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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

_____)
PUBLIC SCOPING MEETING)
IN RE TRICOR TEN SECTION)
HUB, LLC/TRICOR TEN) Docket No.
SECTION STORAGE PROJECT) CP09-432-000
)
SEPTEMBER 10, 2009)
_____)

TRANSCRIPT OF PROCEEDINGS
THURSDAY, SEPTEMBER 10, 2009
6:35 P.M.

Reported By: Mary A. Thompson, CSR No. 10477

1 Transcript of Proceedings, taken on Thursday, September
2 10, 2009, 6:35 p.m., at the Bakersfield Convention Center
3 Marriott, 801 Truxtun Avenue, Bakersfield, California,
4 before Mary A. Thompson, CSR No. 10477.

5

6

7 PRESENTER: Federal Energy Regulatory Commission
8 Office of Energy Projects
9 By: PAUL D. FRIEDMAN
10 Environmental Project Manager
11 888 1st Street NE
12 Washington, D.C. 20426
13 (202) 502-8059

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1 BAKERSFIELD, CALIFORNIA;
2 THURSDAY, SEPTEMBER 10, 2009; 6:35 P.M.;
3 BAKERSFIELD CONVENTION CENTER MARRIOTT

4
5 TRANSCRIPT OF PROCEEDINGS

6
7 MR. FRIEDMAN: Good evening, ladies and
8 gentlemen. My name is Paul Friedman. I work in the
9 Environmental branch of the Office of Energy Projects of
10 the Federal Energy Regulatory Commission, Washington,
11 D.C. We're often called "the Federal Energy Regulatory
12 Commission," "the FERC," or "FERC," or just "the
13 Commission."

14 This is a Public Scoping Meeting held by the
15 FERC to discuss environmental issues related to a
16 proposal by Tricor Ten Section Hub, LLC, which I'll call
17 "Tricor" for the rest of the evening, to construct and
18 operate a natural gas storage field, pipeline, and
19 related facilities, known as the Ten Section Storage
20 Project, in Kern County, California, under FERC Docket
21 No. CP09-432-000.

22 I am the Environmental Project Manager for the
23 FERC on this project. My job is to produce an
24 environmental document that meets the requirements of the
25 National Environmental Policy Act of 1969, which we

1 always abbreviate as "NEPA." On behalf of the FERC, I
2 would like to welcome you all here tonight.

3 On a more personal note, it's great to be back
4 in Bakersfield. Although I currently live and work in
5 Washington, D.C., I was raised and educated in Southern
6 California, and my parents used to live in Bakersfield.
7 In fact, I've passed through here many, many times on our
8 way to our summer vacations in Yosemite as a small child.

9 Let the record show that this meeting began at
10 6:35 p.m. on Thursday, September 10th, 2009. This
11 meeting is taking place at the Bakersfield Convention
12 Center Marriott at 801 Truxtun Avenue, Bakersfield,
13 California 93301.

14 You may notice over here to my left is Mary,
15 the court reporter who is transcribing this meeting.
16 This is so we can have an accurate record of tonight's
17 comments. The FERC has a transcription contract with
18 Ace-Federal Court Reporters, Inc., who we just refer to
19 as "Ace."

20 If you wish to obtain a copy of the transcript
21 prior to its placement in our public files, you must make
22 arrangements directly with Ace. You can do that by
23 contacting Mary. They sell copies at \$11.25 a page for
24 the same day, \$3.69 a page overnight, \$3.57 a page for
25 next day, \$2.34 a page within five days of this meeting.

1 This transcript will be available to the public
2 at the FERC's Public Reference Room in Washington, D.C.,
3 10 days after receipt from Ace, and the FERC charges 30
4 cents a page for copies. Once filed with the FERC, the
5 transcript is also available electronically through the
6 internet via the FERC's web page and our eLibrary link,
7 which I'll discuss in more detail later tonight.

8 My goals tonight are as follows: First, I want
9 to summarize the project. Second, I want to explain the
10 role of the FERC in the review of this project. Third, I
11 wish to discuss our environmental process. Fourth, I
12 want to outline how the public can participate in that
13 process. And, lastly, I want to allow you, the public,
14 an opportunity to voice your concerns or ask questions
15 about this project.

16 I ask you that you reserve all of your comments
17 and questions until after my presentation. There is a
18 table in the back of this room, manned by Tom, where you
19 can sign up to be a speaker.

