction comes from our Two
15 Rivers Management Plan that was completed in 1986 and our
16 Lower Deschutes River Management Plan of 1993. So when we
17 reviewed those existing plans, we found that this proposed
18 project does not conform with certain aspects of that Two
19 Rivers Management Plan and the Lower Deschutes plan. So
20 this crossing would therefore require a site-specific plan
21 amendment. And as co-managers of the river, the State of
22 Oregon and the Confederated Tribes of Warm Springs play a
23 key role in any plan amendment process. So we would seek
24 concurrence of our other river managing partners also before
25 approving any amendment.

1 We're directed by the National Environmental
2 Policy Act to consider a broad range of alternatives when
3 evaluating a project proposal, so we did ask FERC to
4 consider other alternatives when they were formulating a
5 proposed action that would avoid the Wild and Scenic River
6 crossing altogether and not require a plan amendment. So
7 our bottom line is approval of a permit for a project on BLM
8 administered land that results inconsistencies with our
9 management plans requires that amendment prior to the
10 issuance of the permit and any plan amendment decisions
11 would be made subsequent to FERC's issuance to Palomar of a
12 certificate of public convenience and necessity, and the
13 public will have the opportunity to comment on the proposed
14 action and its affects when the draft Environmental Impact
15 Statement is released by FERC. That's all I have.

16 MR. SIPE: Well, tonight I'd like to answer any
17 questions that you may have. I may not have all the answers
18 for all the question that you may have. Hopefully, they are
19 good questions. I understand that you guys -- I have four
20 speakers here that have signed up to speak. I understand
21 that you guys may not have a presentation prepared in order
22 to give to FERC, but you may have some questions. So after
23 I get down through these speakers that have signed up to
24 speak, myself and Molly from the BLM we're here. After I
25 close the formal part of this meeting, we're still going to

1 be here if you want to ask questions after the formal part
2 of the meeting. And Palomar has agreed to stay afterwards
3 if you have any further questions for Palomar.

4 I have rule, though, that if you want to ask
5 questions or you want to speak, you need to come to the mike
6 because this is being court reported tonight. There will be
7 a transcript of this meeting on our FERC website for you
8 guys to look at, at a future date. But we can't have a
9 bunch of cross talk going back and forth because the court
10 reporter can't record that. It has to come through a
11 microphone that's why these guys set up a great sound system
12 for us here tonight.

13 So when it's your turn to speak, please come up
14 to the mike, state your name and you may have to spell your
15 last name so that the court reporter gets it right for the
16 transcript. I did want to go over one other thing with you
17 guys that I may not have mentioned. This green line here is
18 an existing pipeline that you may be familiar with in your
19 area, that's the GTN line. So basically, they're trying to
20 get gas from their existing system west into Portland. So I
21 failed to mention that earlier. And the crossing down here
22 of the Deschutes River at the Warm Springs that's out of the
23 Wild and Scenic River portion has designated. That's why
24 they're crossing down here. That's why the alternative is
25 looking at to get it out of the Wild and Scenic River

1 designation.

2 So you guys heard from me enough. Like I said, I
3 do have four speakers here and I'm going to try to answer
4 any question that you may have. So the first speaker I have
5 on the list tonight is Gary Harris and on deck is Leetha
6 Crawford.

7 MR. HARRIS: Welcome to Madras. I guess I'm the
8 guinea pig, I get to go first. Anyway, these are impromptu
9 thoughts I had tonight just after listening or hearing the
10 exhibits. And I'm Gary Harris, 7000 Northwest Danview,
11 Madras, Oregon 97741. I'm a 60-year resident of Jefferson
12 County. My father moved here in 1948 and have been farming
13 every since. And my main interest in testifying tonight is
14 I've always been interested in farmland protection and want
15 to respect -- your pathway needs to respect the Northern
16 Irrigation District, which is the best high-value farmland
17 we have left in central Oregon.

18 We welcome the opportunity for Palomar to be in
19 our county and we welcome the thought of having another
20 natural gas pipeline in our county. I think that this
21 county can place this pipeline and it'll be a great
22 enhancement to the county, both for the tax base for our
23 county and the ability for natural gas to move around the
24 Northwest.

25 I, as a farmer who uses energy and use natural

1 gas either for flaming or for however it's used in the
2 production of my products, we always enjoy the enhanced
3 ability for natural gas to be in the Northwest. I'm tired
4 of buying my urea-based fertilizer from Trinidad. I'd
5 prefer that there be a plant in the Northwest and whatever
6 facilities that there are, whether they're LNG or this
7 pipeline that might foster such a fertilizer plant in the
8 Northwest we would totally encourage.

