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BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: :

PALOMAR GAS TRANSMISSION PROJECT : Project No.

: CP09-35-000

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South Wasco County High School
699 4th Street
Maupin, Oregon

Monday, June 29, 2009

The above-entitled matter came on for scoping meeting, pursuant to notice, at 7:10 p.m., Douglas Sipe, project manager, presiding.

1 P R O C E E D I N G S

2 (7:00 p.m.)

3 MR. SIPE: Hello everybody. I appreciate the
4 attendance we got tonight and I assume that Palomar
5 appreciates the attendance they got at their open houses.
6 Let me explain the difference. My name is Doug Sipe. I'm
7 the FERC project manager for the Palomar proposed project.

8 The differences between these two are the open
9 house that Palomar held earlier that's a company-sponsored
10 meeting. They did that on purpose because we at FERC were
11 holding our own meetings to discuss these alternatives with
12 the public right before ours. So don't get it confused,
13 that was a company-sponsored meeting. This is FERC's
14 meeting tonight.

15 So on behalf of the Federal Energy Regulatory
16 Commission I'd like to welcome you all here tonight. This
17 is a supplemental scoping meeting for the proposed Palomar
18 Gas Transmission's proposed Palomar Gas Transmission
19 Project. Let the record show that the public scoping
20 meeting began at 7:10 on June 29, 2009.

21 Again, I'll repeat myself. My name is Douglas
22 Sipe. I'm with the Federal Energy Regulatory Commission. I
23 am the project manager and also the Oregon coordinator for
24 all the Oregon projects. I got that duty assigned to me by
25 the chairman, which was nice of him. As you know, there are

1 a number of pipeline projects proposed in this state, not
2 anything near on the east side of the Cascades like this
3 one, but a lot on the west side.

4 With me at the sign-in table is Maggie Suter, who
5 is also with FERC. She's the deputy project manager. With
6 her in the blue shirt back there is Joe Iozzi. He works for
7 Tetra Tech EC, Inc. Tetra Tech is a consulting firm
8 assisting the FERC in writing the Environmental Impact
9 Statement for this project. And also, we have the Bureau of
10 Land Management project manager Polly Brown, and she'll be
11 speaking on behalf of the BLM a little bit later in the
12 show.

13 A little bit about FERC; we are an independent
14 agency that regulates the interstate transmission of
15 electricity, natural gas, and oil. FERC reviews proposals
16 and authorizes construction of interstate natural gas
17 pipeline projects, underground natural storage facilities,
18 and liquefied natural gas. There's a lot of confusion from
19 the media out here. This line that's proposed to go through
20 your area is not liquefied natural gas. It is actual
21 natural gas. The only liquefied natural gas that you will
22 have in a pipeline it will be near the coast where those
23 projects are proposed -- as well as licensing and inspection
24 of hydroelectric projects.

25 The purpose of the Commission is to protect the

1 public and energy customers assuring that regulated energy
2 companies that are acting within the law. We are located in
3 Washington, D.C. just north of the United States Capitol
4 Building. FERC has up to five commissioners. Right now we
5 have four. Just recently, since the new Administration took
6 over, we used to have a Republican chairman.

7 Since President Obama took over the Republican
8 chairman was out and a Democratic chairman moved in. He was
9 with FERC. He just moved up to the chairman's spot. His
10 name is John Wellinghoff. They are appointed by the
11 President of the United States with the advice and consent
12 of the Senate. Commissioners serve a five-year term and
13 have an equal vote on regulatory matter.

14 As I stated, one member of the Commission is
15 designated by the President to serve our chair and FERC's
16 administrative head. We have approximately 1,200 employees
17 at FERC. The FERC is the lead agency responsible for the
18 National Environmental Policy Act, NEPA, review of the
19 Palomar gas transmission project and the lead agency with
20 the preparation of the Environmental Impact Statement. NEPA
21 requires FERC to analyze the environmental impacts, consider
22 alternatives, provide appropriate mitigation measures on
23 proposed project.

