

1 FEDERAL ENERGY REGULATORY COMMISSION
2 OFFICE OF ENERGY PROJECTS
3 AND
4 UNITED STATES DEPARTMENT OF TRANSPORTATION
5 PIPELINE AND HAZARDOUS MATERIALS SAFETY
6 ADMINISTRATION
7 * * *
8 PALOMAR GAS TRANSMISSION PROJECT
9 PUBLIC SCOPING MEETING

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The above public scoping meeting came on at
the Molalla High School Commons, 357 Frances Street,
Molalla, Oregon, 97083, on August 5, 2008, at 7:00 p.m.

1 APPEARANCES:

2 Douglas A. Sipe

3 Environmental Project Manager

4 Federal Energy Regulatory Commission, FERC

5 888 First Street, D.C. 20426

6

7 Also Present:

8 Joe Iozzi

9 Maggie Manco - sign-in table

10 John Cassidy - Palomar

11

12 PUBLIC SPEAKERS:

13 John Atkins

14 Amy Harwood

15 Barbara Wilson

16 Daniel Serres

17 Martha Amick

18 Kay Peterson

19 Linda Stutz

20 Tom Sawtell

21 Doug Fadderson

22 Patrick Conley

23 Ryan Bledsoe

24 Amy Atwood

25 Pat Ross

1 PUBLIC SPEAKERS:
2
3 Marc Auerbach
4 Susan Hansen
5 Sha Spady
6 Steve Wick
7 Lolita Carl
8 Marvin Stoller
9 Jim Gilbert
10 William J. Taylor
11 Deb Leighton
12 Keith Morey
13 Linda Jackson
14 Bernhard Hitz
15 Harlan Shober
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1 TUESDAY, AUGUST 5, 2008, MOLALLA, OREGON, 7:00 P.M.

2 PROCEEDINGS

3 MR. SIPE: I see a lot of familiar faces in
4 here, which is a good thing. Good evening. On behalf
5 of the Federal Energy Regulatory Commission, referred
6 to you as FERC, I would like to welcome all of you
7 tonight and thank you for coming. I'd like to thank
8 Molalla High School for allowing us to use this
9 facility for the meeting tonight. This is a
10 supplemental scoping meeting for the proposed Palomar
11 Gas Transmission pipeline project.

12 Let the record show that the public scoping
13 meeting began at 7:07 on August 5, 2008. My name is
14 Douglas Sipe. I'm the FERC project manager for this
15 project. I'm also the Oregon coordinator for all FERC
16 jurisdictional natural gas projects in Oregon.

17 With me tonight at the sign-in table is
18 Maggie Manco and Joe Iozzi with FERC also. We will be
19 preparing an environmental impact statement for this
20 project. And Joe Iozzi and Maggie are the ones
21 assisting me in preparing that.

22 The FERC is an independent agency that
23 regulates the interstate transmission of electricity,
24 natural gas, and oil. FERC reviews alternatives and
25 authorizes construction of interstate natural gas

1 pipelines, storage facilities, and liquified natural
2 gas terminals as well as the licensing and inspection
3 of hydroelectric projects. The purpose of the
4 commission is to protect the public energy customers
5 in ensuring that the regulator energy companies are
6 acting within the law.

7 We are located in Washington, D.C., just
8 north of the United States Capitol building. FERC has
9 five commissioners who are appointed by the president
10 of the United States with the advice and consent of
11 the senate. The commissioners serve five-year terms
12 and have equal bills on regulatory matters. One
13 member of the commission is designated by the
14 president to serve as the chair and as FERC's
15 administrative head. At this time it's Chairman
16 Joseph T. Kelliher.

17 FERC has approximately 1,200 staff employees
18 and continues to grow. The FERC is a leading federal
19 agency responsible for the National Environmental
20 Policy Act of 1969, NEPA, review of the Palomar
21 project in a lead agency for the preparation of the
22 Environmental Impact Statement. NEPA requires FERC to
23 analyze the amount of impacts and consider
24 alternatives -- which is the big reason we're here
25 tonight -- and provide appropriate mitigation measures

1 on the proposed projects.

2 The Bureau of Land Management, the United
3 States Forest Service, and the Army Corps of Engineers
4 have agreed to participate as cooperating agencies in
5 the preparation of the EIS.

6 Back on October 29th of 2007, FERC issued a
7 Notice of Intent to prepare an EIS for this project.
8 We held four scoping meetings, meeting in this project
9 area similar to the one we're having here today back
10 in November of 2007. Since that time, Palomar Gas
11 Transmission has been requested by the City of Molalla
12 in a letter sent into FERC to consider an alternative
13 route south of the city study area for potential
14 future expansion of the urban growth boundary.

15 In order to keep the public informed and to
16 gather public comments on this alternative, FERC
17 issued a supplementation NOI, which it just came out
18 and was issued on July 18th of 2008.

19 With this NOI, we are requesting comments on
20 this alternative referred to as the Herman Road
21 alternative. The focus of the scoping period is
22 primarily on the alternative route that Palomar
23 identified. The maps Palomar has in the back of the
24 room show the Herman Road alternative route as well as
25 other routes that Palomar has identified in the

1 Molalla/Woodburn vicinity.

2 Representative from Palomar, John Cassidy,
3 will talk about those alternatives in a few minutes.
4 I will note that the scoping comments are not
5 necessarily limited to this route alternative. FERC
6 will accept comments on any aspect of the project.
7 The Herman Road alternative is the focus of the
8 scoping meeting because this route could become part
9 of Palomar's proposed project.

10 The land owners along this alternative will
11 not be given a chance to participate in the scoping
12 process, that's why we chose to come out and have a
13 scoping meeting in this location. We choose our
14 scoping meeting locations based on the comments
15 received from a certain area and the amount of people
16 in a certain area.

17 There's a number of alternatives that are
18 proposed on this pipeline project right now. I just
19 flew one of them today in a helicopter over on the
20 east side of the Cascades, a rather large one. But
21 we're not receiving a bunch of comments because there
22 aren't a bunch of different land owners out there in
23 that area per se. These are the areas we choose, we
24 get a lot of comments from this area, that's why we're
25 here holding this scoping meeting tonight. So

1 comments are not limited to this area, so you guys can
2 send in comments and the public can send in comments
3 for the whole project.

4 Regarding our process, we are in the middle
5 the what is called prefiling environmental review of
6 this project. The purpose of the prefiling process is
7 to encourage involvement by the public, government
8 entities, and other interested stakeholders in a
9 manner that allows for early identification and
10 resolution of environmental issues. These
11 alternatives came out in prefiling. That's why we're
12 out here again, because we've seen more alternatives
13 come out. That's why we're holding additional scoping
14 meetings. That's what the prefiling process is
15 designed to do.

16 A formal application has not been filed with
17 FERC from Palomar, however, along with FERC, along
18 with the federal, state, and local agency staff, we
19 have begun review of the project. That's how these
20 alternatives have come about, all the agencies
21 meetings, weekly almost, Palomar's meeting with an
22 agency group in the area. Tomorrow there's a meeting
23 with agencies. There's a lot of meetings that take
24 place in prefiling to kick out and kick the bushes and
25 resolve all the issues if possible before they file

1 their application.

2 During our review of the project, we will
3 consider information from a variety of sources,
4 including Palomar, you, the public, other state and
5 local and federal agencies, and our own independent
6 analysis and field work. We will analyze this
7 information and prepare a draft EIS that will be
8 distributed for public comment. If you want a copy of
9 the EIS there's three way you can let us know. One,
10 you can send in a written request to FERC; you can
11 sign up at the sign-up table tonight; or you can mail
12 back in the retention form that's on the back of this
13 NOI.

14 I did see a news article -- I get all the
15 news articles from Oregon out there -- and I did see a
16 news article that had some false statements in it
17 about this NOI and how you were going to be kicked off
18 the mailing list unless you mail this back in. There
19 was a number of different things it said. If you've
20 already mailed this in from the initial NOI, then
21 you're on our mailing list. If you're a new land
22 owner and have not mailed this in and have not signed
23 up at the table or not sent a comment letter in then
24 you're not on our mailing list. So you need to do one
25 of those two things to remain on our mailing list.

1 The mailing list, it's pretty large on this.
2 It went from I think -- I just had to answer that
3 today for the senator out here -- it went from 2,500
4 for the initial NOI and 4,000 for this supplemental
5 NOI. So the number keeps increasing. And that's due
6 to the alternatives, writing, there's more people that
7 become notified, and also there's more commenters,
8 which add to the list of people who are on our mailing
9 list.

10 That does not say that all the mailing list
11 is going to receive the EIS. If you have not done one
12 of those three things and let us know that you want
13 the EIS, that doesn't mean you're going to get it.
14 So, reading NOIs, there's instructions and there's
15 instructions on our website to inform you guys how to
16 get to the EIS. And then, if you want a paper copy,
17 you have to let us know that, because we'll send a CD
18 if not.

19 The purpose of tonight's meeting is provide
20 each of you with the opportunity to give us your
21 comments. We are here tonight to learn from you,
22 which we have for the last year. It will help us most
23 if your comments are specific as possible regarding
24 the potential environmental impacts and reasonable
25 alternatives of the proposed project. These issues

1 generally focus on potential environmental effects, it
2 may also address construction issues, mitigation, and
3 of the environmental review process. Your comments
4 will be used to determine what issues we need to cover
5 in the EIS.

6 Issuance of the NOI open a formal comment
7 period. The mailing list for this project is large,
8 which I just stated, and it keeps increasing so if you
9 did not receive a copy of the NOI, I apologize. Sign
10 up, send us a note, do anything you can to help us
11 with our mailing list. The mailing list is a very
12 tough issue.

13 We just had a congressional -- One of the
14 senators from out here asked us how we handle our
15 mailing and we told him how we handle our list but
16 it's a very tough issue to keep up with.

17 This comment period will end on August 15,
18 2008. I'll touch more on that. We encourage you to
19 submit your comments as soon as possible in order to
20 give us time to analyze and research the issues. We
21 want your comments as soon as possible. There are
22 many different comment periods.

23 I had a flow chart where you guys came in
24 that depicted the number of public input opportunities
25 you have. There are certain NEPA time frames that

1 once you issue an NOI, we usually issue it for a
2 45-day comment period. That places a need for a
3 scoping period. But it does not close the comment
4 period in general. There's a lot of public input
5 opportunities. So make sure you guys pick up this and
6 take a look at it. If you have any questions, let me
7 know.

8 It's very important that any comments you
9 send in include our internal docket number. So if you
10 send a comment letter in to FERC, it must include the
11 internal docket number assigned to this project. The
12 docket number is PF07-13.

13 Note: Once they file their application,
14 which they tell me they're going to do around December
15 of this year, that number will change to a CP number.
16 A CP09 something. Whenever it comes in the door it
17 gets assigned a docket number at FERC. So it will go
18 from a PF to a CP. That way you make sure that we get
19 your comments and it goes through the elaborate system
20 and to the appropriate area.

21 After the draft EIS is issued, you will have
22 at least 45 days for review and comment on it.
23 Towards the end of the comment period, we will
24 schedule a public meeting similar to this one to hear
25 your comments on the draft EIS. That will be a

1 comment meeting, not a scoping meeting. Scoping will
2 be over, we'll have our environmental impact statement
3 on the street for public review and comment.

4 The final EIS will be mailed to the people
5 who are on the mailing list, who have signed up and
6 want an EIS. After the final EIS is issued, the FERC
7 commissioners will use that as part of our findings of
8 the EIS as part of their determination as to whether
9 to approve or deny a certificate for this project.

10 Has everybody seen in the back of the room,
11 Palomar officials here, they do have pretty good maps
12 in the back of the room. After the formal part of the
13 meeting is over, you guys can come back. Palomar has
14 told me that they will not remove the maps until
15 everyone is gone, they will answer as many questions
16 as they possibly can.

17 Before we start taking comments from you,
18 we've asked Palomar to provide a brief update of their
19 project. Mr. Cassidy has agreed to do that for us
20 here tonight. And I'd like to note that I have
21 approximately -- Maggie, how many speakers do we have
22 right now?

23 MS. MANCO: Twenty-six.

24 MR. SIPE: Twenty-six speakers on the list.
25 I want to make sure that everyone gets a chance to

1 speak. Depending on how long you go, I may cut you a
2 little bit short or I may try to speed you up a little
3 bit. I will be answering as many questions as I
4 possibly can here tonight. Also, after everyone
5 speaks and I answer as many questions as I can,
6 Palomar officials have agreed that they'll answer some
7 questions on the record. But I have to make sure that
8 the public gets a chance to speak before that happens.

9 I will try to answer most of the questions,
10 so the questions will be focused towards me. If I
11 can't answer them, Palomar will answer. So, John?

12 MR. CASSIDY: Thank you, Mr. Sipe. Can you
13 hear me all right? I promise to be brief. My name is
14 John Cassidy. I'm the manager of Land & Environmental
15 Planning for Palomar Gas Transmission.

16 First, just a few brief facts about Palomar,
17 which most of you already know. Palomar natural gas
18 pipeline would be approximately 220 miles long,
19 36-inch diameter, underground steel, natural gas
20 pipeline with the capacity of up to 1.3 billion cubic
21 feet of gas a day. It would have a bidirectional
22 capability. In other words, gas would be moved east
23 or west on Palomar. It provides a second way to get
24 natural gas to Northwest Natural, which is currently
25 served by a single interstate natural gas pipeline

1 that runs down the Columbia River Gorge.

2 The Palomar natural gas pipeline will improve
3 service reliability for Northwest Natural and its
4 customers. The line also runs west and north to one
5 of the proposed LNG terminals on the Columbia River,
6 and it would allow -- if that facility is built it
7 would allow an option for that facility to move gas
8 south and west into Northwest Natural Gas service
9 territory and to Tri County's natural gas pipeline in
10 Central Oregon.

11 Here's a map of the entire project. This is
12 GTM's Gas Transmission Northwest's existing pipeline
13 in Central Oregon near Shaniko. Palomar would extend
14 from the main line across the Cascades to the existing
15 Molalla meter station, then west and north to the
16 Columbia River where Northern Star has proposed the
17 LNG terminal.

18 And all these maps, by the way, are available
19 in the back of the room. Focusing in the area between
20 Molalla and Willamette Rivers, note that there are red
21 lines and there are blue lines on the map. Palomar
22 has to propose a specific route as its proposed route
23 in its filing with FERC. The red line denotes a route
24 that Palomar may identify as its proposed route. The
25 blue lines identify alternative routes that have been

1 considered and which will be discussed in our filing
2 but which Palomar is not likely to propose.

3 As Mr. Sipe said, the principal reason this
4 meeting is being held is to get scoping comments on an
5 alternative route, which we are calling the Herman
6 Road alternative as an alternative to the one that was
7 originally identified in the scoping meetings last
8 fall which we're calling the Baseline route.

9 Before we leave this slide, I also wanted to
10 note that the city of Woodburn had requested in
11 November of last year that we look at the alternative
12 alignment to avoid its urban growth boundary. We did
13 identify such a route to the south of the urban growth
14 boundary which is shown here and in more detail on the
15 maps in the back.

16 Now, in the Molalla area, just a little bit
17 of background. The city of Molalla requested in our
18 November 16, 2007 letter to FERC that Palomar look at
19 an alternative that would avoid the city's urban
20 growth reserve study area. The boundary is shown in
21 green on this map and you can see our baseline route
22 did traverse that study area for a length of about 2.7
23 miles. In response to the city's request, we
24 identified the Herman Road alternative to the south of
25 the Baseline route. Although it does nip a corner of

1 it, it pretty much avoids the urban growth reserve
2 study area.

3 We developed this route using similar
4 criteria as we do for other routes. For example,
5 trying to follow existing linear facilities where it
6 makes sense, minimizing the number of nearby
7 residences, avoiding or minimizing the clear and
8 riparian vegetation or oak groves, etc.

9 The Herman Road alternative is slightly
10 longer than the Baseline route, about three-tenths of
11 a mile longer. It is able to follow existing linear
12 facilities, principally Herman Road, to a greater
13 extent than the baseline route. It does avoid the
14 urban growth reserve study area to a greater extent
15 than the Baseline route. But both routes are similar
16 with respect to the number of residences that are
17 nearby and the number of parcels that are crossed.

18 We also looked at an alternative crossing of
19 the Molalla River. It's about a thousand feet south
20 of the original site. This is the original crossing
21 and this is the alternative we've looked at. We are
22 planning at this point to directionally drill the
23 Molalla River pending confirmation that we have
24 suitable geologic conditions in the subsurface.

25 Because this directional drill would require

1 a long segment of pipe to be strung out, welded, and
2 then pulled under the river perpendicular to the
3 stream, the southern crossing will allow this to be
4 done within the main construction right-of-way. In
5 contrast, using a northern crossing site would require
6 additional work space outside of the main line
7 right-of-way and would affect somewhat more acreage
8 for that construction. And that is basically due to
9 the angle at which the northern crossing would
10 approach the river.