9 My main comments tonight were that we would
10 encourage the Madras route versus the Maupin route. It's 9
11 to 10 miles shorter, makes sense, it avoids the Wild and
12 Scenic waterway at the Pelton Rig Dam site and it would
13 service our Native American citizens on the Reservation,
14 plus service a community of 6,000 people in the City of
15 Madras and enhance our ability for both cost and access to
16 natural gas. Our economic development in Madras is the
17 industrial park that's part of the FAA Madras Airport site
18 that can be near the pipeline and we would encourage, if it
19 comes to Madras, to take of both Madras industrial needs and
20 our citizenry.

21 I would encourage that rather than run across
22 private land that we try to encourage and work with the
23 county to use existing county right-of-ways. There were
24 some of us talking in the room earlier coming out of
25 Deschutes Canyon rather than immediately go onto irrigated

1 farmland you can stay no a more westerly pathway and stay
2 into CRP Natural Grasslands and then eventually access up to
3 the western edge of Dogwood Lane, which is an east/west lane
4 across the agency plains. And we would encourage you to use
5 the southern edge of the Dogwood Lane current 60-foot right-
6 of-way that the county has for a county road and do some
7 kind of agreement with the county and their 60-foot right-
8 of-way, whether that right-of-way needs to be expanded to an
9 80- or 100-foot right-of-way, but try to use the southern
10 edge of the Dogwood Lane. And the reason we choose Dogwood
11 Lane over the current pathway that's being drawn is it gets
12 you next to the Madras industrial site and it would stay off
13 running across the edge of farmland and stay more into the
14 county right-of-way. This road is a not heavily trafficked
15 road. It gets you to the Crooked River Grasslands as rapid
16 as any other access. There would be one additional
17 agreement that would have to be made with FAA and however
18 you cross their almost a mile of property along the airport
19 and it would be adjacent to the Madras airport. And
20 hopefully, you would provide in the documents the ability
21 for a junction box to service the Madras industrial site.

22 If you leave the agency plains plateau along
23 Dogwood, the slope that leaves the agency plains plateau is
24 more gentle than the current pathway that goes in the Madras
25 southerly route. That grade off Dogwood Lane, off the

1 plains is an easier route to take than the Madras route.
2 The crossing of the river, the P&N Railroad track is easier
3 at Dogwood, I believe, than it is at the curve in Highway 97
4 at where we call Dead Man's Curve. You avoid going through
5 the Madras subdivision that's already platted to be built
6 and you avoid the congestion at the Highway 97 at the curve.

7
8 Crossing underneath -- going down Dogwood and
9 crossing underneath the railroad track, crossing Highway 97
10 at a fairly long straight stretch and there are very few
11 residences on this county on the south side that are not set
12 back from the road that an additional wider easement would
13 not harm. There are a couple of residences that would be in
14 the way and would require some kind of a -- either switching
15 to the north side of the road or doing some mitigation to
16 get around those couple major residences. But I would
17 encourage you to work with the county road engineer Rich
18 Black and the county road master Mike Mahaney and the county
19 commissioners of Jefferson County and chose a pathway down
20 Dogwood that I think would be a great enhancement to
21 Jefferson County. Thank you.

22 MR. SIPE: Thank you, sir. Leetha Crawford and
23 then Amy Stewart.

24 MS. CRAWFORD: Good evening. My name is Leetha
25 Crawford. I work with Oregon State Parks. I'm the State

1 Scenic Waterway coordinator for central and eastern Oregon
2 and I would just like to state that state parks has concern
3 around the state scenic waterway route, including but not
4 limited to public access and public safety issues. State
5 Parks does concur with the Lower Deschutes managing partners
6 and are in support of the Warm Springs Reservation
7 alternative. Thank you for this opportunity to comment.

8 MR. SIPE: Thank you. Amy Stewart and Steve
9 Rask is on deck.

10 MS. STEWART: Hello. I'm Amy Stewart with the
11 Oregon Department of Fish and Wildlife. Thank you for the
12 opportunity to speak tonight. We have several concerns
13 about potential impacts to fish, wildlife, and water
14 resources. We have listed species of both trout and summer
15 steel head in the Lower Deschutes and tributaries as well as
16 other important species that are important to Tribal and
17 sport fisheries, including red band trout and fall and
18 spring Chinook. And we also feel that the Deschutes River
19 is a world-class fishery as well as the Chinook fish stock
20 is one of our healthiest native fall Chinook stocks in the
21 entire Columbia River basin and they're very important to
22 protect.

23 I spent a weekend some months ago investigating
24 pipeline ruptures and explosions. And while I know they
25 don't happen very often, it's a huge concern. And I looked

1 at the Palomar's Resource Report No. 10 and it laid out the
2 options and strategies for comparing the Warm Springs
3 Alternative to the Maupin Alternative and we have particular
4 concerns about the Maupin Alternative and prefer the Warm
5 Springs Alternative.