24 The Bureau of Land Management, there's a number
25 of them here tonight, and the United States Forest Service,

1 who we have present here tonight, the United States Fish and
2 Wildlife Service, the Army Corps of Engineers have agreed to
3 participate as a cooperating agency. This does get a little
4 bit confusing the number of meetings we've had here. So let
5 me state the first NOI, Notice of Intent, as in this forum,
6 hopefully most of the public here received tonight that's
7 why you're here, announcing what we plan to do with these
8 alternatives.

9 The first one we issued was in October 29, 2007.
10 We issued a Notice of Intent to prepare an EIS for the
11 project and held four scoping meetings similar to this one.
12 The last scoping meeting we held in Maupin was at the
13 Imperial. We figured we'd need a little bit bigger room
14 tonight, so that's why we're here.

15 FERC issued a supplemental NOI July 18, 2008 and
16 held an additional scoping meeting in City of Molalla, and
17 that was due to the same circumstances we have here, is
18 Palomar, the company, through working with the agencies,
19 they've come with some more alternatives to look at and the
20 alternatives were big enough that we felt we needed to go
21 out and get public input in the form of a public meeting, so
22 we did that in Molalla. Since then, we developed more
23 alternatives in this area and that's why we're here tonight.
24 So we've had a number of meetings out here. I'm just trying
25 to explain the difference.

1 In the City of Molalla in 2008, it was concerned
2 an alternative route south of the City's study area for the
3 potential future expansion of urban growth boundary. So the
4 basically, the city said we have an urban growth boundary.
5 We want you to be below it. So that's why we held another
6 meeting.

7 Since then, we issued a supplemental notice on
8 June 10, 2009 about this meeting tonight. With this notice,
9 we are specifically requesting comments on alternatives for
10 crossing the Deschutes River, referred to as the Maupin
11 Bridge Alternative and the Warm Springs Alternative, which
12 it basically comes down to I'll explain a little bit later -
13 - a little bit more in detail with these maps.

14 The focus of the scoping period is primarily on
15 these alternative routes. The maps shows the three
16 variations of the Maupin Bridge Alternative, referred to as
17 Variations 1, 2, and 3, and the two variations of the Warm
18 Springs Alternative, the Warm Springs Reservation
19 Alternative and the Warm Springs Reservation Northern
20 Variation.

21 Now, I will note that the maps I have here
22 tonight are just for you guys to see from the room. They're
23 not as detailed as the ones that Palomar have back in this
24 room. If you guys want detailed maps of the Maupin area,
25 then you need to go in the room here and talk with the

1 Palomar folks.

2 But just we're on the same page, the red here
3 that I'm pointing to, that's Palomar's proposed route right
4 now. They have filed an application with the Federal Energy
5 Regulatory Commission for this route. Along with that
6 application, they filed alternatives they have considered,
7 but through their eyes they have chosen and just in their
8 application to this point, this red line here, which goes a
9 little bit north of the city, that's their proposal. The
10 blue here is the one that goes down through the town and
11 then the black is the one that's over in the Warms Springs.

12 So again, if you want more -- I'm going to go
13 into a little bit more detail here in a second, but I just
14 wanted to point those out to you. I want to note that the
15 scoping comments are not necessarily limited to these route
16 alternatives. FERC will accept comments on any aspect of
17 the project from the whole way west to the whole way east,
18 the whole 200 plus miles of the pipe. FERC will accept
19 comments, but these alternatives are the focus on the
20 scoping meeting because, one, these routes could become
21 Palomar's proposed project. In other words, it works one of
22 two ways. What we're doing here is we're analyzing these
23 alternatives. That's what we're here for tonight. I'm
24 standing up here from FERC as the lead federal agency, not
25 telling you, yes, this is part of the route we're going to

1 choose or this route. I don't know. FERC does not know
2 which route we're going to with out of any of those. That's
3 why we're here to accept public comment.