20 Next slide, please.

21 The Federal Energy Regulatory Commission was
22 created in 1920. It was originally known as the Federal
23 Power Commission, and we were reorganized in 1977. The
24 FERC is an independent regulatory agency that regulates
25 the interstate transportation of electricity, hydropower,

1 and natural gas.

2 Our agency is directed by five Commissioners
3 who are appointed by the President of the United States
4 and approved by Congress. The FERC staff, people like
5 Tom and myself, we are civil servants. We are not
6 decision-makers. The Commissioners are the
7 decision-makers. However, staff makes recommendation to
8 the Commissioners.

9 Next slide, please.

10 The other person here with me tonight, in the
11 back, is Tom Hudzik. Tom is a geologist on our staff,
12 and he will be part of the environmental team that is
13 analyzing this proposal and helping us produce an
14 Environmental Assessment, or EA. The FERC will use a
15 team of interdisciplinary specialists to review data,
16 including engineers, geologists, biologists, and
17 archeologists.

18 Next slide, please.

19 While FERC is the lead federal agency for this
20 project, we are not the only agency which must approve
21 the proposal or issue a license or a permit for its
22 operation. For example, the United States Army Corps of
23 Engineers would issue a permit under the Clean Water Act
24 if any wetlands or water bodies would be crossed by the
25 pipeline. The U.S. Fish and Wildlife Service will be

1 consulted with regard to potential impacts on
2 federally-listed threatened and endangered species under
3 the Endangered Species Act.

4 FERC will be inviting agencies with
5 jurisdiction or special expertise with respect to
6 environmental issues to formally cooperate with us in the
7 production of the EA. Those agencies may choose to
8 participate once they've had an opportunity to review the
9 proposal relative to their responsibilities.

10 Next slide, please.

11 I would like to point out that the FERC is not
12 a project proponent, nor are we an advocate for this
13 project. We're a regulator. Tricor, the company which
14 is the Applicant, they define the purpose and need for
15 this project. Likewise, it is Tricor which picked the
16 location for the project and determined what facilities
17 were necessary. The FERC and other government agencies
18 will independently review Tricor's proposal.

19 Next slide, please.

20 Now I'd like to summarize Tricor's proposal.
21 On June 12th, 2009, Tricor filed an Application with the
22 FERC in Docket No. CP09-432-000 under Section 7 of the
23 Natural Gas Act. That Application requested authority to
24 construct and operate a natural gas storage field with a
25 total capacity of 32.5 billion cubic feet. Later I'll be

1 abbreviating that as "BCF."

2 Next slide, please.

3 Tricor proposes to reuse the existing Ten
4 Section oil and gas field to store natural gas
5 underground. The field, located about 12 miles from
6 Bakersfield, was originally discovered by Shell in 1936
7 and is still in active operation.

8 In 2007 the State of California counted 38
9 producing wells in the Ten Section field and 62 shut-in
10 wells. According to Tricor's Application, the field is
11 currently being operated by Kern Oil & Refining Company,
12 which I'll later talk about as just "Kern Oil." Oil
13 production is principally from Zone 2 of the upper
14 Stevens Sands.

15 Next slide, please.

16 Tricor would like to use the underground
17 storage capacity available within Zone 1 of the upper
18 Stevens Sands, which it claims has been depleted by
19 previous oil and gas extraction activities. Between 1977
20 and 1982, the field was used for natural gas storage by
21 two local distribution companies. I'll abbreviate that
22 as "LDCs." Those two companies were Pacific Gas &
23 Electric and Southern California Gas.

24 Next slide, please.

25 Tricor's proposed facilities include the

1 following:

2 Twenty-six new gas injection and withdrawal
3 wells drilled within five well pads within the field.

4 Nine existing oil production wells to be
5 converted into observation wells.

6 Five existing water disposal wells to be used
7 for the same purpose.

8 A brand new 42,000-horsepower electric-driven
9 compressor station.

10 Two new (low pressure and high pressure)
11 20-inch-diameter field pipelines, extending a total of
12 1.8 miles, connecting the gas injection/withdrawal wells
13 to the compressor station.

14 A new four-inch-diameter water disposal
15 pipeline, extending about 1.1 mile, connecting the water
16 disposal wells to the produced water tank at the
17 compressor station.

18 A new 36-inch-diameter bidirectional header
19 pipeline, extending 20.4 miles, between the compressor
20 station and the existing interstate pipeline that is
21 jointly owned by Kern River Transmission Company and
22 Mojave Pipeline Company. I'll refer to that in the
23 future simply as "the Kern-Mojave pipeline."