6 One of our biggest concerns is in having been out
7 on site when the PGT/PG expansion was occurring and across
8 Mud Springs Creek and seeing the impacts and the short-term
9 impacts when it was buried is we have real concerns it there
10 was a devastating consequence of a rupture. When I looked
11 at these websites there are at least 20 states in the last
12 10 years that had experienced huge pipeline explosions.
13 Sometimes there were craters that were 50 to 100 feet deep
14 and up to a half mile long. So the potential consequences
15 to natural resources could be huge. And while they don't
16 happen very often, as I said, it's kind of like the
17 airplanes that crash-landed, the air buses in the month.
18 We've had two crash landings and they don't happen very
19 often; but when they do it's very catastrophic. And so
20 we're concerned about potential consequences to natural
21 resources from things that occur. It's a myriad of sources.
22 It could be safety violations. It's under or over
23 pressurizations. It's changes in chemical composition,
24 corrosion, manufacturing defects, leakages, accidents, and
25 metal fatigue. There's a lot of possibilities out there.

1 I had the good fortune to travel to Valdez,
2 Alaska in early May, along with Molly's supervisor, and we
3 studied natural resource impacts 20 years after the Exxon
4 Valdez and I had thought it had long since gone away, but
5 the affects are still being felt in the natural resources
6 world. Species have been impacted and are still being
7 impacted. Some of the whale pods, sea otters, herring --
8 the list goes on. Salmon are still suffering severely and
9 some will never come back, and some of the sea birds that
10 depend on those marine life. And as well as the Native
11 American and the sport and commercial fishing and
12 communities that depend on these resources they're still
13 suffering 20 years later and they're still in litigation.
14 So the consequences can be huge.

15 The EIS for that project suggested that there
16 might be one rupture in 200 years and it happened in the
17 13th year after it was constructed and they started hauling
18 oil on ships.

19 Just in summary, we concur with the Low Deschutes
20 managers in supporting the Warm Springs Alternative. There
21 is a potential to dramatically increase risks to natural
22 resources by having an aerial crossing from vandalism,
23 terrorism, accidents -- things like that. And so we again
24 prefer that Warm Springs Alternative and we would hope that
25 you would work and recommend you work the Tribes to

1 facilitate that alternative. The Oregon Department of Fish
2 and Wildlife will be submitting our final comments on the
3 July 13th deadline or before. Thank you very much.

4 MR. SIPE: Thank you. Just one note, thank you
5 for the comments. They were good. I just want to clarify
6 something that the media picked up in Oregon and a lot of
7 people think that just because a pipeline is hooking to an
8 LNG facility -- LNG stands for liquefied natural gas. The
9 gas running through this proposal through Palomar is not
10 going to be a liquid. It's going to be in a gas form. So
11 you know like from the comment on the Valdez Exxon oil spill
12 that was an oil line and that was a liquid and you do have
13 contamination issues with a liquid. With a gas form, this
14 is not a liquefied natural gas, any liquefied natural gas
15 part, when you're talking about a terminal is it's shipped
16 in a liquid form and it's stored at the terminal in a liquid
17 form. Once they're ready to ship that product on down
18 through the pipeline system it's heated up and regasified
19 and sent down the line in a gas form. It's not liquid. So
20 I just wanted to clarify that.

21 The last speaker I have on the list, and we're by
22 no means done unless you guys want to leave before we start
23 taking questions, is Steve Rask.

24 MR. RASK: I'm Steve Rask, 3020 Northwest Dogwood
25 Lane. Pardon me?

1 COURT REPORTER: Could you spell your last name
2 for the record?

3 MR. RASK: Rask, R-A-S-K.

4 COURT REPORTER: Thank you.

5 MR. RASK: I find it offensive when anyone messes
6 with my private property and that's what I see the potential
7 of this. And I also see that private property owners, not
8 just myself, but everyone that is being impacted by this
9 crossing we're being impacted by a Scenic Rivers Act.

10 MR. SIPE: Uh-huh.

11 MR. RASK: We're also being impacted with this
12 alternate route by a sovereign nation that wants to dictate
13 that this pipeline is going to cross my property so that it
14 can put things to their advantage. I can see that there are
15 advantages in having another supply of natural gas as far as
16 commercial and residential development. There should be an
17 adequate supply in the existing line so this alternative
18 route would not be necessary to supply the future growth of
19 this community.

20 I guess it's really quite easy to advocate the
21 Dogwood route as Mr. Harris did. He doesn't live on Dogwood
22 Lane; I do. And I would also like to point out that he used
23 the term "we" several times. Well, he was not speaking for
24 me and I think possibly for some others. And I'd definitely
25 like to point out he's not speaking in my behalf. I think

1 that the alternative route through Madras needs a very hard
2 look where it's going through a populated area versus the
3 northern route and the potential is there, as you pointed
4 out earlier, it doesn't happen very often but the potential
5 for a catastrophic event is there.

6 I also find the lady from BLM stated that she
7 can, as an agency, approve or deny a permit. As I recall
8 grasslands are public property. I'd like to also have the
9 ability to approve or deny a permit for them to cross my
10 private property. There needs to be a very hard look and
11 number of assurances made before this route would be
12 approved because it impacts a lot of people. Thank you.