11 Now, you'll note that both the Baseline route
12 and the Herman Road alternative are shown in red.
13 Palomar will pick one of them as our proposed route by
14 the time we file our resource reports with FERC. We
15 think there are pros and cons for both routes but in
16 many respects they're pretty similar.

17 We did want to see whether any new
18 information might come out of this scoping process
19 that might affect our decision. So that's why at this
20 point we're showing both potentially proposed routes.
21 It's important to note that when we pick a route for
22 our filing, we will include a comparative evaluation
23 with the other route and all other alternatives that
24 we'll look at, and people will have a chance to
25 comment on it and provide additional information about

1 the routes before any final decision is made by the
2 FERC.

3 As I mentioned, the routes that are shown in
4 blue are routes that we will include as alternatives
5 in our FERC filing but are not likely to propose as
6 our primary route. For example, a local resident
7 suggested that we look at Paradel (phonetic) and
8 Forest Road. This idea seems to have some merits
9 because the road does have some low stretches where
10 there are not a lot of residents nearby. It does go
11 in the general direction of the Molalla Meter Station
12 and so forth. So we are trying to avoid residences as
13 best we could.

14 However, as the route approaches the city, it
15 gets quite a bit more congested. And it actually
16 crosses quite a few more parcels than either the
17 Baseline route or the Herman Road alternative. Of
18 course it also puts the route further within the urban
19 reserve study area and it does lie on the edge of the
20 city limits at one point. So it is probably more
21 likely that this route will be in the path of
22 development of the city in the future than either of
23 the other routes. For these reasons, were not
24 planning to adopt that route, but we will include it
25 in our filing. And, again, we expect that FERC will

1 look at this in its alternative assessment and the EIS
2 people can provide their comments, their rationale for
3 agreeing or disagreeing with these assessments, and
4 make those comments directly to FERC. Thank you very
5 much.

6 MR. SIPE: We will now begin the important
7 part of the meeting and that's with your comments.
8 When your name is called, the way I'm going to do this
9 is I'm going to call the first speaker and then I'm
10 going to call who's on deck. I actually learned that
11 from a lady recently that that's how I should do that.

12 I'm going to try, everybody has their names
13 pretty well spelled out here that I can see them, but
14 there's one, number seven, is there a Linda Stutz?
15 Does that sound correct? Lundy? Lindy? Okay, I'll
16 figure it out when it gets there.

17 Your comments will be transcribed by the
18 court reporter, like everything will be here tonight,
19 to ensure that we get an accurate record of your
20 comments. A transcript for this meeting will be
21 placed in the public record at FERC so everyone has
22 access to the information collected here tonight.

23 When your name is called, please come up to
24 the mic and state your name. You may have to spell it
25 for the court reporter so we get an accurate record of

1 your name for the record.

2 So, again, I will answer as many questions as
3 I can during your presentation, after your
4 presentation. Just look at me and let me know if you
5 want me to answer certain things. I won't know
6 everything probably, but I'll know most of it and be
7 able to answer. If I can't get your question
8 answered, that will be part of the record and we'll
9 put that in the environmental documents.

10 So first speaker on the list is John Atkins,
11 Jr., from the city of Molalla. On deck will be Amy
12 Harwood.

13 MR. ATKINS: Good evening, Mr. Sipe. I'm
14 John Atkins, City Manager of Molalla. And on behalf
15 of the City Council, several of them are here tonight,
16 I would like to welcome you and your colleagues back
17 to Molalla. We appreciate the effort FERC is making
18 to open the Palomar gas pipeline project to public
19 comment.

20 As you know, in April of this year, the
21 Molalla City Council adopted a resolution opposing the
22 proposed pipeline. (Audience clapping.)

23 MR. ATKINS: The resolution gave several
24 reasons for the city's opposition. Among them, one,
25 the risk of adverse impact on natural resources along

1 the pipeline, including plants and animals native to
2 the region, along with fish resources, the
3 reestablishment of which has been a major goal of
4 wildlife agencies and organizations.

5 Number two, parts of the coast range area
6 through which the pipeline would pass are unstable as
7 indicated by recent landslides closing highways
8 between the Willamette Valley and the Oregon coast
9 last winter.

10 Three, the proposed pipeline would traverse a
11 route which has numerous seismic fault lines, raising
12 the possibility of rupture and collateral damage
13 through earthquakes.

14 Tonight I want to expand on the threat to the
15 pipeline from earthquakes. Let me first make clear
16 that I am neither a geologist nor a seismologist, but
17 I am a web surfer. And what I want to present to you
18 is from official government websites. If I could,
19 Mr. Sipe, I would like to move over to the map. I
20 apologize to everyone for the size of this map. I'm
21 going to leave it behind after I leave tonight so you
22 can take a look at it close up.

23 What I want to call to your attention here is
24 this map which I downloaded from the Oregon Department
25 of Geology and Mineral Industries website. It charts

1 the location of known earthquakes in Oregon from 1841
2 to 2002. And as you can see, and as many in the
3 audience could see if they could get close enough,
4 earthquakes are pretty common around the state of
5 Oregon. There have been more than 14,000 of them in
6 the time span depicted on this map.

7 In this area, in more detail is shown the
8 proposed Palomar pipeline. You'll notice on the map
9 some dark spots. There are only a few. This is the
10 Crater Lake swarm of earthquakes. Now I'd like to
11 zoom in on the upper Willamette Valley. And here in
12 red you see the proposed Palomar pipeline route.
13 There's a tiny little blue line here showing the
14 Herman Road alternative, but basically they're the
15 same route on a large scale.

16 What you'll note is that in the upper
17 Willamette Valley there are primarily two areas of
18 earthquake activity. One, which is a little bit off
19 the map, is Mt. Hood, which is an active volcano and
20 should be expected to rumble pretty often and it
21 certainly does.

22 The only notable swarm of recorded
23 earthquakes in the Willamette Valley is just a few
24 miles south of Molalla. Both the primary and
25 alternative pipeline routes that are proposed by

1 Palomar pass through this seismically active zone and
2 cross the Canby/Molalla fault which runs
3 northwest/southeast and is classified as geologically
4 active. This is the fault right here.

5 A United States geological survey recently
6 commissioned a study of the Canby/Molalla fault. The
7 study and its conclusions were presented at the 2001
8 fall meeting of the American Geophysical Union. A
9 synopsis with maps may be found on the USGS website at
10 the uniform resource locator that I will submit with
11 my testimony.

12 Among the study's conclusions were these, and
13 I'm quoting: "We believe the fault is a synthetic
14 shear caught between the Portland Hills, Clackamas
15 River, and the Gales Creek Mt. Angel structural zone."
16 Continuing the quote: "A topographic feature and
17 seismic reflection data hint that the fault is young."
18 And closing the quote, "The proximity of the fault to
19 Portland and Salem make it a potential hazard."

20 The depiction of the pipeline alternate
21 routes on this map was done by our City Planning
22 Department. They are approximations working from
23 FERC's pipeline routing map published with the notice
24 for this meeting, but they're probably accurate within
25 a mile or so.

1 So the question the City of Molalla wishes to
2 pose tonight to Palomar and to FERC is this: If a
3 natural gas pipeline one yard in diameter is to be
4 constructed from Eastern Oregon to the coast, why
5 route it through the most active seismic zone in the
6 Willamette Valley and across a fault line? Just out
7 of simple prudence, wouldn't it make sense to give
8 this area a pretty wide purpose. On behalf of the
9 City Council, I want to thank you again.

10 MR. SIPE: Thank you, Mr. Atkins. Amy
11 Harwood, on deck Barbara Wilson.

12 MS. HARWOOD: Thank you for having us here
13 tonight, we appreciate the opportunity to speak on the
14 record. My name is Amy Harwood, and I'm with BARK.
15 We're a forest watch group based in Portland as well
16 as Mt. Hood National Forest and surrounding public
17 land, including land management, public lands in the
18 Molalla area.

19 I recently in June had the able body and good
20 fortune to actually walk the 40-mile segment that goes
21 through Mt. Hood National Forest. And we believe,
22 BARK believes, after walking this with volunteers
23 effectively, land owners included, that this is in
24 direct conflict with some of the main priorities of
25 the Mt. Hood National Forest, including some of the

1 laws that actually are currently on the books, to
2 protect river ways and forests in Mt. Hood.

3 I'm going to just read off the five areas
4 that we're feeling have the most significant impact on
5 Mt. Hood that we found as we hiked. The Fish Creek
6 area. It's only one of the biggest road
7 decommissioning projects that's ever happened in this
8 region, over a hundred and fifty miles of roads were
9 taken out of that area. This project proposes to
10 rebuild those roads in order to cross Fish Creek.

11 Slopes that go down to Fish Creek are at
12 45-degree angle and would go directly into the creek
13 that has had millions of dollars put into restoration
14 work.

15 Clackamas River crossing, that area is a
16 wildly scenic river corridor, it's also a lake
17 successional reserve. Those are both designations
18 that protect the forests and the rivers from projects
19 like this.

20 Then it eventually goes through a timber
21 sale. That's a timber sale that was found to be
22 illegal, which means that if this timber sale -- if
23 there were a timber sale, a normal timber sale that
24 happens on Mt. Hood, it would be illegal. And I'm not
25 going to go through the reasons why but that

1 information is on our website, too.

2 The Timothy Lake area, which is a
3 recreational, a popular recreation area which crosses
4 the Pacific Crest trail which has buffers that are
5 supposed to be along the trail. As far as I know this
6 would not have buffers when it crosses perpendicular
7 with the Pacific Crest trail. Thousands of people
8 come to the Mt. Hood area to hike that trail.

9 And the McCovenens (phonetic) OHV area, off
10 highway vehicle area, which is a popular location for
11 people to bring motorized recreation sports. And
12 currently the Mt. Hood National Forest is proposing to
13 make it a fully designated area and actually increase
14 the trail system, many of the trails actually crossing
15 the pipeline route. I think this brings up serious
16 safety concerns and is in direct conflict with the
17 planning of Mt. Hood National Forest.

18 Mt. Hood is an icon of Oregon and its forests
19 are important and defined culturally, economically,
20 even ecologically in this area. Not only do we depend
21 on it for access to recreation but also for drinking
22 water. And at the moment our national forests are the
23 target of energy speculating like this, including
24 other projects all the way to renewable energy
25 sources, and we feel like deprioritizing the life

1 systems that we find in national forests we depend on
2 is absolutely irresponsible with the federal
3 government, particularly for corporate profit. We
4 feel like the Palomar pipeline is not only illegal but
5 it's wrong. Thanks.

6 MR. SIPE: Thank you. Amy, I commend you. I
7 flew that right-of-way today in a chopper and it was
8 pretty tough terrain. Can I ask the question how long
9 that took, that 40-mile walk?

10 MS. HARWOOD: Two weeks.

11 MR. SIPE: Two weeks? I applaud you for
12 that. Barbara Wilson, on deck Daniel Serres.

13 MS. WILSON: I'm Barbara Wilson. I'm the
14 chairperson for Friends and Output, which is a
15 conservation group which was formed in 1989 for the
16 purpose of protecting Mt. Hood National Forest.

17 We wish to express our grave concern for the
18 proposal. For all these many years we've been
19 fighting timber sales, illegal timber sales. We've
20 been trying to get roads decommissioned. We consider
21 ourselves protectors of the forest and the wildlife
22 and the fish. We find this whole project quite
23 appalling, 40 miles right through Mt. Hood National
24 Forest with a width that's estimated to be 120 feet,
25 much of it going through old growth forest. We

1 earnestly request that this proposal be denied. Thank
2 you.

3 MR. SIPE: Thank you. Dan Serres, on deck
4 Martha Amick.

5 MR. SERRES: Thanks. Dan Serres with
6 Columbia River Keeper. You might wonder why we're
7 here in Molalla opposing this project. I'll start out
8 by -- I'll get to that in a second -- I'm going to
9 start out by just addressing something that was said
10 about alternatives and alternatives we want to
11 consider.

12 There are going to be a lot of places where
13 the alternatives of routing north of the city or south
14 of the city, you know, further south of Woodburn.
15 It's going to hit a whole other stock of land owners,
16 some of whom are here tonight just finding out about
17 it.

18 The alternatives we're asking you to look at
19 aren't tweaking it north or south of the city, they're
20 alternatives to pipeline projects like these.

21 Renewal energy is a readily-available
22 alternative in the state of Oregon. The solar
23 industry is rapidly expanding here to produce
24 electricity at those peak times when electricity is
25 most in demand.

1 Other alternatives would seem to be available
2 to importing foreign source liquified natural gas than
3 funneling it 220 miles through Oregon primarily
4 conserves the California market. So FERC should be
5 doing a problematic environmental impact statement.
6 We've said this at every scoping meeting, at all the
7 alternative terminals, it hasn't happened yet over
8 three years.

9 FERC should do a (inaudible) on the
10 (inaudible.) We've asked for it, we were told it
11 didn't exist, and then it was basically not
12 forthcoming. So we need that one on our list.
13 There's no reason for it not to be published.

14 FERC should be providing clear maps as
15 detailed as the one in the back in public locations
16 like the Molalla library, anywhere. People shouldn't
17 have to go to the downtown offices of Palomar to see
18 detailed maps of where the pipeline is going. Again,
19 there are people here today who just found out where
20 the pipeline's going just south of Woodburn. That
21 food chain has been staked out actually for a while.
22 The scoping notice is inadequate unless these things
23 take place.

24 One of the other reasons why we're here is
25 not to just point out the issues with routing or

1 rerouting, it's the fact that liquid natural gas in
2 the Columbia River needs this pipeline. They need the
3 whole 220 miles. These are connected actions.
4 Palomar and Bradwood are joined at the hip. FERC's
5 failure to look at it as connected actions is a
6 violation of NEPA. It's also a problem for FERC
7 because Natural Resource Group which is hired by
8 Palomar is the same company that wrote the EIS for
9 Bradwood.

10 It's a clear conflict of interest, kind of
11 throws open the door on the type of relationship
12 between FERC and the industry and it's becoming more
13 evident all the time. This major adjustment -- or,
14 I'm sorry, minor adjustment south of Molalla still
15 puts Molalla under the gun because there are issues
16 like fire protection and emergency response that
17 probably are not going to double in the Environmental
18 Impact Statement if Bradwood's Environmental Impact
19 Statement is any indication.

20 It's one of the many issues that will get
21 brushed over. Just to point out that the Bradwood
22 Environmental Impact Statement lacks in its final form
23 an emergency response plan. So, a plan like the one
24 you need here to meet the needs of the Molalla
25 community, the Woodburn community, for fire safety

1 emergency response, it lacked a completely objective
2 report, it lacked a final tech (inaudible), it lacked
3 a complete mitigation plan for impacts to people,
4 fish, and wildlife. And it wasn't because we didn't
5 ask. The reason it wasn't there is because it's easy
6 for the company not to write these things because FERC
7 doesn't require them. So that stuff has to be in the
8 draft Environmental Impact Statement otherwise the
9 public has no way of providing detailed comments from
10 the impacts of the project.

11 I'm here to request that all this information
12 be complete and publicly available before the draft
13 Environmental Impact Statement. Failure to do so
14 violates NEPA.

15 From our experience with Bradwood, the state
16 of Oregon and the people of Oregon are the ones who
17 are really going to have to bet the impacts of this
18 project. So it's going to be up to all of us to be
19 out there taking a hard look at the project and
20 publicizing these impacts. Things like crossing the
21 wild and scenic Clackamas River with a wet, open
22 trench. It's like running a whip through the wild and
23 scenic Clackamas River. If this is what you can do to
24 a wild scenic river I can't imagine what their doing
25 to private land all across the state.

1 So, as long as Oregonians are involved now
2 and doing just this, I'm here to invite everyone in
3 this room to come to our meetings. We've got a
4 meeting next week in Woodburn at the grange on
5 Settlemeier Avenue on Monday, I think it's the 11th,
6 and get involved and Oregon Citizens get the pipeline
7 as a group. Let's try and throw open the doors of
8 this process and to publicize impacts of this just
9 heinous pipeline. Thank you.

10 MR. SIPE: Martha Amick. On deck, Kay
11 Peterson.

12 MS. AMICK: Hi. I'm Martha Amick, and I'm a
13 third grade teacher.

14 MR. SIPE: Martha?

15 MS. AMICK: Yes.

16 MR. SIPE: Can you stand there and address
17 me?

18 MS. AMICK: I will. I will do that.

19 MR. SIPE: Thank you.

20 MEMBER OF AUDIENCE: Why shouldn't she do
21 that?

22 MEMBER OF AUDIENCE: Ignore him. Do what you
23 want.

24 MS. AMICK: I thought it was okay.

25 MR. SIPE: Excuse me one second. One second.

1 MEMBER OF AUDIENCE: Why don't you go back to
2 Washington, D.C.

3 MR. SIPE: I'm here to help you guys out as
4 much as possible. I have certain rules for you to
5 address me. Just wait. This is FERC's meeting, just
6 address me.