24 They also want to put in a new metering station
25 at the interconnection with Kern-Mojave.

1 There are some non-jurisdictional facilities
2 that are proposed by other companies that are not
3 regulated by the FERC. In particular, PG&E is supposed
4 to build and operate a new electric substation about 1.5
5 miles southwest of the storage field, and PG&E is
6 supposed to build a 230-kilovolt transmission line from
7 that substation to Tricor's compressor station. And
8 there's also to be a .3-mile-long crude oil pipeline.
9 It's unclear to me who would own and build that facility.

10 Next slide, please.

11 The Ten Section storage field would have a
12 working capacity of 22 BCF of gas, with 10.1 BCF of
13 cushion. The storage facilities would be designed to
14 inject natural gas underground at a maximum rate of .8
15 BCF a day and withdraw gas at a maximum rate of 1.0 BCF a
16 day.

17 So who is Tricor? Looking through the
18 Application, this is what I've learned: It is a new
19 jurisdictional interstate natural gas company formed
20 specifically to promote this project. They do not own
21 any other facilities regulated by the FERC. The company
22 was formed by Mike Kranyak and his associates.
23 Mr. Kranyak apparently purchased the Ten Section field in
24 1997. Before he did that, he was the Chief Engineer for
25 the Naval Petroleum Reserve in Elk Hills.

1 Tricor sees an opportunity here to reuse the
2 Ten Section field because of a lack of interstate storage
3 capacity in the West. There are nine existing natural
4 gas storage fields in California. However, none of those
5 are in interstate service. None of them are regulated by
6 the FERC. They're all regulated by California PUC.

7 The California Energy Commission has stated
8 that existing storage facilities may not be adequate to
9 handle a prolonged high winter demand period and could
10 not fully serve non-core customers under an extreme
11 peak-day scenario.

12 Tricor believes there will be a future need for
13 interstate storage services throughout the Southwest.
14 The project could serve a variety of customers, including
15 municipal utilities, LDCs' interstate pipelines, gas
16 marketers, gas-fired electric generators, and other
17 industries. Tricor is currently conducting an open
18 season that would end September 30th to determine if
19 there is a market response. And if there is, they will
20 sign up customers to precedent agreements.

21 Tricor will receive and transport gas to and
22 from the Ten Section field via the 20-mile-long header
23 pipeline to connect up to the Kern River pipeline. The
24 next few slides will demonstrate what it looks like to
25 build a pipeline.

1 Next slide.

2 Pipeline construction activities can be
3 summarized as follows: Clearing and grading, trenching,
4 pipe stringing and welding, lowering in and backfilling,
5 and cleanup and restoration.

6 Next slide.

7 That's trenching.

8 Next slide.

9 Pipe stringing.

10 Next slide.

11 Welding.

12 Next slide.

13 Lowering in.

14 Next slide.

15 Restoration.

16 I would now like to talk about the FERC review
17 process.

18 Next slide.

19 Section 7 of the Natural Gas Act covers the
20 interstate transportation of natural gas. Section 7(h)
21 of the Natural Gas Act conveys the power of eminent
22 domain to the pipeline company.

23 We -- meaning the FERC -- urge Tricor to enter
24 into good-faith negotiation with landowners in order to
25 obtain easements. However, if an agreement between the

1 pipeline company and a landowner is not forthcoming and
2 the FERC authorizes the project due to issuance of a
3 Certificate to Tricor, a local court will determine the
4 final settlement for an easement that is not agreed upon
5 previously in a condemnation proceeding.

6 Next slide.

7 This slide illustrates the FERC application
8 review process. Where we are right now in this review is
9 at the very top of the slide. This is just the beginning
10 of the process. Tricor has filed its Application. The
11 FERC has issued notices to alert the public about the
12 project.

13 In addition, Tricor has notified landowners
14 along the route about the project. Tricor held an open
15 house to explain its project at the Bakersfield Library
16 on August 6th, 2009.

17 We are now in the middle of scoping. This is
18 the time when the public gets the opportunity to comment
19 on the project. The issuance of the FERC's NOI, or
20 Notice of Intent, is our way of notifying stakeholders
21 and requesting comments on environmental issues. Anyone
22 may comment by September 21, 2009. FERC staff may focus
23 our environmental review based on scoping comments. We
24 may issue a Data Request to Tricor to address issues
25 raised by the public.