13 MR. SIPE: Thank you, Steve. That's the last
14 speaker we have signed up. Yes?

15 MS. CAMPBELL: May I say something?

16 MR. SIPE: Absolutely. Yeah. What I'll start
17 doing now is if you have questions, I'll try to get it in an
18 orderly fashion. But if you have questions, please come up
19 to the mike, state your name. You may have to spell your
20 last name and then ask anything you want.

21 MS. CAMPBELL: I'm Claudia Campbell. I'm at 3760
22 Northwest Intriken Lane in Madras and my first comment is
23 that when I got the notice from Palomar that there was --
24 that we would be impacted that the maps are totally
25 inadequate. So I had to call and get a map to see how was

1 my property impacted and so I found out that they're
2 planning on bringing the pipeline up over my rim and across
3 some of my property. For those of us from where the
4 pipeline crosses the river up to the Columbia Drive, which
5 we're talking about probably 4 or 5 miles, we didn't get a
6 map that showed where any of this was impacting our
7 property. We got this large-scale map and so we don't know
8 where anything went until we got here tonight where we could
9 see -- I didn't know that it was going to go through Steve
10 Rask's place or anything because the maps don't show
11 anything and I find that very objectionable that we would be
12 noticed and be given such inadequate maps so that we know
13 how we're being impacted.

14 I also would like a little more information, and
15 I guess I'm going more into questions, of how they're going
16 to mitigate -- and we talked about this with Palomar Gas is
17 if they come up over my rim and they're blasting my rim
18 rock, you can't put rim rock back together. So go through -
19 - so if you have to go up through my property, or the next
20 one south is my brother-in-law's property, come up through
21 Natural Gap so that you can go ahead and rehab it because
22 once you blow that rock you can't put it back.

23 One of the things about, especially our part of
24 the rim, and this is my little nimby thing is that we have
25 an unobstructed view from that rim of all of the Cascades.

1 Nothing will ever obstruct that view -- well, if Mount
2 Jefferson blows, you know, it will destroy us. But beyond
3 that, there is nothing that will ever obstruct that view.
4 To destroy the ground is very irritating. I don't want to
5 it come through my property strictly from the point of view
6 of it's not -- it's so -- for having been farmed since when
7 we started in this region in the early 20th Century that's
8 the only thing that's every happened to this land and I
9 don't want to see a natural gas pipeline come and go through
10 my part that does have -- it has no power line through it.
11 It just doesn't make sense to me. So I think that's all my
12 comments.

13 MR. SIPE: Thank you. And I'll make note that
14 these alternatives they are on a map right now and you guys
15 all saw the mapping for the open house, but it doesn't mean
16 that's where they're going to have to stay. If one of these
17 routes, once we get further on down the line, it looks like
18 we want to choose that route and the other agencies that
19 we're working with want to choose that route, you also can
20 make deviations to that route on your own property and work
21 with the Applicant to say, hey, you know, we don't want to
22 go through the rim rock, if it's got to be on my property,
23 then I would like to go here or there; that all can be
24 worked out. Those are the types of comments that we need.
25 So if say the company themselves -- I'm not saying anything

1 against Palomar, but as an industry as a whole because we
2 work with all the industries, some industry groups aren't as
3 easy to change their route as others. And that's why we
4 need the comments from the landowner because we can look at
5 that alternative and we can adjust them to how the landowner
6 would want them, if it makes sense. Sir?

7 MR. FLOWERS: My name is Gary Flowers. I'm the
8 CEO and janitor for Urban Research West. I do wildlife
9 research in the entire Deschutes Basin.

10 MR. SIPE: That's a pretty good title, CEO and
11 janitor.

12 MR. FLOWERS: Well, it's a fly-by-the-night,
13 seat-of-the-pants, outfit. But I'm actually a better CEO
14 than I am a janitor. But I worked with the expansion
15 project. I worked for Bectel Corporation in their
16 Compliance Department throughout the whole process. I
17 worked all the way from LaPine to Hermiston and I did a lot
18 of survey ahead of the work and I believe I followed up an
19 EIS. But in the process, what I saw was that the wildlife
20 protections and the paleontological and archeological
21 protections that are built into the system worked really
22 well when under the control of the Bethel Compliance people.
23 Bethel was the prime contract. Gregor and Cook were the
24 actual diggers.

25 MR. SIPE: Uh-huh.

1 MR. FLOWERS: FERC did some inspection. ODF&W
2 left it up to me, actually.

3 MR. SIPE: What line are you talking about again,
4 sir?

5 MR. FLOWERS: That was the additional pipeline
6 put in the big line that goes through that you're going to
7 be hooking up to.