7 MS. AMICK: Okay. I'll do that.

8 MR. SIPE: Thank you.

9 MS. AMICK: Everyone, President Bush said
10 Americans are addicted to foreign energy. It's true.
11 That's why allowing this port and pipeline to be built
12 would be like agreeing with a drug dealer who says,
13 try this new kind of drug, it will make you feel
14 great. I'll even get you started and you can use the
15 same kind of needle you've been used to.

16 These foreign energy dealers such as Saudi
17 Arabia and Russia, which is where LNG would come from,
18 and their techs and lackeys are saying the same thing
19 to us. They don't care about scarring the beautiful
20 face of Oregon with the open sores of this pipeline
21 any more than meth dealers care about open sores on
22 the faces of their addicts.

23 If there are American energy companies that
24 have billions of dollars to invest in new
25 infrastructure, we should have our eyes to the future

1 and build American produced renewable energy. (Crowd
2 clapping.)

3 We have the opportunity here and now to make
4 America self-reliant and free from foreign energy. So
5 no to LNG. You can do it, you can make a difference.

6 To my brothers and sisters in the building
7 trades unions, I am a card carrying union member and I
8 realize I am asking you to say no to an eight-month
9 job. But if you say yes and it goes through, just
10 remember, that every well you make on that pipe, wells
11 the needle of foreign power addiction into your arm
12 and the arms of your babies. Make America
13 self-reliant and free, say no to LNG.

14 MR. SIPE: Thank you, Martha. Kay Peterson,
15 and then the next person on the list I can't read the
16 spelling. We tried to figure it out. Lindy? Lund?
17 Does that -- If you signed early on when you came in
18 and I pass you over, just raise your hand because I
19 can't read the spelling of the name. So, Kay Peterson
20 now and on deck is Tom Sawtell.

21 MS. PETERSON: Hi. My name is Kay Peterson.
22 It's good to see you again. Mr. Sipe, I think we
23 should be on a first-name basis because I keep coming
24 to these hearings over and over again and I'm getting
25 really sick and tired of it. I don't have any

1 prepared remarks like I have in the past. I just want
2 to say that I'm sorry that we have to be here to hear
3 another alternative because the only alternative is no
4 LNG, no pipelines anywhere in Oregon, Washington
5 state, or anywhere else in the United States.

6 And I want to just stop right here so other
7 people can speak and a lot of you here have already
8 heard me and I'm on the record. But, again, I just
9 wanted to be here.

10 One other thing, and I do want to thank
11 Palomar for not harassing me anymore with their phone
12 calls that I complained about a year ago here in
13 Molalla. And, also, I testified last time about the
14 earthquake issue and Palomar was quoted in the
15 newspaper of Molalla saying what I said was crazy. So
16 it was nice to hear the representative from Molalla
17 City Council discuss the earthquake issue. Thank you.

18 MR. SIPE: Thank you, Kay. On deck Doug
19 Fadderson.

20 MR. SAWTELL: Hello, everybody, my name is
21 Tom Sawtell. I've spoken at a couple of these
22 meetings before and I thank you for the privilege to
23 do so again. I've been to several of them, a couple
24 of them got pretty rowdy, a couple of them were pretty
25 civil.

1 First of all, let me state that the Sawtell
2 name goes back about 155 years in this specific area.
3 Prior to the newest alternative of the pipeline, the
4 Sawtell family as a whole was against this pipeline or
5 any pipeline such as it. Now, with the new
6 alternative, this pipeline happens to traverse
7 diagonally through a piece of property that has been
8 in our family for a long, long time that I and my two
9 sisters grew up there, were raised there as children,
10 learned to love that land, we're stewards of that
11 land, as my mother and my father and their mother and
12 father before them were long before LNG, long before
13 FERC, long before Molalla, long before Oregon was even
14 a state.

15 Now, at this point it has become personal, it
16 has become a direct impact on us, and what our future
17 plans were after several years of going through the
18 processes of the Measure 37s and the Measure 49s and
19 the lawyers' fees and the hundreds of hours that have
20 been spent by my family as a whole in a situation set
21 up to where my sisters and I could retire to this land
22 that we love. It's our land, it's been in our family
23 for 155 years. This seems to all be coming to an
24 abrupt halt because of something that's going to be
25 forced on us that we have no say in? That's not

1 right. I'm here to tell you that's not right.

2 Let me go on another path and let's go back
3 to the earthquake that we had several years ago that
4 took our high school, took the chimney from -- darn
5 near destroyed the chimney on my folks' home, which is
6 just a few hundred yards at the most from where this
7 new pipeline's going to go, put cracks in the
8 foundation and there are still cracks that can be seen
9 inside the house from the force of this earthquake.

10 This new pipeline alternative goes even
11 closer to that fault line that has been stated by the
12 geographical surveys, is very active and very
13 potentially dangerous in the future.

14 So I'm here as a human today, as a Molalla
15 resident most of my life, I'm here on behalf of the
16 Sawtell family, I'm here on behalf of Molalla, I'm
17 here on behalf of every person that is affected by
18 this pipeline to say we don't want it. Period. We
19 don't want it. We don't need it. The state of Oregon
20 has already said we don't need it. Some of the people
21 running for president of the country have stated we
22 don't need it. So I say no and I say FERC should say
23 no. Thank you.

24 MR. SIPE: Thank you, Tom.

25 THE COURT: Doug Fadderson, on deck Patrick

1 Comley.

2 MR. FADDERSON: Hi. I'm Doug Fadderson. I
3 currently live in Gladstone. My future home is on
4 Herman Road. I, like my brother-in-law that just
5 spoke to you am quite concerned about this. In '93 we
6 had the earthquake that took down the school. It
7 moved --

8 MR. SIPE: This school?

9 MR. FADDERSON: This is the new school
10 because of the earthquake. The old school is now a
11 city park with a little water feature. I don't know
12 if you saw it today.

13 MEMBER OF AUDIENCE: Where the library is at.

14 MR. FADDERSON: Yeah, where the library is
15 at. The library is the only thing remaining from the
16 old school. I went out to the farm after the
17 earthquake. In Gladstone the earthquake was just two
18 jolts. That's all we had. I get out to the farm. We
19 have a fully-loaded freezer, and I'm talking freezer,
20 fully loaded with meat and everything else, quite
21 heavy, on the other side of the garage and laying on
22 its side. And this is where we're going to put a
23 36-inch pipeline? I have a major concern about this.

24 It's interesting, Mexico doesn't want this
25 pipeline. Surprise. California doesn't want the

1 pipeline, they just want the gas. The other problem I
2 have, Palomar said this is a two-way pipeline. So,
3 what, we're going to sell our Rocky Mountain gas
4 overseas? Is that the idea of the second way for the
5 pipeline? Are we selling our product now?

6 It's not needed. This here piece of
7 propaganda they put up referring to energy sources,
8 recently we have a pretty large windmill site here in
9 Oregon on the other side of the Columbia River and
10 Washington. It generated so much power they could not
11 sell it. They had to call them up and tell them to
12 shut it down.

13 We don't need this. We don't need the power,
14 natural gas lines. All it's going to do is make
15 Northwest Natural Gas richer. They recently proposed
16 to increase the rates massively. Why? To pay for
17 this? Because we don't need it. Please just say no.

18 MR. SIPE: Thank you. Patrick Comley, on
19 deck Ryan Bledsoe.

20 MR. CONLEY: Conley. I'd like to ask a few
21 questions. Would you answer them?

22 MR. SIPE: If I can.

23 MR. CONLEY: Okay. The commissioners were
24 politically appointed --

25 MR. SIPE: Correct.

1 MR. CONLEY: -- by Bush/Cheney. And as
2 anybody listening to their news, their appointments
3 have got to usually be conservative, their point of
4 view, or they don't get appointed. Do any of these
5 commissioners have any environmental background?

6 MR. SIPE: I can't answer that. I don't
7 know.

8 MR. CONLEY: Have you met any of the
9 commissioners?

10 MR. SIPE: Yes.

11 MR. CONLEY: Do you know what they did before
12 they become FERC commissioners?

13 MR. SIPE: Some of them I do, yes.

14 MR. CONLEY: What did they do?

15 MR. SIPE: Some of them worked for the
16 Railroad Commission, some of them worked in Arizona,
17 some of them worked in different states as public
18 servants, some of them worked as attorneys. Mostly
19 all of them are attorneys.

20 MR. CONLEY: Probably representing energy
21 companies, oil companies out there.

22 MR. SIPE: Honestly, I don't know the resumes
23 of these.

24 MR. CONLEY: Well, what I'm getting at is
25 they're biased. They should have some environmental

1 people on that commission. Do you agree?

2 MR. SIPE: They have -- They use
3 environmental staff such as us as part of that. We do
4 the Environmental Impact Statement for the Commission.
5 The Commission takes our findings and uses that as
6 their environmental analysis.

7 MR. CONLEY: What is your history in
8 environmental?

9 MR. SIPE: My history? I have an
10 environmental resource engineering degree from Penn
11 State University.

12 MR. CONLEY: And who did you work for before
13 you worked for FERC?

14 MR. SIPE: A consulting company.

15 MR. CONLEY: That consulted for? You're
16 beating around the bush. Did you work for an energy
17 company?

18 MR. SIPE: I consulted in energy companies,
19 but it was for contamination work. It was nothing
20 more than cleaning up the environment.

21 MR. CONLEY: And then as you can see, most
22 anybody that's here that's against this, does that
23 carry any weight with you?

24 MR. SIPE: Absolutely.

25 MR. CONLEY: That's why we're here. So,

1 you're going to write in your notes or whatever you
2 take that people in Molalla don't want this and
3 present it to the commissioners of FERC and that they
4 should have somebody from the environmental community
5 as one of the commissioners?

6 MR. SIPE: That's in the record, yes.

7 MR. CONLEY: All right. Thank you.

8 MR. SIPE: Thank you. Ryan Bledsoe, on deck
9 Amy Atwood.

10 MR. BLEDSOE: My name is Ryan Bledsoe. I
11 represent Don and Brooke Deardorff, they're Molalla
12 residents. And I also represent Rick Martson who also
13 lives up here in Molalla, Tonkon Torp.

14 Brooke and Don Deardorff are adamantly
15 opposed to any LNG pipeline. They are affected
16 directly by the Herman Road alternative. I'm here
17 today on their behalf to address the regulators, but
18 I'm not a fool. This is going to land on deaf ears
19 just like all the other scoping meetings. You're
20 going to go back and you're going to push along this
21 project as quickly as you can before the Bush
22 administration leaves office in January 2009. You're
23 going to push this along even though the governor of
24 this state has asked you to slow down to provide a
25 thorough economic environmental analysis of these

1 projects. You're going to push it along even though
2 all of the elected politicians in the state are
3 opposed to this LNG pipeline.

4 You're going to push it along based on the
5 commissioner for FERC, his suggestion that the free
6 market -- the free market should guide the analysis.
7 If the fate decides that an LNG pipeline should be
8 built, if these big companies that don't live here
9 decide that an LNG pipeline should be built and
10 hundreds of miles of Oregon property is going to be
11 dug up for their pipeline, it's all based on the free
12 market. It's not based on sound economic analysis,
13 it's not based on sound environmental analysis.

14 This all sounds eerily similar to me to the
15 mortgage crisis we're currently in. That was all
16 based on the free market. The banks could decide who
17 got mortgages. And what did they decide? They
18 decided that we're going to allow no-money-down loans,
19 interest-free loans, sub-prime mortgage loans,
20 adjustable rate mortgages that don't make any sense.
21 What happened in the free market when there was
22 absolutely no regulation. Very little regulation.
23 Just as is occurring here today.

24 People across this country lost their homes,
25 mortgages were foreclosed, unemployment is at the

1 highest rate it's been in four years. This is all
2 based on the Bush administration policy that they've
3 applied across the board that the market decides. The
4 market shouldn't decide.

5 The environmental analysis needs to be sound.
6 And as you've heard today, there's real problems with
7 this coming through Molalla or coming through anywhere
8 in Oregon. We've got salmon populations, we've got
9 earthquake concerns. There's serious concerns. Don't
10 push this through. Stand up and do a thorough
11 environmental analysis as the governor of this state
12 has asked for.

13 And I address all of you here today. Stand
14 up. If they're not willing to do their job, stand up
15 and do everything you can to get in their way. Hold
16 this pipeline down. Because the free market shouldn't
17 decide that thousands of miles of Oregon property
18 should be dug. Don't let them decide. Thank you.
19 (Audience applauding.)

20 MR. SIPE: Thank you.

21 MEMBERS OF AUDIENCE: (Chanting) No LNG. No
22 LNG. Stop corporate greed. Stop corporate greed.

23 MR. SIPE: Amy Atwood. On deck, Pat Ross.

24 MS. ATWOOD: Thank you, Mr. Sipe. My name is
25 Amy Atwood, and I'm an attorney, like the FERC

1 commissioners. And I apologize for that, but before
2 you judge me, I'm also a fifth generation Oregonian,
3 and I come from a long line of loggers and salmon
4 fisherman and other people that are south of here, and
5 you are my family and I am yours.

6 I'm also a senior attorney with the Center
7 for Biological Diversity. And I don't know if you've
8 heard about us, but we're the ones who got the polar
9 bear listed under the Endangered Species Act because
10 the ice habitat was melting and bears are starving and
11 drowning as a result of gas emissions from burning
12 fossil fuels like those, like would be burned and
13 consumed as a result of this project.

14 With that filter in mind, I address you,
15 Mr. Sipe, with three main points in mind. One is the
16 need for the project; secondly, the impact; and,
17 third, the public interest, which you are required to
18 consider.

19 As far as the need is concerned, under the
20 National Environmental Policy Act, you are going to
21 have to substantial and justify a bona fide underlying
22 need for this project. And I'm here to tell you that
23 I've scanned the materials and I don't see anything in
24 here about the need for a project, except for an
25 oblique reference on the front page of a slick

1 brochure to the need to improve so-called
2 energy-delivery options for hundreds of thousands of
3 homes and businesses in Oregon, the Pacific Northwest,
4 and other western states. I'm sure as many of you in
5 the audience know, several LNG terminals were beaten
6 back by California citizens and have now shown up in
7 new form in Oregon. And they're here to serve
8 California demand, not Oregon demand. So you're going
9 to have to justify that.

10 And, frankly, there should be no
11 consideration of fossil fuel alternatives for any
12 supposed energy need in this day and age of global
13 warming. There are many energy efficiency standards
14 and options available, and as a part of your analysis
15 and consideration and development of a reasonable
16 range of alternatives, you must consider not only an
17 optional alternative but alternatives that mitigate
18 the supposed need for this project because of energy
19 demand resources.

20 Secondly, everyone here tonight is going to
21 talk about the local impact and I defer to them on
22 those because they are the experts about that. But as
23 a center, we're here to say that the impact analysis
24 in the National Environmental Policy Act EIS as well
25 as the Endangered Species Act consultation documents

1 must consider the impact to species located across the
2 board that are threatened as a result of their loss of
3 habitat from global environmental change that include
4 not only the polar bear but many other species,
5 35 percent of which all told are expected by
6 considerable estimates to be extinct by 2050 as a
7 result of global warming. And that is conservative.
8 And, you know, those studies out there, I won't put
9 those in the record.

10 Third, as a matter of the public interest,
11 you're required to consider the public interest in
12 considering this project, not only under your own
13 regulatory scheme but also as a federal agency. All
14 federal agencies are required to protect the public
15 trust. The atmosphere is the most fundamental public
16 resource there is. It is incumbent upon you as a
17 fellow agency representing all people to stop business
18 as usual and with warp time speed transition to a
19 better and sane energy policy for this country and all
20 of our future generation. Thank you.

21 MR. SIPE: Thank you. Pat Ross, on deck Marc
22 Auerbach.

23 MS. ROSS: Hello again. My name is Pat Ross
24 and I live on Shady Dell in Molalla. You've seen and
25 heard me before, but as a taxpayer I object to the

1 process that doesn't solve the basic issues that are
2 just shifted on new people. Palomar should not enjoy
3 the right of eminent domain for the installation of
4 their unneeded dangerous gas pipelines when the
5 purpose is not to provide gas for locals.

6 As this alternate route is proposed, it will
7 stop several farmers from building homes for their
8 families on their land. Many Farmers on Herman Road
9 submitted claims to build on their property under an
10 Oregon Land Use rule, Measure 37. Measure 49, passed
11 by Oregonians last year by a wide margin, limited what
12 these farmers could build on their land and now this
13 alternative route will stop their approved Measure 49
14 plans. It's grossly unfair to these land owners and I
15 cannot blame them for being very, very angry.