1 Next slide, please.

2 The FERC process is fairly transparent, and the
3 public has access to all documents. The FERC's public
4 record is available electronically through the internet.
5 The FERC website is at www.ferc.gov. Once you're on that
6 page, you can go to a link called "Documents and Filings"
7 and click on another link called "eLibrary." Within
8 eLibrary you can choose a general search, select a date
9 range, and put in the docket number, which for the Ten
10 Section Storage Project is CP09-432. And you would then
11 have access to every document in the public record.

12 I do have to say one thing about the FERC
13 process. After the Application is filed by the
14 Applicant, FERC staff is constrained by ex parte rules.
15 What that means is that I may not speak to Tricor except
16 on administrative issues without that conversation being
17 in the record. So, for example, tomorrow we're doing a
18 site visit. That site visit was noticed so the public
19 may participate.

20 Next slide, please.

21 To be notified via e-mail of all future filings
22 in this proceeding, you need to sign up for our
23 e-subscription service through our web page. In the back
24 on the table by Tom, there is a handout on how to do
25 electronic filings with the FERC.

1 You, the public, may comment in writing by
2 sending a letter to the Secretary of the Commission at
3 888 1st Street Northeast, Washington, D.C. 20426. The
4 Commission urges electronic filing of comments through
5 the e-filing link on our web page.

6 In all correspondence, whether electronic or in
7 hard copy, please reference the FERC document number as
8 CP09-423. You also have the opportunity to comment
9 orally at this Public Scoping Meeting, and a transcript
10 for this meeting will be placed into the public record
11 for this proceeding.

12 If you want to remain on our Environmental
13 mailing list, you must let us know in writing. You can
14 do this by sending back to the FERC the form included as
15 Appendix 2 attached to our NOI. All attendees at this
16 meeting will be placed on the Environmental mailing list
17 as well.

18 Next slide.

19 After reviewing Tricor's Application or the
20 FERC's notices, certain individuals or organizations may
21 choose to enter as an intervenor in this proceeding.
22 Being an intervenor is a legal position that allows you
23 to request rehearing on a Commission decision.

24 The FERC's Notice of Application indicated that
25 the time for filing for intervenor status expired on July

1 24th, 2009. However, raising environmental issues or
2 being an affected landowner are usually seen by the
3 Commission as good cause for late intervention.

4 Intervenor status carries with it certain
5 burdens. For example, you must serve all parties to the
6 proceeding with copies of your filings. Resource
7 agencies are urged to seek cooperator status, but a
8 cooperating agency may not intervene. You do not have to
9 be an intervenor to have your environmental comments
10 considered by the FERC staff.

11 Next slide, please.

12 The FERC staff Data Request will ask Tricor
13 questions stemming from our review of its Application.
14 The Application included an environmental report that the
15 FERC staff reviewed.

16 Next slide, please.

17 The requirements for the environmental report
18 are outlined in the FERC regulations at 18 Code of
19 Federal Regulations 380. The environmental report
20 includes resource reports that present data on geology
21 and soils, water resources and wetlands, vegetation and
22 wildlife, cultural resources, land use and
23 socioeconomics, air and noise quality, safety and
24 reliability, and alternatives.

25 Next slide, please.

1 Once the FERC staff is convinced that data are
2 complete, so that we fully understand the potential
3 impacts this project may have on the environment, we will
4 issue a Notice of Schedule for our environmental
5 document. In accordance with the Energy Policy Act of
6 2005, other federal agencies would have 90 days after the
7 FERC releases its EA to issue their permits or approvals.

8 Next slide, please.

9 Based on the Application and our own research,
10 the FERC staff will produce an EA in accordance with the
11 regulations of the Council of Environmental Quality at 40
12 CFR, Parts 1500 through 1508, to satisfy requirements of
13 the NEPA.

14 That document will offer our independent
15 analysis of the potential environmental impacts of
16 Tricor's proposal and alternatives. Generally, the EA
17 will discuss the current environment, identify potential
18 project-related impacts on specific resources, and
19 present proposed mitigation measures. The EA will be
20 sent out to all interested parties on our mailing list.

21 Next slide, please.

22 If we receive little public comment about the
23 project during scoping and the FERC staff believes that
24 potential environmental impacts would be minor, the FERC
25 may decide to produce an in-house EA. This document

1 would be made part of the public record after the
2 Commission makes a decision authorizing the project.

3 However, if there are substantial comments
4 received or if staff identifies major environmental
5 issues, we would release a public EA. There would be a
6 30-day comment period on a public EA. We would then
7 address comments on the EA and staff recommendations to
8 the Commissioners.