8 MR. SIPE: Okay.

9 MR. FLOWERS: Yeah, that was in '93.

10 MR. SIPE: Okay.

11 MR. FLOWERS: Yeah. I can't remember the size of
12 the line.

13 MR. SIPE: That's fine.

14 MR. FLOWERS: Oh, I'm sorry. I didn't make that
15 clear. But anyway, my point is what I saw in that process
16 was that the design of the process as far as protecting
17 wildlife and protecting species of plants and wildlife and
18 archeology and paleontology. It was planned out well and
19 progressed very well. Quite frankly, I saw the problems
20 arose from the owner of the pipeline; in this case it was
21 PGT/PG&E. But it was the inspections and the compliance by
22 the actual prime contractor that kept everything straight
23 and made people play by the rules. It worked pretty well.
24 I was very pleased with it.

25 Later on, I was offered a similar job with

1 another through CH2M Hill and another pipeline and I
2 requested that they allow me to make simultaneous identical
3 reports to the state federal agencies when I reported to
4 them so that nobody could spin or delay my reports. They
5 didn't want to do it. FERC then asked me to be an
6 inspector.

7 MR. SIPE: Uh-huh.

8 MR. FLOWERS: If I take a part in this process, I
9 would like to have something to do with the compliance of
10 the matters pertaining to wildlife and I stand ready to
11 assist in any way. I also could assist greatly in the EIS
12 process. I have records and inventories of everything in
13 the Deschutes Basin and one way or the other I want to see
14 to it that the pipeline gets built. I believe in the
15 pipeline. I believe in the system and I'd like to help push
16 that through in the right way.

17 So my question is who is the prime contractor?
18 Has there been a selection of the actual --

19 MR. SIPE: Well, I mean Palomar right now they're
20 in the planning stages of this project. Now, they have a
21 consultant who is here tonight, which would be NRG. They're
22 preparing all the resource reports and everything that they
23 file with all the agencies, including state and federal
24 agencies. But what you're talking about is two different
25 things. You're talking about like the planning stage before

1 they get decisions on whether they're going to build the
2 pipeline or not. And then after all the decisions are made
3 you have the compliance end, which is a good point --

4 MR. FLOWERS: And the pre-construction.

5 MR. SIPE: Yes. FERC does follow the project, if
6 we approve it and the other agencies approve it, and we do
7 authorize construction, we do have a compliance program that
8 follows it the entirety through restoration of the project
9 until we deem it successful. Now, we do understand that in
10 certain areas, especially on the east side of the Cascades,
11 which is a little bit drier, it's harder to get revegetation
12 on that right-of-way. So those projects are monitored a
13 little bit longer than, say, the east side where you would -
14 - the west side. I'm from the East. I keep saying east.
15 The west side where you have a little bit more rain and the
16 right-of-way revegetates quickly. So who you need to talk
17 to is the Palomar Group.

18 MR. FLOWERS: Yes. I haven't approach them yet,
19 but maybe they'll approach me.

20 MR. SIPE: Maybe they will.

21 MR. FLOWERS: All right. Thank you.

22 MR. SIPE: Thank you, sir. Any other questions?
23 Sir?

24 MR. MATHENY: My name is Ron Matheny. That's
25 M-A-T-H-E-N-Y. I live on 3010 East Northeast Elm Lane in

1 Madras, which is smack dab on your northern variation, which
2 I don't really have an issue with. What I do have an issue
3 with is that the line that you have proposed goes through
4 about the only populated area in that region. So I'm
5 wondering if, as residents of that areas, we will have some
6 say as to whether we can move that a half a mile north or
7 south because down Elm Lane -- you know, I mean all the
8 houses are on Elm Lane and all the farmland is out.

9 MR. SIPE: Okay.

10 MR. MATHENY: So living right on the inner
11 section of Highway 97, which is soon to be a freeway and
12 your gas line is not a welcome, you know, proposition.

13 MR. SIPE: Uh-huh.

14 MR. MATHENY: So I'm hoping we can have some
15 input into that.

16 MR. SIPE: You just did because you gave comments
17 tonight, so that's something we'll take a look at. And you
18 know, I can state today that Palomar was out here, the
19 company was out here looking at a lot of these variations
20 and they're already -- I talked to them tonight. They're
21 already adjusting certain things that they're doing.

22 MR. MATHENY: Uh-huh.

23 MR. SIPE: So this is -- you know, where it's
24 going to cross is -- just because it's on your property now
25 doesn't say it's going to be on it tomorrow.

1 MR. MATHENY: I have nothing against the
2 pipeline. It's just the proximity to the residences is
3 going to be an issue.

4 MR. SIPE: And I do apologize, from your comments
5 earlier, and you know the map that you're looking at. We
6 get that comment a lot from the maps that we put in our
7 Notice of Intent and some of the maps that the company
8 supplies initially they are not as detailed and they do not
9 show you exactly where that line is on your property. For
10 us, at FERC, we have sent out about -- I think on this one,
11 Maggie, what was it, 5 or 6,000 NOIs? We can't put detailed
12 maps in as a federal agency. It would cost way too much
13 money. So we're aware very early on -- well, in developing
14 these routes we ask that you come to these meetings and look
15 at more detailed maps, plus work with the company. The
16 company is the ones that can supply you the maps of the
17 detail that you would need on your property. So that's who
18 you want to work with.