16 To have a for-profit company be able to get
17 my U.S. government to condemn Oregon farmland,
18 crossing at least 290 streams and wetlands is
19 unconscionable to me. I do not believe the reasons
20 they say they must put this pipeline here. Without
21 the LNG terminals to convey gas to California, the
22 Williams Pipeline stated in a letter to FERC that the
23 natural gas infrastructure in the Willamette Valley
24 cannot accept the 1.2 billion cubic feet per day of
25 gas that this Palomar gas pipeline can carry, and they

1 said 1.3 so it's even more.

2 Numerous groups and property owners have said
3 they do not want this pipeline to bring unwanted
4 foreign fossil fuels into our economy. Does not the
5 fact that there are 350 out of 710 parcels, completed
6 parcels are mostly on government land, that property
7 owners still will not let Palomar on their land to
8 survey send a message to you. 350 parcels have been
9 kept from being surveyed. That's almost half of the
10 parcels. Palomar has been reporting FERC, numerous
11 outreach programs in the last several months in their
12 monthly status reports, and I've been reading them,
13 they have not been able to report any increase in
14 parcels surveyed. In fact, after Palomar
15 presentations, many organizations have signed
16 resolutions against these pipelines.

17 Are we Oregonians just pawns to be sacrificed
18 in a gas war chess game to get LNG gas to California?
19 It seems like the marketeers are racing against each
20 other to see who can get the LNG projects approved
21 first before the facts become known about the vast
22 quantity of natural gas available in the U.S.

23 You're probably aware but the audience may
24 not be aware. Aubrey K. McClendon, Chairman and CEO
25 of Chesapeake Energy Corporation and Chairman of the

1 American Clean Skies Foundation, testified on July 30,
2 2008 before the Select Committee on Energy
3 Independence & Global Warming, was appointed by
4 Congress in 2007 to raise the visibility of urgent
5 energy issues and gather critical information to
6 protect America's security that:

7 Navigant Consulting, Incorporated was engaged
8 by the American Clean Skies Foundation to develop an
9 accurate and current assessment of North American
10 natural gas production and recoverable reserves with
11 particular emphasis on the rapid ongoing development
12 of unconventional gas resources. The comprehensive
13 study released on July 30, 2008 states that U.S. has
14 enough natural gas to last more than a hundred years
15 at the 2007 level and stated that the U.S. Energy
16 Information Administration has historically
17 underestimated and understated the contribution and
18 potential of unconventional natural gas. The fact is
19 America has substantial natural gas to fuel its future
20 beyond this century and at a price that is likely to
21 remain less than half the price of oil.

22 The above study has provided information that
23 as of today eminent domain cannot be justified for an
24 LNG associated pipeline in the name of the public good
25 of U.S. citizens as the U.S. as a whole does not now

1 need or in the future need to import LNG gas to meet
2 its gas needs.

3 Ironically, Tony Gray of Lloyds List reported
4 today, Tuesday, 5 August 2008, that Chesapeake Energy,
5 the U.S. third largest gas producer, is contemplating
6 the novel idea of exporting liquified natural gas from
7 the U.S., where billions of dollars are being spent on
8 building import terminals. Chief executive Aubrey
9 McClendon said the company is looking at ways to
10 invest in U.S. export facilities for LNG.

11 I'm not saying Oregon will never need
12 additional natural gas, but when Oregon needs are
13 substantiated, especially where eminent domain is
14 required, Oregon government agencies with citizen
15 involved under Goal 1 of the Oregon Statewide Planning
16 Goals should be the ones to determine the least
17 impacting route to bring gas to Oregon citizens. When
18 Senate Bill 2822 is passed, and I hope soon, it will
19 give back the states the right to approve the LNG
20 terminals within their border, i.e., no Palomar
21 pipeline needed.

22 An alternatives to the proposed Palomar
23 pipeline is the proposed Blue Bridge Pipeline which is
24 planning to use existing utility corridors and
25 pipeline rights away from Stanfield to Washougal,

1 Washington, which will then go into the current
2 pipeline north-south. It's a better way to get gas
3 over the Cascades. Thanks for letting me speak again.

4 MR. SIPE: Marc Auerbach, on deck Susan
5 Hansen.

6 MR. AUERBACH: Marc Auerbach. I'm at
7 Milepost 193 of the Palomar pipeline, quite a bit
8 north of here. I'm here to tell FERC in person about
9 my experience of the prefiling process thus far.

10 FERC's Goal 1 is promote the development of a
11 strong energy infrastructure. And in that Goal 1 as a
12 top priority is to promote the prefiling process for
13 all liquid natural gas terminals and gas pipelines.
14 Part of the prefiling process is FERC's own ideas for
15 better stakeholder involvement, which in part states:
16 Agencies and citizens are encouraged to get involved
17 early in interviews known to the company as soon as
18 they learn about potential problems. The goal is to
19 achieve consensus and settlements among the groups and
20 the company about acceptable project design during
21 prefiling, not at the EIS or the draft EIS.

22 And also FERC staff is being asked to offer
23 assistance early in the process to support all
24 stakeholders. Also, this is to achieve an acceptable
25 project design not just an environmentally acceptable

1 design, much broader than your earlier statement.

2 My own experience thus far, there is no
3 resemblance to the fantasy world of trade in your
4 literature. To wit, in the 11 months since I
5 discovered I was on the Baseline route, the following
6 has occurred: November 6th, accosted by an agent of
7 Palomar inside a FERC hearing for details of my
8 sources of information. October 3, I received a
9 request to enter and survey. When I request a
10 contract detailing the activities, I finally get one
11 on December 13 that is so laughable I ignore it. No
12 further contact from the land agent. Indeed that is
13 my last Palomar-initiated contact.

14 December 21st, an open letter to Perry T.
15 Morris, Jr., to cooperate with residents on route
16 planning through the Nehalem River Valley. No
17 acknowledgement, no reply.

18 March 4th, visited by appointment, Palomar's
19 map route through Portland, only to be told that the
20 latest route requirements are not reflected in the
21 maps. I am later told, quote, the maps in the map
22 room at Trans-Canada -- that's verbatim -- have not
23 been updated, will not be updating these maps until
24 the application is filed, probably sometime around the
25 end of the year.

1 March 5th, requested Palomar to explain why
2 they are not using the existing right of way to the
3 missed gas storage field. No reply. In May I learned
4 from my neighbor that a route adjustment is planned.
5 After contacting Palomar, I'm told that the adjustment
6 has been cancelled. I ask if I can see the routes
7 that are being considered or will be considered. I am
8 told no.

9 May 7th: I request a sample easement
10 agreement. I am told, quote, Trans-Canada does not
11 have any easement agreement or any other agreement for
12 this project at this time and that the agreement for
13 the pipeline will be a permanent easement. The latter
14 statement, even though FERC asserts that the terms are
15 to be negotiated.

16 FERC Chair Kelliher himself asserts that the
17 process in the end results in few court cases because
18 settlements are fair and equitable. If this is true,
19 why doesn't Palomar nullify all this dissent by
20 releasing sample agreements and anticipated per-mile
21 compensation rates now? June 9th, I submit a second
22 alternative route description for consideration. No
23 reply.

24 For nearly a year I have lived with a scarlet
25 red line of a route running diagonally across my

1 entire 60-acre property. I have stopped my tree
2 planting schedule because I don't think anyone expects
3 the route to stay where it is. But Palomar has been
4 silent on its intentions and non-responsive to my
5 request. Kelliher, under his own name, published an
6 example of FERC's willingness to intercede on behalf
7 of land owners. In it he tells the story of a very
8 young man who fresh from a hospital bed, IV in arm,
9 testifies as to why his hand-built dream home should
10 be spared, and FERC arranges it.

11 I stand before you -- Well, actually, I sit
12 before you in a similar circumstance. Hobbled by
13 Parkinson's, trying to get a few years of peaceable
14 enjoyment out of my dream home I designed and built
15 myself. But I do not ask you to intercede on the
16 basis of such capricious and subjective standard.

17 Many, if not all property owners have similar
18 if not more compelling stories. Instead, I ask FERC
19 to simply follow its own policies and compel Palomar
20 to do likewise, to negotiate openly, courteously, and
21 in good faith even with those like myself who are
22 actively opposed to their project.

23 I submit that I and other land owners are
24 being systematically shut out of the process FERC
25 designed and that FERC is not properly exercising its

1 authority to arbitrate this process with all
2 stakeholders.

3 It is inhumane to exile us to limbo over the
4 fate of our lands when you have the power and the
5 mandate to ameliorate the situation. Thank you.

6 MR. SIPE: Susan Hansen and Sha Spady.

7 MS. HANSEN: My name is Susan Hansen,
8 Molalla, Oregon. Oregon is under siege by for-profit
9 fossil fuel speculators. Eighty-seven percent of
10 Americans currently believe that America is on the
11 wrong track due in large part to failed federal energy
12 policy. Energy speculation, greenhouse gas, and
13 corporate greed threaten our quality of life. The
14 Palomar pipeline and associated LNG terminal proposals
15 represent all that is wrong with American energy
16 policy. FERC and fossil fuel opportunists are
17 gambling away Oregon's energy future on a free market
18 that is not free, since these proposals are fostered
19 as joint projects between private for-profit
20 multinational energy speculators and a corrupt and
21 dishonest federal government.

22 Palomar is a prime example of the bait and
23 switch non-science America has been abused with under
24 the FERC/Bush administration. Palomar represents the
25 first ugly gouge across our public forests and

1 waterways as part of the much larger Federal Energy
2 Corridor proposals. Palomar speculators wish the
3 public to believe that environmental concerns for
4 public and private property are carefully considered
5 and that the easement across public lands will be
6 insignificant. However, the Federal Energy Corridor
7 path that Palomar follows represents a potential
8 3500-foot wide multi-modal energy corridor.

9 At the virtually secret hearing for the
10 energy corridors in early 2008, a BLM stated that BLM
11 was instructed by the Bush government to draw lines
12 against public land and not worry about the
13 environmental consequences. In light of that cavalier
14 statement, it's obvious that Palomar and FERC have
15 little concern about Oregon's fragile forests and
16 waterways; otherwise such an absurd and destructive
17 route across Mr. Hood would never have been
18 considered. The claim by Palomar that three years of
19 careful environmental planning have occurred crumbles
20 as soon as anyone takes the time to look at the actual
21 route that's flagged on Mt. Hood or considers BLM's
22 flip statement about just drawing a line across the
23 mountain.

24 Palomar enjoys listing it's public outreach
25 efforts. All such claims of successful outreach on

1 the FERC site and in mailers are nothing but glib
2 lies, since Palomar only mentions dates and attendees
3 and fails to speak of outcomes. In Molalla, Palomar
4 outreach resulted in a resolution by the City Council
5 against LNG and pipelines, and similar resolutions
6 have been produced and filed by cities, counties,
7 state agencies and non-profits across the state.
8 FERC's recent meeting with the City Council of Molalla
9 fails to documents that only three council people made
10 brief appearances and the majority of the unofficial
11 meeting involved angry landowners. Why were the
12 landowners not mentioned on the official FERC report,
13 yet alone the angry questions that ensued?

14 Palomar mentions its outreach to the Molalla
15 CPO in a glossy mailer, yet failed to tell the whole
16 story. The CPO produced a no LNG/No Pipelines
17 resolution before Palomar bothered to contact the CPO.
18 Landowners successfully boycotted the Palomar forum as
19 a protest to the late contact and the refusal of
20 pipeline speculators to answer questions on the record
21 at official hearings like this one.

22 If for-profit speculators wish to impact our
23 state, let them contact our state agencies to plan
24 energy projects that are endorsed by our State
25 Department of Energy and our Governor. Instead, we've

1 been subjected to a disorderly and abusive
2 free-for-all. Oregon has already shown that it can
3 produce more wind power than the current grid can use
4 and solar projects are crying for workers in an
5 otherwise depressed economy.

6 When I asked a Northwest Natural Palomar
7 representative last summer what his company was doing
8 to promote renewables, he stated, "We're not lucky
9 like the electric company." Perhaps it's time for
10 Northwest Natural to unchain its future from fossil
11 fuel and get lucky by diversifying. Northwest Natural
12 likes to pretend that the massive Palomar line isn't
13 about its Gill Ranch storage venture in California,
14 yet since Oregon consumes only four percent of the
15 western natural gas market and California uses a
16 whopping 59 percent, it's obvious where all the gas
17 through Palomar will go. Because other natural gas
18 lines have proposed to bring domestic gas to Oregon
19 using existing and/or less environmentally sensitive
20 rights of ways, Palomar's purpose to supply gas for
21 the lucrative California market is all the more of an
22 insult.

23 In the Molalla area, two proposed lines hold
24 acres of land hostage, some for a year with no end in
25 sight. If Palomar had done adequate research about

1 the Molalla prairie areas, it would have been clear
2 that cultural concerns would be of paramount
3 importance here. Early pioneer accounts explain that
4 the Molalla prairie was so valuable to native
5 Americans that Indians protecting these hunting
6 grounds thwarted the first attempts at settlement.
7 The tribes of the Kalapuya have left artifacts over a
8 wide area south of Molalla. Documentation of
9 artifacts from a fourth property in the path will be
10 documented soon. In a recent letter to FERC, the U.S.
11 Department of Interior states that FERC must follow
12 strict standard to protect cultural resources and the
13 Department of Interior expressed its reservations
14 about the integrity of the scoping process used by
15 Palomar.

16 FERC's literature claims that consideration
17 of impact on landowners is important. Palomar,
18 however, sends threatening messages regarding eminent
19 and actively attempts to intimidate landowners from
20 seeking independent legal advice. If Palomar and
21 Northwest Natural wish to convince landowners that the
22 land impacts are small and the offered compensation
23 will be fair, I challenge the corporation to unseal
24 past eminent domain records and present forums
25 featuring happy landowners who have had their property

1 condemned for recent pipeline projects. (Audience
2 clapping.) Unfortunately, that would be a huge
3 challenge since all the landowners I have interviewed
4 about their eminent domain experience with gas
5 speculators are extremely bitter and hostile about
6 their experience even years later. It is highly
7 apparent that the national and state laws regarding
8 for-profit eminent domain are long overdue for reform.
9 Landowner concerns and open bargaining for financial
10 compensation must take priority. There is nothing
11 just about pitting small landowners against giant,
12 multi-national corporations who have spent years
13 developing corporate propaganda campaigns with the
14 help of a corrupt federal government.

15 Fascism rears its ugly head when government
16 and private corporations use phony national security
17 claims to foster the taking of private property. My
18 grandmother was fond of saying, "If the shoe fits,
19 wear it." It is time for Northwest Natural and FERC
20 to try on that shoe for I am certain it will fit
21 perfectly. Thank you.

22 MR. SIPE: Thank you, Susan. Next, Sha
23 Spady; on deck, Steve Wick.

24 MS. SPADY: Hi. Just some comments in
25 observation since I first got involved in this

1 situation about a year ago. It's very hard to
2 continue to participate in public involvement when
3 there appears to be blatant, disacknowledgement and
4 lack of concern for the efforts of the people who are
5 making the comments. That includes landowners. But
6 now it's gone to the level where we observe that FERC
7 is disregarding our government, our state government,
8 our land use laws, our Senators, and I've made just a
9 few comments and observations. Then I would like to
10 read a letter written by someone named Charlie Stevens
11 who has been an energy advocate, a peak oil
12 investigator for decades. He wasn't able to be here
13 tonight, but I'd like him to speak about our energy
14 future through me.

15 My observation was simply that FERC appears
16 to be a road agency who listens to no one. Not our
17 governor, not a senator, not the agencies. Approving
18 nearly every application submitted is not wise use of
19 our valuable natural resources. Energy speculators in
20 this context are elevated to the level of ambassadors
21 where they sit at the table and open doors to all of
22 the agencies in closed-door sessions pushing fossil
23 fuels, foreign and domestic, down our throats in the
24 form of eminent domain.

25 My father had a thousand body pig farm and I

1 was thinking the other day of the shute. And the pigs
2 led these happy little lives getting grain and all the
3 things they wanted until they were ready to go down
4 the shute. And it didn't matter whether somebody
5 prodded them with the electric prod or whether they
6 went voluntarily, their end was the same. And for
7 those of us who live in rural Clackamas County and
8 Yamhill County and along the pipeline, I don't think
9 it's really very different. We're given no options,
10 we have one choice, it's go along with what you have
11 allowed -- and not you personally, Mr. Sipe, but FERC
12 should allow and set out the bigger policy to have
13 happen to the American public who pays the bill and
14 supports them.