9 Next slide, please.

10 The EA will not be a final decision document.
11 It would be prepared to advise the Commission and to
12 disclose to the public the environmental impacts
13 associated with constructing and operating this project.
14 The Commissioners would consider our environmental
15 analysis, together with other staff's material pertaining
16 to non-environmental issues, before making an informed
17 decision about the project.

18 That Commission decision would be issued as an
19 Order. The Commission has the option of accepting the
20 proposal in whole or in part, approving the proposal
21 subject to conditions, or denying the Application
22 altogether.

23 Next slide.

24 If the Commission decides to approve the
25 proposal and if the Applicant accepts the Certificate and

1 builds the project, the FERC Environmental staff or our
2 contractors will monitor the project through construction
3 and restoration and will perform on-the-ground
4 inspections for compliance with the environmental
5 conditions of the Order.

6 Now, before we take public comments, I would
7 like to take a little break, not more than five minutes.
8 This will allow people who wish to speak to go back to
9 Tom at the back and sign up on our speakers list. So
10 we'll take that right now.

11 Ryan, if you could put up the next slide.

12 So a five-minute break. If you want to speak
13 or comment on this proposal, please sign up with Tom in
14 the back. And I'll start again in five minutes.

15 (Recess taken from 6:57 p.m. to 7:04 p.m.)

16 MR. FRIEDMAN: Thank you for your patience. We
17 did get a couple people to sign up on our speakers list.
18 So now is the time for public comment.

19 Let me emphasize that this meeting is not a
20 hearing on the merits of the proposal. Other Commission
21 staff will consider the economic needs for this project
22 and the rates to be charged for service. As I said
23 earlier, the purpose of this meeting tonight is to give
24 you, the public, an opportunity to comment on the types
25 of environmental issues that you want the FERC staff to

1 concentrate on when we produce our EA.

2 I will call speakers one at a time in the order
3 in which they signed up. I ask that each speaker come up
4 here to this podium, speak clearly into this microphone,
5 state your name, and spell it for the record. And if you
6 represent an organization, please tell us what it is
7 without using an acronym. If you are a landowner along
8 the pipeline route, please indicate where your property
9 is located according to either a mile mark or a major
10 street intersection.

11 To allow adequate time for everyone to speak
12 tonight who wants to, each speaker will be limited to not
13 more than five minutes. As a matter of fairness, I will
14 strictly enforce the five-minute rule. The goal tonight
15 should be for each speaker to briefly summarize their
16 concerns. If you have detailed concerns, I urge you to
17 submit them in writing to the Commission.

18 I want to apologize in advance if I
19 mispronounce names or have trouble reading your writing.
20 The first one is Dennis Tristao.

21 MR. TRISTAO: Tristao.

22 MR. FRIEDMAN: Tristao. Not even close.

23 MR. TRISTAO: That's okay. You did better than
24 most. I appreciate it.

25 Good evening. I'm Dennis Tristao. I work for

1 the J.G. Boswell Company. It's Dennis, D-e-n-n-i-s,
2 Tristao, T-r-i-s-t-a-o. And the J.G. Boswell Company is
3 one of the affected landowners on the pipe route.

4 First off, we want to make it clear that J.G.
5 Boswell Company is a wholly-owned subsidiary of Boston
6 Ranch Company. We appreciate the opportunity being given
7 here this evening to present these comments.

8 We understand the importance and we support the
9 providing of natural gas storage services to the growing
10 demand for firm, uninterruptible storage services for
11 customers in the gas marketing, distribution,
12 transmission, production and electric power generation
13 industry. As users of natural gas in our industrial
14 operations, we appreciate the goals of the project.

15 But what I'm here to place on the record for
16 summary -- our detailed comments will be submitted in
17 writing through the internet -- is that our concerns are
18 based, in part, on water and natural resources,
19 environmental and air quality and socioeconomic impacts.

20 In summary, where the pipeline transects our
21 property is along Millux Road to the north and what is
22 referred to more commonly as the Rim Ditch to the south.
23 But, also, on the map we'll note that the sections that
24 are affected are Sections 2, 3, 11, 13 in Township 32
25 South, Range 26 East. And, again, all on lands owned and

1 operated by the J.G. Boswell Company. Our detailed
2 comments will contain specific maps and references.