19 Thank you, sir, for your comments.

20 MR. BLACK: I'm Rich Black. I'm the Jefferson
21 County engineer, 85 Southeast D as in Delta Street, Madras,
22 Oregon 97741. I had a question. We have the route trying
23 to escape the scenic rivers.

24 MR. SIPE: Uh-huh.

25 MR. BLACK: Everything above those -- the only

1 reason that they're not scenic rivers there is because it
2 starts again above the slack water on those rivers is
3 because it's impoundment in the reservoirs and what not. My
4 question was how are they going to cross those reservoirs?
5 Are they going to put the gas pipeline on the dam abutments
6 or something? You know, how are they going to get that
7 thing across the river?

8 MR. SIPE: That's a good question. Actually, the
9 people that regulate that dam they're also at FERC. They're
10 actually on my hallway. So I've already been talking to
11 those guys, saying, hey look, if this alternatives becomes
12 viable and we need to cross this in this location, which is
13 right I believe, you can correct me if I'm wrong, behind the
14 dam impoundment in the reservoir itself, which would be
15 underneath. I don't know if they'll lay it on the bottom or
16 they'll bury it. You know that's something we can talk with
17 Palomar about, but right now that would have to go through
18 an approval process from the gas side for laying the
19 pipeline right-of-way, plus it would also have to go through
20 an approval process on the FERC hydro side because that is a
21 FERC-regulated dam. So it's those two entities looking at
22 it. They're still within FERC and you can't imagine the
23 battling that even happens between our directors on the
24 hydro and gas sides.

25 MR. BLACK: We just got done with relicensing of

1 the dam. So yeah, any time those reservoirs are impacted
2 it's nervous making anyway.

3 The other question when you were talking you kept
4 on referring to supplying gas to Portland and I understand -
5 -

6 MR. SIPE: Gas to who?

7 MR. BLACK: To alternate routes where you're
8 supplying gas to Portland, the Portland area, metropolitan
9 area, which is great for Portland, but the people here are
10 from Madras.

11 MR. SIPE: Uh-huh.

12 MR. BLACK: One of the things that strike me is
13 that this would also supply an alternate route for this area
14 if they existing gas line was blocked up towards the Gorge,
15 wouldn't it, because you're looping? You'd be able to come
16 back around -- you know, the remark was made that we already
17 have adequate gas supply from the existing line. If that
18 thing is interrupted toward the Gorge, we wouldn't have the
19 gas supply.

20 MR. SIPE: Uh-huh.

21 MR. BLACK: If we had a loop there and it was on
22 this side of the interruption, we would still have flow; is
23 that not correct?

24 MR. SIPE: I'm going to ask a question of
25 Palomar. Is the line, the existing GTN line is it bi-

1 directional right now?

2 MR. BLACK: Where does Northwest Natural Gas get
3 its current supply of gas?

4 MR. SIPE: Can you repeat the first part?

5 MR. BURKE: I'm Michael Burke with Palomar Gas
6 Transmission and the existing GTN line gets its gas from
7 Alberta up in Canada and flows in a southerly direction.
8 Northwest Natural in the Portland area gets its gas from the
9 Williams Northwest Pipeline, which goes from north of
10 Seattle down the I-5 corridor and then through the Columbia
11 River Gorge. That line is a bi-directional line that can
12 bring gas from the Rockies in through the Gorge into
13 Portland. It has an interconnection with our line at
14 Stanfield that allows Alberta gas to go into Portland and as
15 well it brings gas from B.C. down the I-5 corridor into
16 Portland. So Northwest Natural is relying on a single
17 pipeline for all of its supply, although that pipeline gets
18 gas from either end.

19 MR. BLACK: But that's all for the Portland area,
20 correct?

21 MR. BURKE: Correct.

22 MR. BLACK: Okay, where does the gas in this area
23 come from?

24 MR. BURKE: The gas in this area all comes out of
25 the Madras Tap, which is off the GTN mainline east of town.

1 So it's getting -- the majority of the gas comes down from
2 Alberta, although there is an interconnection with limited
3 capacity at Stanfield where we interconnect with that other
4 interstate pipeline. So there is some ability to bring
5 Rockies gas into that GTN line.

6 MR. BLACK: But what I was asking is if the flow,
7 say, from the Gorge to the north boundary of this county was
8 interrupted in that gas line it wouldn't be able to flow
9 south. We wouldn't get any gas.

10 MR. BURKE: Well, the gas coming to Madras isn't
11 really coming through the Gorge. It's coming from Canada
12 through Idaho, Washington, and Oregon through the GTN
13 mainline down to this area.