15 The other thing I would like to say is that I
16 went to a meeting last week where there was a Palomar
17 representative talking about going through the
18 Mt. Hood National Forest. And in-depth it was a
19 wonderful presentation we should all get to see. They
20 showed the different ways that they planned to do
21 river crossing, dry crossings, wet crossing, this
22 crossing, that crossing. And as an aside the
23 gentleman said, well, we're not really worried about
24 ancient landslides, we're just doing this because
25 ancient land is the issue.

1 My experience with landslides in Oregon is
2 quite extensive and I've worked with Scott Burns at
3 Portland State University, who is a world class
4 landslide expert. He's been dealing with many
5 landslides in Clackamas County. And those landslides
6 which are the most difficult to manage are the
7 historic, ancient landslides because once they get
8 reactivated and started moving, there's no way to stop
9 them. It's not like you can do a little thing. So if
10 you're going to be putting a pipeline through the
11 Mt. Hood National Forest, you really need to start
12 looking at issues at a more in-depth level that really
13 has scientific validity.

14 This is Charlie's letter: Erosion. It is
15 the essence of our times. Communities of people
16 everywhere struggling to cope with the mounting tide
17 of societal failures. Civilization's increasingly
18 complex structures are starting to break down. As
19 each setback is encountered, we muster another round
20 of triage followed by another technological fix stave
21 off further breakdown, more and more resources devoted
22 to damage control.

23 At the core of our vulnerability is the
24 earth's inability to deal with our daily assaults on
25 the eco systems an age-old natural processes that have

1 nurtured our life on our plant or ions. We're
2 consuming resources and overtaxing states with our
3 waste and pollution far faster than these natural
4 systems can regenerate what we need. You know this is
5 so.

6 At the core of our excesses, it's our
7 proliferate use of energy. We build a civilization
8 that is completely dependent on unlimited access to
9 cheap fossil fuels. When this way of the conducting
10 ourselves is combined with an economic system designed
11 to use capital to liquidate resources in order to
12 generate more capital as quickly as possible, we find
13 ourselves riding a trajectory referred to as systems
14 engineering as overshoot and collapse.

15 Western civilization has been in an overshoot
16 condition for some years now. It's no longer a matter
17 of weather or not society as we know it will collapse.
18 It will. It's just a matter of exactly how long it
19 will take and how many people will suffer to what
20 extent. So today, as we contemplate our policy
21 choices, especially with regard to energy, the stakes
22 are enormous, most tellingly for the generations who
23 will come after us.

24 We can acquiesce to our addiction to massive
25 energy and resource consumption or we can plan a

1 future that uses resources sustainedly and again to
2 travel that new path. Those who propose to force feed
3 us the next more desperate strategy for maintaining
4 status quo are the pushers, the people who profit
5 enormously from our addiction as our lives spiral out
6 of control. Their solution to our inability to get
7 enough of our drug is to give us a bigger needle.
8 Their advice is understandable, that's what they do.
9 But we don't have to buy the drug, it's not our only
10 choice. We don't have to sacrifice our collective
11 future and allow a few among us to herd us over a
12 cliff as they unwittingly unmask their piles of --

13 FERC is now acting as a pusher for the fossil
14 fuel drug cartel and until recently we pretty much did
15 what we were told. But a few among us have broken the
16 spell and declared the emperor naked and morally and
17 ethically bankrupt. All around us were witnessing the
18 erosion of civil society and the systems that support
19 us. The evermore widespread fraying of our social
20 fabric, dying oceans, overstressed forests, depleting
21 water supplies, changing climate, disappearing
22 spieces, degrading infrastructure, failing health,
23 escalating conflict, is this the best we can do?

24 We don't need any more natural gas. We need
25 to dramatically reduce the human ecological footprint

1 on the only planet we have starting now. We don't
2 need a bridge, we need an entirely new path to the
3 future. What passes for our government doesn't seem
4 to know where it is or they don't want to know. We do
5 and as it's long past time to be there. Please join
6 us and help us stop the erosion as you can. Our lives
7 literally depend on our success in reinventing our
8 future, which is in renewable alternative energy.
9 Thank you.

10 MR. SIPE: Steve Wick; on deck Lolita Carl.

11 MR. WICK: Hi. My name is Steve Wick. I
12 don't live in Clackamas County, our family tree farm
13 is in Clackamas County. I live in Yamhill County.
14 First of all, I want to thank you for coming here
15 tonight to talk about the alternatives going through
16 here. That's great that FERC is here to do that, but
17 I also want to make a request. Palomar has proposed
18 changing the pipeline. There's some major changes in
19 Yamhill County. No one has come forward, FERC hasn't
20 come forward to schedule a meeting for us. We'd like
21 to see that. By the way, some of the changes that
22 Palomar has scheduled for us could be positive if we
23 were forced to put up the damn pipeline.

24 The next comment I want to make is I want to
25 back up what Pat Ross just said. Doug, please take a

1 look at the natural gas that's being available out of
2 the shale. There's more and more of that, they're
3 finding more of it, they're doing a good asset
4 recovery. If you take a real good look at that, it
5 doesn't look like we're going to need LNG. And every
6 day I see another memo. Pat just brought this one up
7 that they're talking about exporting our natural gas
8 now. So I don't see a reason for LNG.

9 And then the last comment I have is a
10 question for you. Several months ago, FERC put out a
11 request to Palomar and to Oregon LNG, both of those
12 pipelines are scheduled to come -- or the LNG pipeline
13 is scheduled to come through Oregon. And by the way,
14 this is the first time that I've seen FERC do
15 something active and some active planning and thank
16 you very.

17 They put a request out to Palomar and Oregon
18 LNG to take a look at certain areas that they could
19 combine the pipelines. And I don't remember exactly
20 what the request was, but the basic idea is, can you
21 the combine the pipelines if we have to have a
22 pipeline? I saw a proposal from Palomar to combine
23 the pipelines and they specifically have looked at
24 that in Yamhill County, but I never saw anything from
25 Oregon LNG. Can you tell me if they answered you and

1 if this is still an active thing, if FERC is still
2 pursuing this?

3 MR. SIPE: I don't know the specific date of
4 that day request, and that day request has been out
5 there for a good while. All companies, there was two
6 day requests sent out. One was to Williams asking
7 about when Oregon LNG comes and hooks in the Molalla
8 area, do you have to take away capacity for the gas?
9 That was answered by Williams. The other question was
10 sent to Palomar and Oregon LNG together. They have
11 answered some of those questions and they have
12 answered some on the record, but those answers aren't
13 complete yet. We're requesting companies get together
14 and work together on his requests, and that's what I'm
15 assisting them with. So those answers are not
16 complete yet, but we're waiting for those.

17 MR. WICK: Now, I see that Palomar has
18 stepped up and at least given you some preliminary
19 information, but I see nothing from Oregon LNG.

20 MR. SIPE: Oregon LNG filed also. They filed
21 the information. Check the records.

22 MR. WICK: Okay. Thank you very much.

23 MR. SIPE: Lolita Carl; on deck, Marvin
24 Stoller.

25 MS. CARL: I think it's interesting that that

1 screen says "Needed Energy Infrastructure" when the
2 Oregon Department of Energy says that we don't need
3 LNG. I am extremely concerned about the devastating
4 environmental impact. I think the terminal itself up
5 in the Columbia River area is just too much to believe
6 when you're having 17-story terminals, you're having
7 thousand-foot long ships that are 180 feet wide that
8 come in three or four days a week and have to turn
9 around dredging the river in salmon habitat. You
10 know, the statistics from FERC have said that -- these
11 are statistics from FERC -- the use of natural gas
12 updated January 2007. Six percent of the gas in the
13 western region goes to Washington state. Four percent
14 goes to Oregon, 59 percent is used by California.

15 Now, they keep talking about the western
16 region because they don't want to say Oregon, because
17 we don't need it.

18 I also want to reiterate what's been said
19 about the earthquakes. I noticed the gentleman from
20 Molalla had records back to 1841. But in
21 January 1700, Oregon had a 9.0 earthquake, and we in
22 western Oregon are being told to prepare for a 9.0
23 earthquake. I don't know if you're aware of that, but
24 they said it's coming for sure. Nobody knows when,
25 but it is coming. That Oregon has bigger earthquakes

1 than California. Not as frequent, but bigger.

2 I just want to agree with all of the
3 statements that are made by the people here. We are
4 frustrated because our government which is supposed to
5 be working for us is working against us. For a
6 for-profit company, this is not a public utility, it
7 is an investor's dream. It has nothing to do with
8 meeting Oregon's energy needs.

9 I personally know a rancher in Arlington,
10 Oregon. He has 43 wind turbines being built right
11 now. He showed me pictures of the construction. We
12 don't need unrenewable resources. Thank you.

13 MR. SIPE: Thank you. Marvin Stoller and Jim
14 Gilbert.

15 MR. STOLLER: Mr. Sipe, thank you for coming
16 and thank you for hearing us. Please take our
17 messages back to Washington. I own and operate -- My
18 wife and I own and operate a 50-acre farm on Herman
19 Road, Milepost 106 of that antiquated map back there.
20 I am surprised in this day and age that something more
21 current couldn't be proposed. That thing is at least
22 12 years old. I can see that on -- I mean, I know
23 what I've done in the last 12 years.

24 Our primary income is derived from a set of
25 greenhouses located about 150 feet south of Herman

1 Road. I'm really concerned that this pipeline that,
2 you know, this might be in jeopardy. My livelihood
3 would be in jeopardy. Some day we planned to build --
4 Well, we planned to build more greenhouses on that
5 place and probably a farm stand, or we were hoping to
6 put a farm stand in front or between the greenhouses
7 and the road so that we could sell our product more
8 effectively, but I think that's a dream.

9 We'd like to even build a house on that
10 property so that we could -- well, so that we could
11 live out there. Currently the state laws require us
12 to earn \$80,000 earned income on the property before
13 we can build a house. This would also -- If we could
14 build that house, we could also preserve the Daniel
15 Albright historic house that's on the place. And this
16 whole area is in the South Molalla Prairie Historic
17 District. So, I mean, this would, anyway, impact that
18 area.

19 The earthquake that damaged that house tipped
20 over the hot water heater that was in it, broke the
21 chimney. It's hazardous to put a pipeline of this
22 nature in this area.

23 I want to share an experience, or two
24 experiences that I've had. One was with Bonneville
25 Power Administration back in the '60s. They came

1 through and at the time they made an easement which
2 was fine, it helped my dad out. But 30 years later,
3 when we were forced to sell the house -- I mean, sell
4 the 50-acre farm I grew up on, that parcel of land was
5 worth nothing. I could not sell it for anything
6 because it became a housing development, no one wanted
7 to build a house under a power line. You couldn't, it
8 was an easement.

9 So, folks, keep in mind, 30 years from now,
10 what's that value of that property going to be worth?
11 Mine went -- My folks' went from \$500 an acre in 1963
12 to \$50,000 an acre in 1993. There's a whole lot of
13 the difference there. So, when we negotiate with
14 these folks, think in the future of it where only this
15 Herman Road project is only half a mile south of the
16 proposed urban growth boundary of Molalla. So in 30
17 years, a housing development might be on our
18 doorsteps.

19 Maybe there should be a different means of
20 handling this easement. Maybe like cell towers, they
21 pay the property owner an annual fee. This could be
22 an alternate and could provide income for the next
23 generation of whoever happens to be on that property.

24 So, at this point in time, though, I don't
25 want this pipeline in this area at all. Please convey

1 that information back to the powers that be. Thank
2 you.

3 MR. SIPE: Thank you, sir.

4 MEMBER OF AUDIENCE: Jim Gilbert was going to
5 come late, I signed him up. But he's not here yet,
6 so --

7 MR. SIPE: William J. Taylor; and on deck,
8 Deb Leighton.

9 MR. TAYLOR: Good evening. My name is Bill
10 Taylor. I'm president of Molalla Riverwatch. Molalla
11 Riverwatch is a non-profit organization dated in 1992
12 for the purpose of protecting, preserving, and
13 restoring the flora, fauna, and water quantity of the
14 Molalla River and its contributories. I spoke at the
15 meeting last November. Molalla Riverwatch at that
16 time submitted a letter expressing our concerns about
17 this project.

18 Since that time, more information that we
19 received has just fortified our concerns. And we
20 reinforce some of our concerns and added new concerns,
21 so I'd like to briefly state our initial concerns and
22 a few new ideas.

23 One of our concerns is damage to the riparian
24 habitat for the proposed pipeline will cross the
25 rivers and streams, bearing ESE-listed salmon and

1 steelhead, increase the erosion and sedimentation of
2 waterways during construction of the pipeline and
3 throughout the life of the pipeline due to loss of
4 needed vegetation. Loss of shade and increased
5 temperatures in fish-bearing streams and rivers along
6 the route of the pipeline, negative impacts to the
7 function of -- through which the pipeline would cross,
8 increased opportunity for non-native species along the
9 50-foot-wide swath across the state. Impacts from
10 transportation and storage of liquid pipe natural gas
11 along the lower Columbia River, and environmentally
12 sensitive estuary in part of the Columbia River water
13 trail, which is a 146-mile water trail along the
14 Columbia River from Bonneville Dam to the Pacific
15 Ocean. I can't imagine paddling a canoe through that
16 area and dealing with the tankers that are going to be
17 coming in. These negative impacts would result from
18 dredging the river to allow passage of huge tankers,
19 developing a deep water curve along the river, and
20 building an enormous LNG storage facility on the river
21 bank.

22 I would ask FERC in the EIS to address the
23 question of the needs for the project. New
24 information coming out daily as others have stated,
25 question whether we really need LNG, whether we don't

1 have a current ample supply of domestic and Canadian
2 natural gas.

3 EIS should examine the environmental impact
4 and the carbon footprint of LNG compared to the
5 impacts from use of alternative natural gas from
6 domestic and Canadian sources and also from
7 alternative energy sources. I'm also concerned and
8 the Molalla Riverwatch is concerned that FERC and
9 Palomar in our belief have not addressed the state's
10 concerns, concerns spelled out by Governor Kulongoski,
11 concerns about environmental and economic issues. So
12 those should be addressed before this EIS is drafted.
13 Thank you.

14 MR. SIPE: Thank you, sir. On deck Keith
15 Morey.

16 MS. LEIGHTON: Good evening. My name is Deb
17 Leighton and I'm a City Councilor of Molalla. Thank
18 you Mr. Sipe for being here, and I want to especially
19 thank the folks in the audience for being here and I
20 also speak to them.

21 As an elected official, actually before I was
22 an elected official I was an appointed official,
23 appointed four years ago by the City Council. Went up
24 against a large group of people, was selected to
25 represent the people, did so for two years and then I

1 was elected official.

2 I take my job very seriously and I would
3 consider or, you know, think that the FERC
4 commissioner would also, since they're appointed
5 officials, take their job very seriously in listening
6 to the citizens of the United States and those that we
7 represent, our constituents, very carefully.

8 So I'd like to appeal to you, Mr. Sipe, and
9 to the audience to listen to their pleas as I have and
10 study this project. I am one of three of our City
11 Councilors that are here. I care about Molalla, I've
12 grown up in Molalla, and I also want to thank John
13 Atkins for representing our City Council in our
14 statement.

15 Before we actually designated a resolution
16 stating that we did not -- that we wanted to move the
17 boundary of the proposed pipeline for Palomar, we took
18 another look at the whole project in itself -- and I'm
19 only speaking for myself as a City Councilor, as one
20 of your Senate City Councilors, I'm also a candidate
21 for Mayor -- because I do care about what's going on
22 in this city and I care about our folks who are in
23 even unincorporated areas of our city of Molalla;
24 Colton, Beavercreek, Clackamas County area. I also
25 want to say that I also represent City of Molalla at

1 the county level with our Seaport Coordinating
2 Committee, and I'm also on the Revenue Reserved
3 Cultural Committee to determine whether or not this
4 area is a study for Metro.

5 So what I'm about to tell you is pretty much
6 an echo of what Congressman David Wu said, and I'm
7 going to only read excerpts of his letter. And I
8 believe it speaks very well about how Oregon feels and
9 about all of our constituents, about elected,
10 appointed officials, and our citizens, because I'm a
11 citizen first.

12 His letter states, I quote, "I remain
13 concerned that FERC has not sufficiently addressed the
14 concerns of Oregonians, the Governor, various state
15 agencies, and now public officials and the U.S.
16 Department of Interior. FERC's final environmental
17 impact statement has raised concern because of its
18 failure to address certain issues such as erosion
19 mitigation, emergency planning, impact on fish and
20 wildlife, and access to the Lewis & Clack National
21 Historic Trail."

22 Like Mr. Atkins testified earlier with the
23 seismic issues surrounding Molalla in the areas of
24 Scotts Mills, I was here when that quake happened. I
25 lived in Canby and actually drove to Molalla. It was

1 devastating.