3 Our purpose in presenting these comments this
4 evening is that, as the land transects our farmland
5 diagonally, it impacts our farming operations, our water
6 conveyance operations, and creates the need for us to
7 have, that we estimate, to run the irrigation systems for
8 the cropping, four to six additional diesel horsepower
9 engines, scarring of the land for the short-term and
10 long-term due to the soil conditions that we have there,
11 potential interruption of the crop production and the
12 resources devoted to that to date, to the time of the
13 construction, and then up to the ending, and then
14 afterwards, to compensate for that particular damage due
15 to crop production.

16 Then, secondly, what we have here in addition
17 to the comments that we will expand upon is that we do
18 have an alternate route, again, located on our property,
19 that we are presenting for the record for consideration
20 by FERC.

21 The pipeline route proposal submitted within
22 the Notice, while giving a general indication of the
23 route, the specifics for particular property owners, and
24 the specifics for traversing across the land, are not
25 detailed in the Notice, only detailed in what we were

1 presented by the representative for Tricor in approaching
2 all the landowners in question.

3 So having said that, I appreciate the
4 opportunity to comment and put our concerns relating
5 those environmental factors for the record. And, then,
6 to state that we will be submitting detailed comments
7 prior to September 21st.

8 Thank you.

9 MR. FRIEDMAN: Thank you, Dennis.

10 And I do want to reiterate that FERC will look
11 at alternative routes. So if there are members of the
12 public and landowners who have suggestions for
13 alternative routes, we would love to see those.

14 Next on my list is Michael Rubio.

15 MR. RUBIO. Thank you, Mr. Friedman.

16 First, let me welcome you back to Bakersfield
17 and urge you to stay long and spend a lot of money on
18 your trip back.

19 My name is Michael Rubio, M-i-c-h-a-e-l, last
20 name is R-u-b-i-o. I am a County Supervisor,
21 representing the Fifth District for the great County of
22 Kern. I wanted to be here tonight, and let me thank you
23 for going through this NEPA process.

24 At the County level, dealing with the CEQA
25 process, we're very much in tune with the importance of

1 protecting the environment, and that's why I felt that it
2 was critical that I stand before you tonight at the
3 beginning of this process -- and you can anticipate me
4 being at the tail end of the process -- to highlight the
5 great need of Kern County and the entire San Joaquin
6 Valley specifically dealing with air quality.

7 We have the worst air basin in the entire
8 nation now, surpassing Los Angeles. We have a great
9 shortage and we're held hostage at times when we cannot
10 have access to natural gas. So I'd like to comment from
11 a different perspective related to the environment and
12 the impact that this project is going to have to our
13 great county.

14 And that is, we have just now converted all of
15 our mass transit here, we are proud to say, to 100
16 percent natural gas. We have the largest natural gas bus
17 fleet in the entire state of California. We are now
18 converting our garbage trucks, which travel all the way
19 to Bena Landfill -- that's 44 miles, 274 trucks -- every
20 single day. I believe that's the number of trucks. And
21 we're converting those to natural gas. And as we do, we
22 find that, at times, we're not able to run the proper
23 routes because we don't have access to natural gas.

24 And so this project, while I'm not going to
25 speak directly to the potential environmental impacts

1 that it's going to have as it constructs and as it
2 becomes online, but I think that the FERC would be remiss
3 if it did not take into account the tremendous benefits
4 that it's going to bring to the region that is home of
5 the worst air quality in the entire nation.

6 And from the social perspective that was
7 mentioned earlier, when you look at the Congressional
8 studies of all 435 Congressional seats, we are, too, home
9 of the poorest, highest number of low socioeconomic data
10 and figures in the entire nation.

11 And so I'm here before you tonight to say that,
12 FERC, please, we need this project, both from an
13 environmental standpoint and from a social standpoint.

14 MR. FRIEDMAN: Thank you, Mr. Rubio.

15 And, yes, of course, we're going to have a
16 section of the EA that addresses socioeconomic. We'll
17 also have a section on air quality, and we have a
18 dedicated air quality engineer working on our project
19 staff. We recognize how important air quality is in
20 Southern California.

21 Next is -- and, again, please correct my
22 mispronunciation -- David --

23 MR. DMOHOWSKI: Dmohowski. That's me.

24 MR. FRIEDMAN: All right.

25 MR. DMOHOWSKI: Thank you.

1 MR. FRIEDMAN: When you come up here, tell us
2 how to spell that.

3 MR. DMOHOWSKI: Good evening. I'm Dave
4 Dmohowski, D-a-v-e, Dmohowski is D-m-o-h-o-w-s-k-i. I'm
5 with Premier Planning Group, 900 Truxtun Avenue, Suite
6 330, Bakersfield, 01.