14 MR. BLACK: Yes. But if that line is
15 interrupted?

16 MR. BURKE: If our GTN mainline is interrupted,
17 then there would be no way to get gas to Madras.

18 MR. BLACK: Correct. But if they put this new
19 line in the Madras area that's supposed to be bi-directional
20 it would be able to get service to this area even though --

21 MR. BURKE: Yes, it would. Yes.

22 MR. BLACK: That's what I was saying. Okay,
23 thank you.

24 MR. SIPE: Thank you. I mean everyone has to
25 understand that a lot of the local elected officials, a lot

1 of your state elected officials, a lot of your federal
2 officials have asked FERC to look at state-specific need for
3 this gas in Oregon. FERC doesn't do that. We look at an
4 interstate grid. There's gas that flows -- what we have the
5 luxury of in the United States is, one, we have 300,000 plus
6 miles of interstate natural gas pipelines and it's all a
7 grid. So gas comes from multiple different areas.

8 You know a lot of people on the east side think
9 that all the gas that some of these projects are coming in
10 all that gas is going to go straight to California. Some of
11 the projects that are being prepared that is the case. Some
12 of the projects of the other ones that's not the case, but
13 right now a lot of other states around the Oregon area they
14 have a pipeline coming through their state to feed Oregon
15 just like the gas coming from Canada comes down through
16 Washington into Oregon.

17 We have gas that comes from the San Juan Basin
18 from the east side into Oregon. So a lot of other states
19 have to bear a pipeline project to supply gas to their
20 surrounding states and it's all an interstate grid. That's
21 what FERC looks at. We do not look at state-specific need.
22 For example, the LNG facility that's being proposed within
23 the State of Oregon right now there are three of them. Do
24 we know which ones are going to be built? No, we don't. It
25 is off the price of gas. We do have the luxury of having

1 trillions of cubic feet of natural gas storage in the United
2 States. That means the storage in the ground in a salt
3 cavern or in a dome somehow they pump natural gas into the
4 ground and they store it. They pull it out when it's
5 needed.

6 Other countries who are accepting the liquefied
7 natural gas, which comes in by boat right now like a Japan
8 or another country, they have to buy that gas at spot market
9 prices. So right now all the LNG is heading towards Japan
10 because the people supplying the LNG is getting top dollar
11 for it. When Japan or another country develops the
12 infrastructure needed to store it to be able to lower that
13 price, then the LNG will come back to the States and we can
14 end up buying it at a lower price.

15 You look at the LNG facilities in the nation
16 right now they're operating at very low levels because we
17 have that luxury of having natural gas storage in our
18 country. We have the interstate grid so we can buy gas when
19 we need it at the price we want it at. That's the way it
20 works right now. So we look at an interstate grid. We
21 don't look at state-specific need.

22 MR. HARRIS: I'm Gary Harris and I'd like to
23 extend my remarks with your permission.

24 MR. SIPE: Uh-huh.

25 MR. HARRIS: I chose the northern Madras route

1 versus the southern Madras route and I didn't want to
2 preclude the ability for Palomar and the Crooked River
3 Natural Grasslands to come to some decision as to which way
4 they get to determine on that pipeline where they want to
5 get to. I think it's automatic to assume that if once the
6 state east/west route along the southern edge of Dogwood
7 would get to the Grasslands if the company chooses to go to
8 the current junction box at the end of the black line that
9 whatever pathway the Crooked River Grasslands and Palomar
10 wants to get to that'll be fine.

11 And I also wanted to say that I have no property
12 and no dog in this fight as far as the current route or the
13 route I suggested other than my family trust does have a
14 building that does use natural gas in the Madras industrial
15 site. Thank you.

16 MR. SIPE: Thank you. Can you state your name
17 again, sir?

18 MR. HARRIS: Yes. I'm Gary Harris, H-A-R-R-I-S.

19 MR. SIPE: Okay. Thank you. Any other
20 questions?

21 (No response.)

22 MR. SIPE: You sure? Again, this is not the
23 last opportunity you will have. You will be receiving an
24 EIS for the project. You will have a comment meeting where
25 you can come comment on the EIS. You can stay afterwards

1 and we'll address questions after the formal part concludes.

2 MS. CAMPBELL: I'm Claudia Campbell and I'd like
3 a little more clarification on the NEPA process. Is FERC
4 doing the NEPA? Is Palomar doing the NEPA? Are they going
5 to be -- you know, because for the doing the draft EIS who's
6 putting that together?

7 MR. SIPE: Good question. What happens is any
8 applicant on an interstate natural gas pipeline they come
9 through us. We're the lead federal agency. They have to
10 put an application together. It's all in regulations like
11 they have to supply us with, say, 13 resource reports.
12 Actually, it's 12 for a pipeline and 13 for an LNG facility.
13 They provide that in an application to us. Here is our
14 proposal. It's almost like when you would want to build a
15 deck on the back of your house. I don't know how your
16 county works. I'm just speaking for my county. You would
17 have to put that proposal together to get a county permit to
18 build that deck on your house.