2 I'd like to further go on and say, "Other
3 unfinished work that should have been completed prior
4 to any decision includes studies on erosion control,
5 emergency response, planning wetland construction
6 mitigation. Midroy Bird Nest appointed bald eagle
7 assessment, writing plans and actions to mitigate any
8 adverse effect on habitat. As you know, the final
9 Environmental Impact Statement finds that the facility
10 would be likely to adversely affect the public, the
11 Pacific Coast mitigation past the facility.

12 The deep concern that the West Coast feels
13 with regard to the issue of the Pacific Coast salmon
14 recovery, especially those, runs along the Columbia
15 River cannot be underestimated."

16 I also want to add to that the Molalla River.
17 I'm working right now with our City Council and with
18 our Clackamas County Commissioners. You've gotten a
19 support letter that we would like to designate the
20 Molalla River wild and scenic. And we're working with
21 our state senators and state representatives to do so
22 because we want to protect what we have.

23 So I'm pleading to you, Mr. Sipe, and I've had
24 numerous meetings with you one on one, with our
25 council, with other people in the room, that you

1 listen, you take what they say to heart and you take
2 it back. Because this is testimony from what's
3 employing you, the public. Thank you.

4 MR. SIPE: Thank you. Keith Morey; on deck,
5 Linda Jackson.

6 MR. MOREY: I want to note for the record
7 that I have been directly and willfully lied to by
8 FERC's representatives at other FERC meetings about
9 this Palomar pipeline project and the many other
10 foreign fossil energy projects currently being
11 proposed here in the state of Oregon.

12 Next I would like to state for the record,
13 along with FERC's documented, willful dishonesty, I am
14 documenting numerous occurrences of Palomar pipeline
15 representatives and agents willfully deceiving and
16 lying to the citizens of Oregon. I'll now read for
17 the record a list of facts about the Palomar pipeline
18 project that both FERC and the big energy corporations
19 backing this pipeline project really do not want
20 Oregonians to know.

21 There is absolutely no true proven need for
22 increasing natural gas infrastructure in the state of
23 Oregon. The infrastructure required to supply Oregon
24 with native natural gas now and well into the future
25 is already in place and its capacity is willfully

1 adequate for the job. This does not take into account
2 the changing climate of the renewal energy industry
3 and it's rapid growth here in Oregon, namely wind
4 power electricity generation. It should be noted here
5 that our electrical power transmission infrastructure
6 in the state of Oregon is currently at capacity. As
7 we all know happened here this last month, we had to
8 shut down the wind farms because they were going to
9 overpower our electrical grid.

10 So great increase in natural gas consumption
11 for electrical generation simply cannot happen prior
12 to an increase in the electrical power transmission
13 infrastructure in the state of Oregon.

14 The sole purpose for the Palomar pipeline is
15 to pipe many millions of cubic feet of Bradwood
16 Landing foreign fossil fuel LNG derived unnatural gas
17 through the state of Oregon to California. No Oregon
18 companies have the size, skill, experience, or
19 personnel needed to bid on or actually build a
20 200-plus three-foot diameter 1500-PSI gas pipeline.

21 None of the skilled labor jobs will be going
22 to Oregonians. It is a fact that the skilled workers
23 needed to build a 200-mile three-foot diameter
24 1500-PSI pipeline do not reside in the state of
25 Oregon. All but a handful of construction-related

1 jobs in this pipeline project will bring to Oregon
2 will be filled by out-of-state skilled laborers. The
3 exception will be a very few, predominantly unskilled,
4 minimum wage labor jobs like flaggers and security
5 guards.

6 None of the very few permanent skilled labor
7 jobs will be going to Oregonians. It is a fact that
8 the skilled workers needed to operate this pipeline do
9 not reside in Oregon. All by a handful of these
10 permanent operations-related jobs that this pipeline
11 project will bring to Oregon will be filled by
12 out-of-state skilled laborers.

13 Thousands of acres and millions of dollars
14 worth of private land will be forcefully stolen
15 through the abuse of eminent domain from hundreds of
16 unwilling Oregon property owners by these
17 multi-billion-dollar energy corporations to build
18 pipelines to pipe many millions of cubic feet per day
19 of LNG derived foreign fossil fuel through the state
20 of Oregon to California.

21 Crops that last year started out as
22 absolutely unable to be grown in the 50-foot permanent
23 pipeline right of way have now magical moved from the
24 "not permitted" list to a new "undetermined" list
25 after Palomar discovered that millions of dollars of

1 grape, blueberry, hops, trees, and other production
2 will be permanently lost in the state of Oregon. If
3 it weren't so sad it would be ironic how an industry
4 that when convenient likes to brag about their decades
5 of history suddenly can't seem to figure out what
6 crops can and cannot be safely be grown on top of
7 their pipelines.

8 The Bradwood Landing foreign LNG import
9 facility cannot function without the Palomar pipeline
10 to transport its 1.3 billion cubic feet per day of
11 unnatural gas through Oregon to its intended market,
12 California. These two separate projects are actually
13 one.

14 If the Bradwood Landing foreign LNG import
15 facility is built, our current federal laws totally
16 favor this Palomar Pipeline project being built or
17 some other pipeline will be built. This Palomar
18 pipeline project serves absolutely no purpose
19 whatsoever without the 1.3 billion cubic feet per day
20 of unnatural gas imported into the Bradwood Landing
21 foreign LNG import facility. That would need to be
22 piped through Oregon to its intended market, again,
23 California. These two separate projects are actually
24 one.

25 The list is much, much longer, but due to

1 time constraints I will stop here for now. Americans
2 and Oregonians need to clearly understand that this
3 so-called Federal Energy Regulatory Commission, FERC,
4 does not actually regulate anything. Their sole
5 purpose is to promote the energy industry.

6 MR. SIPE: Linda Jackson; on deck Bernhard
7 Hitz. Linda Jackson? Linda left? I'll circle her
8 name. Bernhard Hitz, and then Harlan Shober. After
9 Harlan I have one more speaker on the list and I'm
10 more than willing to take your question. Okay.

11 MR. SHOBER: I've seen you at another one of
12 these meetings and it looks a lot the same if we
13 just -- What I see when I come in here is that you as
14 a regulator and the Palomar people -- It looks like
15 you and Palomar that you're supposed to be regulating,
16 are co-hosting this meeting. I asked your people up
17 at the table when I come in if you were co-hosting and
18 they're doing their job, they say no. But it's
19 obvious. I mean, you show the same Powerpoint set-up,
20 you travel together, it's the dog and pony show you
21 take around the state. And that doesn't seem clean to
22 me. It seems like you're way too much in bed with the
23 company you're supposed to regulate. And you've been
24 doing it for over a year. How do you explain that?

25 MR. SIPE: Do you want me to explain it?

1 MR. SHOBER: Yes.

2 MR. SIPE: We get that accusation constantly
3 from the public, which is very understandable to be
4 honest. During scoping for a project in the pre-filing
5 stage, we are working with the company closely. We
6 are working with all the agencies closely. We are
7 working with everyone that wants to work with us
8 closely. These are FERC scoping meetings, but this is
9 their project. We're regulating the project. That's
10 why during scoping meetings we allow the company to
11 bring their maps in to give a presentation, it's their
12 project. We're regulating it, it's their project.

13 Now, the next meeting you will see during the
14 draft EIS comment period, they're comment meetings.
15 They're more in lines of that's our document, that's
16 FERC's documents that we're putting out for public
17 comment. Typically you will not see, you won't see a
18 company presentation, you won't see company maps in
19 the back. Sometimes we're on the fence on whether
20 that should be allowed because it still is their
21 project but it's more a comment meeting on our draft
22 document at that stage.

23 MR. SHOBER: Then I want to comment on this
24 arrangement you've got. It's not working. It is not
25 clean what you're doing. It's not clean because by

1 the time you will be having meetings without
2 co-hosting with the company, the horse is out of the
3 barn by then. There's momentum to this. I think you
4 know that. What isn't clean about this is the idea of
5 eminent domain that I grew up with is if the
6 community, however big it would be, could be a town or
7 a state, if the community says, we need a road here
8 because we've got to get from here to there, you do
9 that through a political process. And if you have to
10 condemn Joe Schmoe's house, you do it and it's a bad
11 deal but that's what it is. And then you turn around
12 and you put the highway out for bid.

13 But you guys are in bed with the highway
14 company, in this case the pipeline company. They're
15 assigning what we needed and where it should go, and
16 frankly you seem to be working for them. It doesn't
17 feel like you're working for me. You share a mic, you
18 share a Powerpoint, when someone comes and wants to
19 address their neighbors, you do a very good crowd
20 control. We're all very civilized people and we face
21 you with our backside to our neighbors and do what you
22 want because we're kind of polite that way. But it
23 stinks. You're working for him, you're not working
24 for me.

25 I've been at a couple of these meetings and I

1 hear, we don't need it, I hear that it's foreign, that
2 it's fossil, that we need to do something different,
3 that we have enough. That it's for California, that
4 Tijuana won't have it, that California won't have it.
5 I know you've heard that more often than me. You've
6 heard the gripe about eminent domain before, you've
7 heard it all before, haven't you?

8 MR. SIPE: Probably not, no.

9 MR. SHOBER: Oh, come on.

10 MR. SIPE: I'll never say I've heard it all.

11 MR. SHOBER: No. But nothing I've mentioned
12 you haven't heard before, right?

13 MR. SIPE: Correct.

14 MR. SHOBER: People were speaking all night
15 tonight. Anyone say something you hadn't heard
16 before?

17 MR. SIPE: (Shakes head.)

18 MR. SHOBER: Okay. Why are you still doing
19 this?

20 MR. SIPE: I'm here to take public comments.

21 MR. SHOBER: Why are you still doing it?
22 Take it back, you've got it. You know what it is.

23 MR. SIPE: Are you asking me if I've heard
24 all --

25 MR. SHOBER: No. You've heard it and you've

1 heard it and you've heard it. We don't need it, it's
2 foreign, it's fossil, it's for California, it's of
3 righteous eminent domain. You've heard all of that,
4 right? That's it's bad for the fish, bad for the
5 riparian, bad for agriculture, bad for private
6 property rights. I mean, that's a basket of stuff.
7 How come you haven't taken it back to Washington? Why
8 are you still doing this?

9 MEMBER OF AUDIENCE: What will it take to
10 stop you in your tracks?

11 MR. SHOBER: I mean, what size cannon does it
12 take?

13 MR. SIPE: Don't shoot the messenger.

14 MR. SHOBER: It's really temping. I mean,
15 it's hard, you know. It's hard not to take this shit
16 personally, okay? The former version of this pipeline
17 was just over a quarter-mile from my place. Now
18 you've put it in my front yard. It's the same
19 reasons, I'm not going to go to war with my neighbors
20 like, take his place, leave me alone. That's not
21 where we're going tonight.

22 No one in this room wants this thing. You
23 knew that before you got here. You've been hearing it
24 for over a year. Do you think they pay you enough?
25 That's the one thing we can agree on, they don't pay

1 you enough. Thank you.

2 MR. SIPE: Thank you, Harlan. Now, if you
3 could speak your name for the record, that's the one I
4 couldn't read. Sorry about that, sir.

5 MR. HITZ: Well, first of all, I think I
6 can --

7 MR. SIPE: Just state your name.

8 MR. HITZ: Ludwig Hitz, H-i-t-z. And I think
9 I can state that the previous speakers were delineated
10 quite well, what the word means, in various ways, and
11 I think it was quite accurate.

12 I do appreciate the fact that you seem to be
13 quite attentive when people are talking. But like the
14 previous speaker said, maybe you need to take this
15 back to Washington, D.C. Maybe you can give them a
16 dictionary so they can understand the word no.
17 There's no reason to have it here, you've delineated
18 quite well. You say you were involved in -- you got a
19 degree he ecology or environmental impact or
20 something?

21 MR. SIPE: (Nodded head.)

22 MR. HITZ: How important is environmental
23 impact to FERC?

24 MR. SIPE: Very important. That's why we
25 have a staff 60-some people to do the environmental

1 analysis.

2 MR. HITZ: Then how many of these major
3 productions have you turned down?

4 MR. SIPE: How many -- Well, first, I
5 wouldn't turn them down. The Commission would turn
6 them down.

7 MR. HITZ: I mean, how many have they turned
8 down?

9 MR. SIPE: A handful.

10 MR. HITZ: How many?

11 MR. SIPE: Just a handful.

12 MR. HITZ: I understand there was none. One
13 minor one.

14 MR. SIPE: In my history at FERC in ten years
15 there's been one.

16 MR. HITZ: Also, how polluting is LNG
17 compared to coal or related to coal? Have you done an
18 impact study on that? Have you read some of the
19 impact studies that were developed and put out by
20 independent people?

21 MR. SIPE: How polluting is what?

22 MR. HITZ: Is LNG compared to coal.

23 MR. SIPE: LNG is a clean burning fuel so
24 there's studies out that show that it is cleaner
25 burning fuel than coal or other fossil fuels.

1 MR. HITZ: You need to do a little more
2 college degree work or something. Have you ever read
3 the Carnegie Mellon report?

4 MR. SIPE: Which one?

5 MR. HITZ: On coal versus LNG. I've got it
6 at home. I could have brought it for you but I
7 thought maybe if you're sincerely involved in this.
8 Have you read the HEED report?

9 MR. SIPE: I read a lot of reports.

10 MR. SHINN: Well, they all have said and
11 delineated quite well that coal is less polluting by a
12 minute degree of LNG. By the time you get it from
13 Point A to Point B it doesn't matter if you're a smoke
14 stack or a tailpipe. There's a couple of other
15 reports that I don't have, and they stipulate that
16 coal is just a little, a minute bit more polluting
17 than LNG, and they've done quite a bit of extensive
18 work on that. There's a lot of quotes and studies
19 that quote in those reports.

20 I think everything else has been pretty well
21 covered, but one of the questions I've got is, you
22 stated earlier I think that you want to minimize the
23 contact with residents on the pipeline. Is that
24 right? Or somebody said that. Maybe it was Palomar.
25 Why is that necessary if you want to minimize the

1 contact with residential people?

2 MR. SIPE: I didn't make that statement, sir.

3 MR. HITZ: Maybe you can get Mr. Morris or
4 the gentleman over here to --

5 THE COURT: After I get one more speaker,
6 we're going to take questions like that from the
7 company.

8 MR. HITZ: Okay. You've probably looked at a
9 lot of reasons why LNG is needed in the United States
10 and you're probably aware that most of the states on
11 the East seaboard have produced laws that almost make
12 it impossible to put the terminals in. Are you aware
13 of that?

14 MR. SIPE: On the Eastern seaboard?

15 MR. HITZ: Right. New York, a bunch of them.
16 In Washington, California, and the Western seaboard.
17 Why would they do that if there was a legitimate
18 reason to have the natural gas, or the unnatural gas?
19 Since you're involved in the environment, is LNG or
20 the pipelines hazardous?

21 MR. SIPE: You're asking me to speak for a
22 staff of people who write Environmental Impact
23 Statements, and I'm not going to accurately --

24 MEMBER OF AUDIENCE: You studied --

25 MR. HITZ: You got a degree in it, I mean,

1 you should have some knowledge of it I would think.
2 You know, the soccer teams once said, you learn by
3 asking questions. I think it was maybe it was
4 Aristotle, I don't remember. It was years ago I read
5 that stuff. When you ask questions and don't get an
6 answer, I kind of get the impression that some people
7 are ignorant. I'm not trying to put you down, but I
8 think FERC is not, like a lot of people said, not
9 doing their job. We don't need it, we don't want it.
10 And I hope you do take -- I hope you're sincere and
11 take this stuff back and hit them over the head with
12 it anyway, you know. Give us some honest reports
13 back, please. Thank you.

14 MR. SIPE: Thank you. I have one more
15 speaker on my list I believe. Any person I missed is
16 the one I couldn't spell. And I thought that was you,
17 but that wasn't you. There's one other person on the
18 list. Did anybody else sign up that did not get a
19 chance to speak besides Randy Heironomous? Okay.
20 Randy? Is Randy not here?