7 Good evening. Thank you for an opportunity to
8 comment. Is it okay to mention that we're having a
9 special on zone changes and annexations this month? No.

10 In terms of the environmental issues raised in
11 the literature I've just picked up for the first time
12 tonight, I was hoping there would be assessment of public
13 risk relating to explosion, fire, or migration of any
14 petroleum-related products underground. I know migration
15 of methane in landfills is an issue. I don't know the
16 chemistry or the physics of underground migration of
17 natural gas or other petroleum products related to this
18 kind of operation, but I hoped that would be addressed
19 either under soils or safety and reliability.

20 I'm talking too fast. I'll slow down.

21 Also, I didn't notice any reference to an
22 energy assessment. I think these kind of concentrated
23 energy consumers -- a 42,000-horsepower pumping facility
24 or compressor facility -- would make it among, I think,
25 one of the largest electric consumers in Kern County. I

1 think some form of renewable energy, whether that's
2 biomass or photovoltaic, should be considered as part of
3 the assessment.

4 I appreciate the opportunity to be here and
5 look forward to seeing further work products come out of
6 the Environmental Assessment. Thank you very much.

7 MR. FRIEDMAN: Thank you, David.

8 And those were some good suggestions, things we
9 need to look at in our Environmental Assessment.

10 Next is Kevin O'Neill.

11 MR. O'NEILL: Thank you.

12 Thank you. My name's Kevin O'Neill. I'm with
13 Tic-the Industrial Company. I'm not really speaking on
14 behalf of my company. I'm speaking on behalf as a
15 citizen.

16 I've been to a number of these types of
17 meetings before, and I guess there's a couple things I
18 want to say, is that no matter what the proposed project
19 is, people are always against it. I find, you know, a
20 lot of people are against whatever you want to build.
21 The solar power projects where Birch wants to build a
22 solar power plant, and people don't want to build that,
23 you know. And so it's tough to find a project that makes
24 everyone happy.

25 But I want to say that we need the gas in

1 this -- we need this project for a number of reasons.
2 First of all, a lot of people think solar and wind power
3 are the answer to our energy problems. But what most
4 people don't understand is that solar and wind power
5 can't be counted on all the time. And if you don't have
6 gas plants to back them up, you're going to be out of
7 electricity when the sun's -- you know, when the sun's
8 not shining or the wind's not blowing.

9 The gas has got to come from someplace. Like
10 someone mentioned earlier, there's shortages of gas. If
11 we don't have a supply of gas, we can't run the plants.
12 And without them, you cannot run on the solar power
13 plants.

14 We also need the taxes -- I think everybody's
15 been reading the papers lately -- in our county, our
16 city. The whole area needs the tax base. And we can't
17 be chasing projects off.

18 We also need the work. Lord knows, there's a
19 lot of people out of work. We need the jobs. Like I
20 said, there's always going to -- no matter where you
21 route the lines, there's going to be people that don't
22 want them.

23 But there's a couple things. I grew up in the
24 oilfields. I've worked in the oilfields since I was 18.
25 And I know that, you know, these fields always had gas in

1 them. It's not going to hurt to put gas back in them.
2 In fact, there's no gas in there now. Putting it back in
3 there is not going to hurt a darn thing. That's the way
4 they were intended to be. You know, that's the way they
5 were before we got here.

6 And the gas lines, you know, if you could look
7 at all the gas lines that run throughout our state, you
8 know, there's gas lines everywhere. If there weren't, we
9 wouldn't have gas in our houses. They obviously don't
10 cause any real problems for anybody. You can work around
11 them, and we're just going to have to.

12 And you can move the line from one place to
13 another but, ultimately, you know, there's nobody that's
14 going to want it on their piece of property. So you've
15 got to -- you've got to just, you know, let these
16 projects go forward, do the best you can and let them go
17 forward.

18 So that's my comments.

19 MR. FRIEDMAN: Thank you, Kevin.

20 And next is Rob Habel.

21 MR. HABEL: Thank you.

22 My name is Rob, R-o-b, Habel, H-a-b-e-l. I'm
23 with the State of California, Division of Oil and Gas,
24 Geothermal Resources.

25 I just had some questions for clarification. I

1 don't know if it's appropriate for me to do that.

2 MR. FRIEDMAN: You may.

3 MR. HABEL: Okay. On page 3 of your
4 notification, you have several things listed here. I was
5 kind of curious. The first few, which is mentioning part
6 of the project, is 26 gas injection and withdrawal wells,
7 nine existing oil and gas wells, five existing water
8 disposal wells.