19 Then that county agency, just like FERC, we take
20 that application and we develop the Environmental Impact
21 Statement, along with the BLM, along with the Forest
22 Service, along with the Army Corps of Engineers -- along
23 with all the agencies; we develop the Environmental Impact
24 Statement that you review. Now, we do have consultants. We
25 can't write these EISs all ourselves. There are 60 of us

1 and we have projects all over the country and we do write
2 some of them ourselves, EAs, the smaller ones, the
3 environmental assessments; but the larger projects we do
4 have consultants to prepare that for us under our direction.
5 The applicants also have consultants that prepare the
6 environmental information for them, which they supply to us.
7 So it's a whole --

8 MS. CAMPBELL: So how much of the research is
9 just like they did for the maps, which was just sitting at
10 their desktop and kind of going with it, and how much of it
11 is actually where they visit the ground and actually see
12 that what they are writing about really exists?

13 MR. SIPE: What happens is they have to do
14 on-ground surveys. Now, they can provide us information in
15 their application from a desktop study if they can't achieve
16 on-ground studies due to -- those are due to a lot of
17 different reasons. They don't have access to your property
18 to give us that information. They don't have survey access.
19 Some of them have civil surveys and they don't get an
20 environmental survey. After we at FERC approve the project,
21 if we would approve it, then that gives them the authority
22 to come onto your property to provide us that information.

23 Now, the desktop surveys that they provide the
24 way the computer systems are set up now they're pretty close
25 to what's really out there. But sometimes they come out,

1 once they get survey access, whether it be from the
2 landowner or FERC access, they do find things and they do
3 have to adjust the route, which they would have to come back
4 to us and the other agencies in order to do that.

5 So I mean like, for example, like this project
6 Palomar was the last of the group, basically, to come in, I
7 believe, and so they don't have a lot of survey access
8 because the people in Oregon are -- you know, they're
9 fighting pipeline projects. So you may have, say, for
10 example, I think I heard 40 percent survey access for this
11 project, on-the-ground survey access. If FERC approves it,
12 then they have that access. They need to go out and do the
13 rest of the 60 percent.

14 MS. CAMPBELL: I think you mentioned that the
15 draft EIS is supposed to come out in three months?

16 MR. SIPE: Uh-huh.

17 MS. CAMPBELL: So when will they be doing their
18 on-the-ground survey?

19 MR. SIPE: Well, they can do them any -- well,
20 depending on the weather over the Cascades, they can only do
21 them at certain times. And depending on agencies for what
22 they're surveying for, there are going to be times --

23 MS. CAMPBELL: But if they're coming -- if they
24 have to come to me when should I be anticipating that
25 they're going to be contacting me because -- do they have to

1 have their information in to you in three months or when do
2 they have to have their information into you so that you can
3 have this out in three months?

4 MR. SIPE: The information that they have in
5 front of us right now that's the information we will use to
6 write our Environmental Impact Statement.

7 MS. CAMPBELL: Okay. If nobody's come to us
8 for --

9 MR. SIPE: Just wait. You should be getting
10 contacted from a land agent real soon -- I'm looking at
11 Palomar -- if you haven't already, asking for survey access.

12 MS. CAMPBELL: Okay.

13 MR. SIPE: In which they'll come out and do the
14 survey access and then provide us more detailed information.

15 MS. CAMPBELL: Okay. So if the draft comes out
16 and I haven't been contacted --

17 MR. SIPE: That shouldn't happen.

18 MS. CAMPBELL: Okay.

19 MR. SIPE: But again, we do understand that a lot
20 of the access agreements have been denied for the entire
21 route.

22 MS. CAMPBELL: They haven't contacted us.

23 MR. SIPE: Right. I'm just saying so we can use
24 desktop studies to do the analysis.

25 MS. CAMPBELL: Right.

1 MR. SIPE: And then after they come on, things
2 can change.

3 MS. CAMPBELL: Right. Okay.

4 MR. SIPE: Okay?

5 MS. CAMPBELL: All right. Thank you.

6 MR. SIPE: Uh-huh. Any other questions?

7 (No response.)

8 MR. SIPE: No? And again, we will be here and
9 Palomar will be here afterwards to answer any questions you
10 may have. Is that it?

11 (No response.)

12 MR. SIPE: You sure? That's the end of our list.
13 Without any more speakers, the formal part of this meeting
14 will conclude. On behalf of the Federal Energy Regulatory
15 Commission, our cooperating agencies, the BLM that spoke
16 tonight, the Forest Service, the Army Corps of Engineers,
17 the U.S. Fish and Wildlife Service, I'd like to thank you
18 all for coming tonight. Let the record show that the
19 Palomar Gas Transmission Pipeline Project public scoping
20 meeting concluded at 8:30 p.m.

21 (Whereupon, at 8:30 p.m., the above-entitled
22 scoping meeting was concluded.)

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