21 MEMBER OF AUDIENCE: He left.

22 MR. SIPE: Is Randy not here?

23 MEMBER OF AUDIENCE: No, he left.

24 MR. SIPE: That's fine. I will start taking
25 questions and I will try to answer every question.

1 But if you ask a question you need to come to the mic
2 because it will be up to the court reporter.

3 MEMBER OF AUDIENCE: How many people are on
4 the FERC Commission as far as like Kelliher and
5 Wellinghoff?

6 MR. SIPE: There's five commissioners.

7 MEMBER OF AUDIENCE: Five. How many are
8 Democrats?

9 MR. SIPE: Two.

10 MEMBER OF AUDIENCE: And that's Wellinghoff
11 and?

12 MR. SIPE: Democrats? Wellinghoff and Kelly,
13 Commissioner Kelliher.

14 MEMBER OF AUDIENCE: And then do you vote on
15 this? Do the Commissioners vote --

16 MR. SIPE: The Commissioners --

17 MEMBER OF AUDIENCE: -- whether or not to
18 approve this or not?

19 MR. SIPE: Yes.

20 MEMBER OF AUDIENCE: And is it a majority
21 or --

22 MR. SIPE: Yeah, it needs to be a majority
23 vote for the project to be approved.

24 MEMBER OF AUDIENCE: Okay. So it's five?

25 MR. SIPE: There's five, yes.

1 MEMBER OF AUDIENCE: Three Republicans.

2 MR. SIPE: Three Republicans.

3 MEMBER OF AUDIENCE: Appointed by Bush?

4 MR. SIPE: Uh-huh.

5 MEMBER OF AUDIENCE: Okay.

6 MR. SIPE: It's always the party that's in --
7 Like the Bush administration is Republican so it's
8 always three Republicans, two Democrats, and then if
9 the Democratic party would get in it would be vice
10 versa.

11 MEMBER OF AUDIENCE: I was stuck at a special
12 meeting, I think I had spoken to you about it in
13 another hearing, but I had been to the Town Hall
14 meeting that Senator Wyden sponsored last winter, and
15 I asked if it would be possible to speak to a
16 commissioner, and he said yes. And he put me on a
17 list and I was notified and I was able to be at a very
18 small hearing. And he stated, and this is really --
19 I'm sorry I have my back to you everybody -- but he
20 stated that, and he looked me in the eye and he said,
21 "You can stop this."

22 MR. SIPE: Who stated that?

23 MEMBER OF AUDIENCE: Wellinghoff.

24 MR. SIPE: Mr. Wellinghoff?

25 MEMBER OF AUDIENCE: To me. I am just saying

1 this for the record but also so that the audience can
2 hear this. Commissioner Wellinghoff said to me and
3 looked me in the eye, "You can stop this." So I'm
4 just asking everybody that's still here, hang in there
5 and don't give up. Just because one or two of these
6 pipelines or whatever you guys are regulating or
7 unregulating has been stopped, it doesn't mean that
8 this one can't be stopped. So, don't give up. Thank
9 you.

10 MR. SIPE: Thank you. Just remember to state
11 your name for the record when you come up and ask
12 questions. And I have to state, I have 32 minutes
13 until I'm kicked out of here.

14 MR. AMICK: My name is Steven Amick. For the
15 record, I have a comment and a question.

16 MR. SIPE: Okay.

17 MR. AMICK: My comment's directed to you
18 personally, sir. I object strenuously to your
19 rudeness to my wife. This is a public hearing. We
20 are here to talk to our community about this project.
21 We're for you to listen to our comments spoken among
22 ourselves so that you can take the information from
23 our community back to your masters.

24 The Palomar representative did not face you
25 when he gave his Powerpoint presentation which was up

1 there before we even got into the room as a collective
2 body. I just want to point that out, that I object to
3 the way you treated my wife and I object to the way
4 you treated this gathering.

5 My question has to do with the safety of the
6 pipeline. I've heard that various PSI measurements --
7 anywhere from 1400 PSI to 1500 PSI for the pressure
8 that this gas is under when it goes through the
9 pipeline. I've heard that it's a three-foot diameter
10 pipeline that as I understand it is above ground in
11 some places. There's plans to be above ground.

12 Particularly in the Mt. Hood National Forest,
13 there are sport shooters and hunters with high-powered
14 rifles. I want to know if a high-powered rifle is
15 capable of penetrating whatever material this pipe is
16 made of. I don't know whether it's supposed to be
17 steel, concrete or a combination of materials or what.
18 But I understand that there is a 700-foot blast zone
19 from the center line of this pipeline that has to be
20 considered when it is approaching any kind of dwelling
21 or outbuilding or other storage facility or anything
22 else. That indicates to me that this is basically a
23 220-mile bomb, and I want to know what it would take
24 to set it off and if adequate safety considerations
25 are in place.

1 MR. SIPE: Okay. That's a good question.
2 First, your first comment, I apologize to you for not
3 allowing you to turn around and speak to the audience
4 but I run these public meetings all over the country.
5 And if I allow someone to speak to the audience, it's
6 very easy to lose control of a meeting. That's FERC
7 policy, it's a FERC meeting, you come to speak to us.
8 You can turn around and stuff, but generally you speak
9 to us. I apologize, I did not mean to be rude, but
10 that's just the way we run the meetings. I'm sorry.

11 Safety section, we work very closely with the
12 Department of Transportation, that is the Federal
13 Department of Transportation and they brother with the
14 State Department of Transportation. We will do a
15 complete safety section analysis in the Environmental
16 Impact Statement. The Environmental Impact Statements
17 have safety analysis depending on the pressure of the
18 pipe. And the radius that you're talking about is the
19 PIR radius. They consider the pressure, the size of
20 the pipe, and there's a lot of other engineering
21 factors that go into that calculation before that goes
22 in.

23 Interstate natural gas pipelines are very
24 safe. You can go back and you can read our safety
25 section, and you can review those records.

1 MEMBER OF AUDIENCE: Like the one that blew
2 up in Washington state.

3 MR. SIPE: The Integrity Management Act and
4 the Pipeline Safety Improvement Act of 2002 has
5 greatly increased the safety of pipelines. It
6 requires a lot of these companies, all the interstate
7 companies, all the liquid gas lines, which we don't
8 regulate, to do a different safety check on their
9 lines on a more frequent basis depending on where
10 they're at, the high consequence areas down to basic
11 through the forest where there's no one located.

12 MEMBER OF AUDIENCE: There are lots of --

13 MR. SIPE: Sir, I can't understand. I just
14 have to have you come to the mic if you speak. Sorry,
15 it's the court reporter. She'll start throwing stuff
16 at me.

17 So, look for the safety section. You can go
18 back and look at other EIS. Bradwood just put out a
19 Final Environmental Impact Statement, the safety
20 section's in there. Take a look at that and then let
21 us know what you think. Next question?

22 MR. BORED H: My name is Glen Boredh,
23 B-o-r-e-d-h. First of all, I'd like to thank you for
24 coming out and listening to our comments. My question
25 is, if FERC approves this project, are there permits

1 that the state of Oregon and possibly any of the
2 counties would need to okay for this to go through and
3 if so what are they?

4 MR. SIPE: Well, your question, yes, there
5 are a lot of other state -- First of all, there are a
6 lot of federal permits that the company has to get.
7 There are a lot of state permits, along with county,
8 city permits that they must receive before going
9 forward with a project.

10 The question came up earlier and I explained
11 this at other meetings, the fact that FERC, we don't
12 deny -- The audience is correct, the general public,
13 we in general do not deny a lot of proposals put in
14 front of us. The proposals themselves will fail
15 coming through our process before the commissioners
16 have to vote on them. If the commissioners vote on a
17 project, just like they did the Bradwood Landing --
18 they did not vote on the Bradwood Landing Project yet.
19 Just like they will vote on the Bradwood Landing
20 Project, which that's the next up, the Final
21 Environment Impact Statement is. However they'll
22 vote, we staff don't know that. That's up to the five
23 commissioners upstairs.

24 A lot of projects will fail by themselves on
25 the conditions put on them. And the conditions put

1 upon them are a lot of the other permits and such that
2 they must receive before they move forward to
3 construction. So it's not that FERC denies a lot of
4 projects. FERC is probably the only agency -- I mean,
5 we're the only agency that issues conditional permits.
6 In other words, a lot of the other agencies would
7 issue a permit that wouldn't be conditional. Now,
8 there may be some other ones that I'm just not
9 remembering, but the general agencies that we deal
10 with do not issue conditional permits. We issue
11 conditional permits. If you cannot satisfy those
12 conditions, and there are a ton of projects that have
13 not been able to satisfy conditions that cannot be
14 built. So it's not that FERC denies a project, they
15 fail coming through the process.

16 MR. BOREDH: Okay. So, Oregon State land use
17 law has a lot of conditions attached to what we can
18 do. Would that apply federally to this project?

19 MR. SIPE: There's a lot of state permits out
20 there, just like the one you just mentioned. There
21 are a lot of state permits that may be conditional
22 that I'm not aware of. Yet that would apply to this
23 project. You know, there's a number of them. Corps of
24 Engineers have to issue a permit, the Fish & Wildlife
25 Service, they have to issue a biological opinion on

1 this. On the BLM, the Forest Service issues a
2 right-of-way grant. A lot of state agencies -- the
3 state agency, I can't think off the top of my head,
4 will issue the 40 permit. There are a number of
5 permits that have to be issued for this project.

6 Now, there is a condition stated in a lot of
7 our orders that certain permits, certain county
8 permits, certain state permits, the company has to try
9 to get. If they cannot receive or do not get those
10 permitted and we approve the project, a lot of those
11 permits, the conditions can be met but a lot of the
12 permits can't be achieved from the company. Some of
13 the local permits will be preempted. But they're also
14 covered in other permits. Because a lot of -- And
15 this comes up, that's why I'm explaining.

16 A lot of local permits and state permits,
17 they don't have actual regulation for linear
18 facilities. That may have regulations for a housing
19 development, they may have regulations for a number of
20 different developments that exist, but the linear
21 facilities sometimes, it really hurts them issuing a
22 permit. And that's happening all over the country.
23 So, it's not the fact that the company does not do
24 what they want in the area, it's the fact that
25 sometimes the permits are preempted, but they still --

1 their plans do what the agency wants.

2 MR. BOREDHD: Okay. So, if the state has
3 conditions on a permit and the pipeline doesn't meet
4 that condition, and so the state or the county or
5 whatever it is doesn't issue that permit, can the
6 federal government or FERC trump that and just say
7 it's already done?

8 MR. SIPE: We can trump certain permits.
9 Certain state or local permits, we can do that. But,
10 I mean, it's all subjective. Just like I explained,
11 certain permits are not for linear facilities. So we
12 can trump some of it, yes.

13 MR. BOREDHD: And who makes those decisions?

14 MR. SIPE: When the commissioners vote for
15 the public need and necessity for a project, there's a
16 list -- In all of our applications, there's a whole
17 list of permits they must receive.

18 MR. BOREDHD: And conditions.

19 MR. SIPE: And conditions, yes.

20 MR. BOREDHD: So, when they approve it they
21 approve it upon those conditions and if the state
22 conditions are not in there, then it doesn't apply.
23 But it if says that the state -- they have to get this
24 permit from the state and then it does apply? Is that
25 what you're saying?

1 MR. SIPE: If we condition that, yes. If we
2 would condition it that they would need certain local
3 permits or certain state permits, yes, then you would
4 have to.

5 MR. BOREDH: Okay. Thank you.

6 MR. FADDERSON: Beverly Fadderson. When the
7 line goes through -- I'm listening to everybody
8 talking -- how far does a well have to be from a line
9 if you were going to dig for an existing well?

10 MR. SIPE: What kind of well?

11 MR. FADDERSON: Water.

12 MR. SIPE: Just your own portable well?

13 MR. FADDERSON: Right.

14 MR. SIPE: I don't believe there's any
15 specified distance. We ask for that as part of their
16 filing criteria, any well within 150 feet of the
17 proposal.

18 MR. FADDERSON: Within 150 feet from the
19 line?

20 MR. SIPE: Within 150 feet of the line, and
21 also domestic supply wells are -- I can't remember
22 exactly what domestic supply wells are.

23 MR. FADDERSON: What about sewer?

24 MR. SIPE: Sewer?

25 MR. FADDERSON: When we have to do a drain

1 field for the septic.

2 MR. SIPE: Pipelines can locate with other
3 utilities across the country all the time. A lot of
4 times, you know, the interstate lines which get -- we
5 have the process for for this, you know, for the
6 public input and such, you hear a lot more about this
7 because it's federally regulated. But local
8 distribution lines are built all over the states all
9 the time. It's actually another utility.

10 MR. FADDERSON: Where the Palomar is going
11 through, now that I see the new line, it's going right
12 through where the septic drain field would have been
13 and there's a hill behind the other side of that line
14 so the septic can't go down the hill into a creek.
15 The line could, but my septic can't. How far away
16 does the house have to be? I heard 700 feet.

17 MR. SIPE: No. The DOT regulations from an
18 existing structure is --

19 MR. FADDERSON: The 150 feet?

20 MR. SIPE: No. It's feet. It's literally
21 feet. Like a foot. It can't be from another
22 structure. They don't specify a residence, they just
23 say a structure.

24 MR. FADDERSON: Okay.

25 MR. HITZ: Okay. Back to my question.

1 MR. SIPE: Can you, sir, just state your name
2 for the records?

3 MR. HITZ: Ludwig Hitz, H-i-t-z. Back to my
4 question: Why does Palomar stipulate they want to
5 minimize the contact with residences? I mean, they
6 want to keep as few residences as close to the
7 pipeline as possible I guess.

8 MR. SIPE: I'm going to answer that question
9 because I think what they meant to say, and you can
10 correct me if I'm wrong, they want to minimize when
11 they select a pipeline route, when they're doing the
12 route, because a lot of effort goes into routing for
13 everything. But when they select a routing for a
14 pipeline, they want to minimize the amount of
15 residences the pipeline goes by. One, for the
16 protection of their own pipeline; and then, two,
17 protection of you from, you know, having to put up
18 with construction and they're going to have the
19 pipeline easement on the property. So they want to
20 minimize the amount of residences that they go by.

21 We have a number that we use at FERC. They
22 have to tell us how many residences within 50 feet of
23 the construction work area, not of the center line, of
24 the construction work area. So if this proposal is
25 120 feet, they need to let us know how many residences

1 are within 150 feet -- or, I mean, 50 of the edge of
2 that construction.

3 MR. HITZ: So it's okay to sacrifice the
4 people in this room for the benefit of Palomar and the
5 Mideast cartels of the facility, right?

6 MR. SIPE: No. I'm not saying it's okay to
7 sacrifice anybody, I'm just -- This is a proposal in
8 front of us.

9 MR. HITZ: You said for the safety of the
10 pipeline and residents. Anyway, other states have
11 passed laws, and I'm sure these people know about it,
12 that they're almost prohibited from putting the
13 pipelines in in California, Washington, New Jersey, I
14 think a few East Coast states.

15 Why do those states pass those laws? I mean,
16 maybe you can answer that and maybe they'd like to.
17 Mr. Morris has got a smile on his face, he looks
18 anxious.

19 MR. SIPE: A state can pass a law just like
20 the City of Molalla did in the ordinance against the
21 pipeline. But the state can't pass a law that the
22 federally-regulated pipeline can't come in their
23 state.

24 MR. HITZ: Why does Oregon having to be
25 redundant? Why should we have to pass one? I mean,

1 they're not safe. I mean, perhaps you've heard that
2 just about a year ago they were doing maintenance on a
3 pipeline in the Mideast someplace, and I forget which
4 country. It was on CNN once or twice and that's all I
5 ever heard of it. Killed 30 people or something like
6 that, did quite a bit of destruction.

7 So they, you know, is there a hazard to those
8 pipelines they're coming through here too, or just in
9 the Mideast?

10 MR. SIPE: If you read the safety section in
11 our Environmental Impact Statement, the safety record
12 for Interstate Natural Gas Pipeline, it's very, very
13 good.

14 MR. HITZ: That's not my question. My
15 question is, are their safety standards worse over
16 there or are the pipelines going to blow up over here,
17 too?

18 MR. SIPE: I can't speak for another country.

19 MR. HITZ: Well, I can. It's the same
20 pipeline. We've got nephews in Canada, citizens
21 there, building pipelines coming from the north,
22 south, to us. And (inaudible) that preclude LNG
23 anyway.

24 How about the terminal that blew up in, I
25 think it was Kutar or someplace over there. You know,

1 blew out windows five miles around. What's the safety
2 factors about our terminals being close. Are they
3 going to have them fives miles from any dwelling?

4 MR. SIPE: No.

5 MR. HITZ: Why not?

6 THE COURT: Sir, I can't speak to what
7 happened in Kutar. We sent people over there to find
8 out, I was not one of them. But you need to read our
9 safety section.

10 MR. HITZ: You're dancing around the
11 question. You know the terminal blew up, you knew the
12 pipeline blew up over there. The safety standards I
13 would presume, our safety standards are probably
14 picked up after theirs because they deal with it 24/7
15 over there.

16 MR. SIPE: But, see, you're dealing with
17 presumptions. I don't know what their safety
18 regulations are in another country. I know -- And,
19 really, it's Department of Transportation Safety. In
20 the Coast Guard you're talking about a terminal
21 itself. It's their regulation.

22 MR. HITZ: Well, can I ask Mr. Morris maybe
23 what happened to that terminal that blew up over
24 there?

25 MR. SIPE: Sir, you're talking about a

1 terminal in a different country.