9 Is that going to be under the jurisdiction of
10 FERC?

11 MR. FRIEDMAN: Yes.

12 MR. HABEL: And that will be handled through --
13 the regulation and issues and permits will be handled out
14 of Washington, D.C., or someplace local?

15 MR. FRIEDMAN: Washington, D.C. However, there
16 may be other permits issued by the State of California.

17 MR. HABEL: Okay. I'm kind of curious. Is
18 that other permits from the Division of Oil and Gas?

19 MR. FRIEDMAN: For example, your agency may be
20 issuing permits for Notice of Intent to drill a well,
21 Notice of Intent to rework a well, those kinds of things.

22 MR. HABEL: Okay. So when you say this is part
23 of the project, there's a portion of it that's going to
24 be FERC, and the other portion may or will be with the
25 State of California?

1 MR. FRIEDMAN: The entire project as a whole is
2 authorized by FERC. All right? But, remember, I
3 mentioned Corps of Engineers and Fish and Wildlife?
4 There are other permits issued by other agencies. That
5 includes your agency issuing well permits.

6 MR. HABEL: Okay. Has there been any thought
7 of a joint document with NEPA and CEQA?

8 MR. FRIEDMAN: I did mention earlier in my
9 speech about cooperating status for other agencies. And
10 if you look at the Notice, there's an invitation for
11 agencies to cooperate in the production of the EA. And
12 we would welcome your request in writing to the FERC to
13 be a cooperating agency.

14 MR. HABEL: Okay. And, then, with that, we'd
15 have some sort of clarification on where FERC boundaries
16 would be as opposed to other agencies? Meaning because,
17 this, you know, again, listing right now, which is fine,
18 it looks like all this is under FERC, but yet now there's
19 some indication that we may have a role, and at some
20 point we'll have to discuss --

21 MR. FRIEDMAN: The answer is yes, your agency
22 has a role.

23 MR. HABEL: Okay. Okay. Yeah, okay. I just
24 want to make sure that it looks like that somebody in the
25 State of California will be responsible --

1 MR. FRIEDMAN: Sure. The State Historic
2 Preservation Office will have to comment on cultural
3 resources. The California Fish and Game Department will
4 have to comment on the special status of species.
5 There's lots of different California agencies that should
6 participate in the process.

7 MR. HABEL: Okay. So are you looking at those
8 being responsible agencies?

9 MR. FRIEDMAN: No. We're looking at those
10 having jurisdiction over their particular area of
11 expertise.

12 MR. HABEL: Okay.

13 MR. FRIEDMAN: So your agency would be in
14 charge of wells and that kind of stuff.

15 MR. HABEL: Okay. Thank you.

16 MR. FRIEDMAN: You're welcome.

17 That was the last speaker I have on the list,
18 but that doesn't mean that I won't take speakers from the
19 floor. So at this time, is there anyone else who would
20 like to speak? If not, then we're going to wrap up the
21 formal portion of this meeting.

22 Yes?

23 MR. MANNING: Paul, excuse me. My name is Mike
24 Manning, and I just wanted to mention for the record that
25 the operator of the property at this point in time is San

1 Joaquin Facilities Management, Inc., for the record.

2 MR. FRIEDMAN: Okay.

3 MR. MANNING: Thank you, Paul.

4 MR. FRIEDMAN: So at this time I'm going to
5 close the meeting. On behalf of the Federal Energy
6 Regulatory Commission, I want to thank you all for coming
7 out here tonight to help us focus the environmental
8 review process on those issues of concern to you.

9 Let the record show that this meeting was
10 concluded at -- I've got to find my watch over here, but
11 I have to subtract three -- 7:22 p.m.

12 Thank you very much, and have a good evening.

13 (Whereupon, at 7:22 p.m., the proceedings were
14 concluded.)

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1 STATE OF CALIFORNIA)

2) ss.

3 COUNTY OF KERN)

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5 I, Mary A. Thompson, a Certified Shorthand
6 Reporter in the State of California, holding Certificate
7 No. 10477, do hereby certify:

8 That the foregoing proceedings were taken before
9 me on Thursday, September 10, 2009, at the time and place
10 set forth on the second page hereof; that a verbatim
11 record of the proceedings was made by me in stenotype and
12 thereafter transcribed by computer under my supervision;
13 and that the foregoing is an accurate transcription
14 thereof.

15 Dated this _____ day of September, 2009, at
16 Bakersfield, California.

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Mary A. Thompson, CSR No. 10477

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