2 MR. HITZ: Yeah, but you're putting them in
3 this country. Anyway, the Carnegie Mellon report and
4 the HEED report both speak to some of that stuff. And
5 there's a lot of greenhouse gasses and there's a lot
6 of pollution around these terminals. Okay. Thanks
7 for nothing. You did a good job of protecting these
8 guys by the way.

9 MS. LEIGHTON: My name is Deb Leighton and I
10 have a question, Mr. Sipe. In review of this chart
11 here that you've given us, you stated earlier in my
12 notes that you're an independent agency looking at
13 this project and it's at the pre-filing stage.

14 MR. SIPE: Uh-huh.

15 MS. LEIGHTON: And if I look at this sheet
16 I've got here, we're actually at FERC's pre-filing
17 process but we're kind of in the blue where the public
18 input opportunity is. If you're at the pre-filing
19 status, all this public input is going to be for the
20 environmental or the EIS statement release, correct?

21 MR. SIPE: The --

22 MS. LEIGHTON: Before the Environmental
23 Impact Statement is released, you're taking all these
24 public comments.

25 MR. SIPE: Yes.

1 MS. LEIGHTON: For what purpose?

2 MR. SIPE: To take public comment on what to
3 analyze. We address all public input in the draft
4 Environmental Impact Statement. So you will see in
5 the back of our Environmental Impact Statement. Every
6 comment letter that we received on a project will have
7 an answer to it. A lot of people were getting
8 frustrated through the pre-filing stage because they've
9 sent comment letters and they don't see an answer for
10 them. You won't see an answer to them unless I answer
11 it or one of the FERC PMs that come out to these
12 meetings answer the questions here tonight, you won't
13 see it until a draft comes out.

14 MS. LEIGHTON: The next question I have is,
15 once the EIS is issued at this point here, there's
16 another block here where it says public input
17 opportunity?

18 THE COURT: Uh-huh.

19 MS. LEIGHTON: Because we've been providing
20 all this public input to you, you've come out several
21 different times. Are you going to come out again to
22 Molalla if Molalla is being impacted by this?

23 MR. SIPE: Yes. I mean, sometimes we
24 would -- Sometimes, depending on the attendance and
25 such that we get at our scoping meetings, we may move

1 them around, but this one is --

2 MS. LEIGHTON: I know you mentioned at the
3 beginning of this meeting that you, the purpose of you
4 being here is because of all the complaints and all
5 the letters and all the concern that you've gotten
6 have driven you here. And that's why Palomar is here.
7 So, if you wouldn't have gotten that, but even though
8 because Molalla is at the heart of this project, you
9 wouldn't have been here unless you'd gotten those
10 letters.

11 So my question to you is, you're taking all
12 of this input from all of us, from the City Councils,
13 from the county, from the state, from congressmen,
14 from senators, and you're going to actually -- We're
15 at the beginning stage. What are you doing with all
16 that information and how are you making that decision
17 if you're going to release the EIS? Then you're going
18 to ask for more public input. It's going to be the
19 same input, it's going to be the same questions, and
20 you're still going to go forward with the process. It
21 looks to me like you're just going forward with the
22 process.

23 MR. SIPE: We are.

24 MS. LEIGHTON: Making it look like you're
25 going through the process, and you're going to go

1 ahead an issue the whole project. And that's my
2 opinion.

3 MR. SIPE: That's fine, but I can address
4 that. If a proposal is put in front of us and they
5 actually file an application, sometimes companies come
6 through and they never fill out an application. So
7 they have -- Palomar hasn't filed yet. Who knows what
8 could happen tomorrow or next week or the following
9 week. They may not file an application. If they file
10 an application, under law we need to do an
11 environmental analysis on that application.

12 MS. LEIGHTON: Right.

13 MR. SIPE: So once we issue a draft, the next
14 meeting held will be for comments on that draft. It
15 won't be addressing scoping issues.

16 MS. LEIGHTON: So I would like your word as a
17 citizen of Molalla first, and as an elected official
18 of Molalla, that you will come back here after the EIS
19 statement is released so you can hear and have a
20 public comment period from that after we've reviewed
21 it to see if it's adequate and has captured all of our
22 input. Do I have your word?

23 MR. SIPE: It wouldn't make a difference if
24 you had my word. Because I can not --

25 MS. LEIGHTON: Well, it's a yes or no

1 question.

2 MR. SIPE: -- or the following week.

3 MS. LEIGHTON: Well, I would just like you to
4 write it for the record, sir. I'm up here testifying
5 for the record that as an elected official, I would
6 like you to return back to Molalla, and Palomar as
7 well, since we're at the heart of this project, we
8 have definite interest, our stakeholders, our property
9 owners, I'm inviting you, personally, and as your next
10 Mayor I would welcome you to come to Molalla, whether
11 you're employed by FERC or not. Do I have your word
12 that you will do that or recommend that in the record?

13 MR. SIPE: I will take your request and I
14 will recommend that we come back.

15 MS. LEIGHTON: Thank you.

16 MR. HITZ: That was a no.

17 MR. SIPE: We base where we hold our scoping
18 meetings off of comments we receive, the company's
19 open houses, the attendance they get at their open
20 houses. Early on, before sometimes even they complete
21 their pre-filing process, and then the amount of
22 comments we receive, and then the number of people in
23 an area. Sometimes we go in an area where there's
24 very few people, but we've received a lot of comments
25 and we feel we need to go after to that area.

1 This area has given us a lot of comments and
2 we've been here now, this will be my third trip,
3 fourth trip out here. So, I would recommend to
4 anybody, if it wouldn't be me, to come back out and do
5 a meeting.

6 MEMBER OF AUDIENCE: Isn't this country
7 beautiful?

8 MR. SIPE: It is.

9 MEMBER OF AUDIENCE: Why would we want to
10 change it.

11 MEMBER OF AUDIENCE: When someone files with
12 FERC and FERC's doing all this scoping, having the
13 meetings and paying your salary, do the taxpayers pay
14 for all of this or does the energy companies that are
15 starting this lovely process, do they pay for any of
16 this?

17 MR. SIPE: Yeah, let me explain it to you
18 this way: I'll answer your question but I'm going to
19 give you a scenario first. When you submit a permit
20 to your county, to your city, to whoever, to do an
21 addition on your house, whatever it may be, a ship,
22 whatever it may be, just like I do in Maryland, I pay
23 for that permit to go in. I do the analysis that goes
24 in.

25 Along with FERC, along with BLM, along with

1 the Forest Service, there's a lot of agencies out
2 there that have cost reimbursement agreements from the
3 applicant to -- They don't have any control over what
4 we do. Like the BLM and the Forest Service, they have
5 cost reimbursement agreements set up early on to pay
6 for their services so the applicant would pay for
7 that.

8 FERC, we have a system set up which I can't
9 explain in detail, but depending on how many
10 applications you submit to FERC that year, it used to
11 be how big you were, the company, but depending on how
12 many applications you submit, then you get charged a
13 certain dollar amount for all of FERC's services.

14 MEMBER OF AUDIENCE: Is that a matter of
15 public record?

16 MR. SIPE: Uh-huh.

17 MEMBER OF AUDIENCE: So, is Palomar paid
18 anything?

19 MR. SIPE: I can't answer that. I don't know
20 that.

21 MEMBER OF AUDIENCE: How would I find out?

22 MR. SIPE: The OMB. That would even be a
23 different federal agency that handles that. I don't
24 know. I'll have to ask that question.

25 MEMBER OF AUDIENCE: So part of this could

1 be, you know, we could be footing part of the bill in
2 a sense as taxpayers?

3 MR. SIPE: You would be footing the bill not
4 as tax payers. You would be footing the bill in the
5 energy costs that you pay. That's how the companies
6 recoup their cost, like anything.

7 MEMBER OF AUDIENCE: Okay.

8 MR. SIPE: Just like my Baltimore Gas &
9 Electric, my rates have gone up, up, up, up, up over
10 the last couple years and it just has to do with a lot
11 of energy-related issues.

12 MEMBER OF AUDIENCE: All right. Thank you.

13 MS. AMICK: Has the permit for the Bradwood
14 Landing LNG terminal been applied for?

15 MR. SIPE: Yes.

16 MS. AMICK: So there is no point for this
17 Palomar pipeline if there is no Bradwood Landing
18 terminal. They're not separate projects, guys. I
19 mean, you don't want to build this pipeline if they
20 don't have the terminal. So what is the status of the
21 Bradwood Landing Terminal at this point?

22 MR. SIPE: Their Final EIS is on the street
23 and --

24 MS. AMICK: What's that mean?

25 MR. SIPE: The Final Environmental Impact

1 Statement is out for public review.

2 MS. AMICK: I see. Okay. So there's also no
3 point for that terminal if there's no pipeline. I
4 mean, what are they going to do with all that gas when
5 they get it there if there's no pipeline to put it
6 through. These are not -- Who said that? The
7 gentleman who's gone. These are not separate
8 projects. I mean, they might be separate companies,
9 but they are like that or like that, however you want
10 to see it. Because one won't happen without the
11 other.

12 MR. SIPE: The commissioners have not voted
13 on that project yet.

14 MS. AMICK: Okay. It's a --

15 MR. SIPE: I'm not privy to when.

16 MS. AMICK: Okay.

17 MR. SIPE: A week before the Commission
18 meeting. The Commission meeting is on the third
19 Thursday of every month except for August.

20 MS. AMICK: And what do they do then, they're
21 on vacation?

22 MR. SIPE: They're in recess.

23 MS. AMICK: I know what recess is, I'm a
24 third grade teacher. But we only have that during
25 school.

1 MR. SIPE: Right.

2 MS. AMICK: Okay.

3 MR. SIPE: They don't have a Commission
4 meeting in August, so a week before it goes on a
5 Commission meeting, there will be a Sunshine notice.

6 MS. AMICK: What's that mean?

7 MR. SIPE: A Sunshine notice will be what is
8 on a Commission's agenda to vote.

9 MS. AMICK: Are those put out in e-mails?

10 MR. SIPE: They're put on the FERC website.

11 MS. AMICK: Oh, the FERC website.

12 MR. SIPE: Yes.

13 MS. AMICK: So one week before this
14 five-person commission is going to rule on the
15 Bradwood Landing Terminal that has to happen for this
16 pipeline to happen, because neither works without the
17 other, we can look on the FERC website a week ahead of
18 time to find out when these guys are going to vote on
19 this. And it could come any time except for this
20 month.

21 MR. SIPE: It will not come this month.

22 MS. AMICK: And which day of the month is it
23 did you say? Or it doesn't matter?

24 MR. SIPE: It's the third Thursday of --

25 MS. AMICK: Third week of September, we have

1 to look a week before then to see if these guys are
2 going to vote on the Bradwood Landing Terminal.

3 MR. SIPE: Now, that would be a public
4 meeting. They actually sit up and they vote and
5 people can come and watch them vote.

6 MS. AMICK: And this is back in D.C.

7 MR. SIPE: They also, the Commission can also
8 notationally vote out the projects.

9 MS. AMICK: What does that mean?

10 MR. SIPE: That means they go through the
11 same process as they would do as if they were going to
12 vote it out publicly, but they can vote it out
13 notational so it's not --

14 MS. AMICK: What's notational, they write
15 notes to each other and say yes or no?

16 MR. SIPE: I'm going to explain that.

17 MS. AMICK: Oh, sorry.

18 MR. SIPE: They can vote out a project
19 notational. What notational means is they don't do it
20 on the third Thursday of every month in the official
21 commission meeting, they do it notational, they vote
22 out the order.

23 MS. AMICK: Which means not publicly. Not
24 publicly heard.

25 MR. SIPE: Yeah. But, I mean, at a public

1 meeting, the Commissions meetings are public, you come
2 watch them vote, but it's not like you can get up and
3 speak and --

4 MS. AMICK: Right. No, I understand.

5 MR. SIPE: So, it's just a notational.

6 MS. AMICK: So it's a non-public vote
7 essentially.

8 MR. SIPE: Yeah.

9 MS. AMICK: I mean, you can call it whatever
10 you want, but that's what happens. Okay. Thank you.

11 MR. SIPE: But just for the -- The Bradwood
12 Landing project, it does have a send-out line going
13 over to Williams. The Palomar line is a secondary
14 output for them. The Palomar line essentially, if
15 none of the LNG terminals were built, the Palomar
16 lines still could come from the east from their main
17 line over to the Molalla area to connect to Northwest
18 Natural.

19 MS. AMICK: With Bradwood Landing yeah;
20 without it, no.

21 MR. SIPE: Okay. I have like two minutes,
22 three minutes.

23 MR. SAWTELL: Can you tell me which of the
24 landing projects for the LNG terminals has been
25 already approved at this point through FERC?

1 MR. SIPE: The Oregon?

2 MR. SAWTELL: Yes.

3 MR. SIPE: None of the Oregon.

4 MR. SAWTELL: It was announced on the news
5 that either the prefiling or -- I want to know what
6 stage has been -- It was announced on the news over
7 the radio and TV.

8 MR. SIPE: What was announced?

9 MR. SAWTELL: That FERC had approved the
10 Bradwood facility. I need to know what part they
11 approved. What did they approve? What did FERC
12 already approve? And don't say they haven't because
13 they have. It was on the news.

14 MR. SIPE: Sir, unless it happened today --

15 MR. SAWTELL: No.

16 MR. SIPE: It didn't?

17 MR. SAWTELL: No. It was two or three weeks
18 ago.

19 MR. SIPE: Okay. But, no, the Commission has
20 not voted on. Jordan Cove is an LNG that -- Bradwood
21 Landing was the first one that was proposed and went
22 through the prefiling process, Jordan Cove was the
23 second, Oregon LNG. There's been a couple other ones
24 that's come in the prefiling but never went anywhere.
25 But the ones that have had environmental analysis done

1 would be the Bradwood Landing. They have a Final
2 Environmental Impact Statement so they're up for a
3 Commission decision. Jordan Cove, they have not had
4 an Environmental Impact Statement to date.

5 Did the draft go out on Jordan Cove? No.
6 The Jordan Cove either. So the Commission has not
7 approved any of the LNGs. I don't know what news
8 report you're getting. Believe me, I read news
9 reports all the time, they're wrong.

10 MEMBERS OF AUDIENCE: It was on radio and TV.

11 MEMBER OF AUDIENCE: It went out that it was
12 on the agenda for this month, but then it was taken
13 off of the agenda before they met.

14 MR. SIPE: Yeah. Then the Sunshine notice,
15 the papers and the media would definitely pick up on a
16 Sunshine Notice of FERC. That means that the Bradwood
17 Landing project was on the Commission meeting agenda,
18 the last Commission Meeting agenda. It was struck off
19 the agenda before the Commissioners voted on it. Why
20 it was struck of the agenda, that's the Commissioners'
21 decision.

22 I have one more question.

23 MR. FADDERSON: I'm Doug Fadderson. Does any
24 of it just get tabled and not -- Does the Commission
25 just push it aside and not ever vote on it?

1 MR. SIPE: After a Final Environmental Impact
2 Statement goes out and all information is disclosed,
3 unless it would be for some other reason as in rates
4 or as in tariff situation, or as in other reasons
5 other than environmental, and they would request data
6 and such and the company does not provide that for
7 them, sure. I mean, if the Commissioners don't have
8 the information they need to vote on a project,
9 they're not going to vote on it. I mean, the
10 companies will want -- They'll be requesting, you know
11 they want a commission decision regardless of if they
12 have a hundred conditions put on them, they would like
13 a Commission decision, but --

14 A lot of these questions where the Commission
15 votes on it, I'm staff. There's 1200 of us there.
16 We're staff. We report our findings to the
17 Commissioners and their assistants and then they
18 juggle it around up there and ask a bunch of questions
19 and do what they do with it.

20 By law, actually even if I knew the answer to
21 a lot of this stuff, I can't disclose it. But we
22 never do. Okay, guys. I'll stick around for a little
23 bit longer. I appreciate everyone coming out tonight.
24 On behalf of the Federal Energy Regulatory Commission,
25 I'd like to thank you all for coming out tonight. Let

1 the record show that the public scoping meeting for
2 the Palomar Gas Transmission Project officially closed
3 at 10 p.m. on August 5th.

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(Meeting concluded at 10:00 p.m.)

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C E R T I F I C A T E

I, Cheryl L. Vorhees, Certified Shorthand Reporter and Notary Public for Oregon, do hereby certify that at the time and place stated herein, and in the presence of the persons named, I in recorded stenotype the proceedings of the within-captioned matter, and that the foregoing pages constitute a true, correct and complete transcript of the said proceedings.

Witness my hand and seal at Portland, Oregon, this 14th day of August, 2008.

Cheryl L. Vorhees
Certified Shorthand Reporter
Oregon CSR #08-0409