4 You guys know this area a lot better than we do.
5 We're meeting with the Mayor of Molalla or Maupin tomorrow
6 so he can shed his experience and advice to us and we're
7 trying to figure out the best route. So again, believe me,
8 just because you may have gotten a piece of paper or a
9 right-of-way agent may have come and talked to you that
10 doesn't mean that, yeah, that's going to be the route.

11 Now Palomar could either accept the scoping
12 comments -- they're going to be here. They're going to be
13 listening to them. They're going to hear what we have to
14 say to them. They can amend their application and change
15 their proposed route to one of these or they can stay with
16 the route they've chosen and we, FERC, and the BLM and the
17 cooperating agencies can change their route for them. So
18 that's the two ways it kind of works out.

19 The reason why we're here tonight is because the
20 landowners along these alternatives, and this is a pretty
21 significant alternative, you guys have not been given a
22 chance to participate in the scoping process. In other
23 words, you didn't receive an NOI for this project because
24 you weren't an affected landowner. So again, that's why
25 we're here tonight.

1 Regarding our process, Palomar did file a formal
2 application with FERC in December of 2008. The FERC, along
3 with the cooperating agencies staffs, have begun a review of
4 Palomar's application. We have sent out data requests.
5 That's why we're not yet announcing when we're going to send
6 out an Environmental Impact Statement, due to these changes
7 in the project. During our review, we will assemble
8 information from a variety of sources, including Palomar,
9 you, the public, other state, local, and federal agencies
10 and our own independent analysis and field work.

11 Like I said, tomorrow we'll be on the ground
12 looking at these routes. I have flown this route in a
13 copter several times. We've had a lot of site visits, so
14 we're out. Everyone thinks that just because we're sitting
15 in D.C. we don't get out to see these projects, but we do,
16 along with our consultants. Our consultants do a lot of
17 work for us. And again, we really work well with our
18 cooperating agencies where they live here, they know the
19 land, and we expect them to give us as much information as
20 they can.

21 We will analyze the information and prepare a
22 draft EIS. It will be distributed to the public for
23 comment. If you want a copy of the draft, either in paper
24 or CD form, there are three ways to let us know. You can
25 send a written request to the FERC, you can sign up at the

1 table in the back, or you can return the mailing list
2 retention form. This form on the back of this NOI that's
3 important for us that you guys send that back in to us
4 because that makes us keep you on the mailing lists. These
5 EISs are big and they're expensive to send out, so you
6 either -- right now, if you don't check this little box down
7 here that says "send a paper copy," you'll receive it in a
8 CD. But if you want a paper copy of it -- it's like a phone
9 book -- you can request one.

10 Again, do one of those three things and assure
11 that you stay on the mailing list. If you previously
12 submitted comments or returned a mailing list retention form
13 for the project, you're already on the mailing list and you
14 don't need to do anything further.

15 The purpose of tonight's meeting is to provide
16 each of you with an opportunity to give us your comments.
17 We are here tonight to learn from you. I cannot stress that
18 enough. It will help us most if your comments are specific
19 as possible regarding the potential environmental impacts
20 and reasonable alternatives to the proposed project. These
21 issue generally focus on the potential for environmental
22 effects, including the economic impacts, but may also
23 address construction issues, the mitigation behind the
24 project, the environmental review process, and your comments
25 will be used to determine what issues we need to cover in

1 the EIS.

2 Issuance of the supplemental notice opened a
3 formal comment period. The mailing list for this project is
4 large and undergone constant revision. So if you did not
5 receive the notice today for this meeting, I apologize. We
6 work really hard, as in FERC, with the Applicant to work on
7 the mailing list from the beginning of pre-filing, which was
8 two years ago, to where we are now and the mailing list
9 still goes under constant revision.

10 We did bring extra copies of the NOI, the Notice
11 of Intent, that I keep holding up, that's in the back if you
12 guys want a copy of that. The comment period in the NOI
13 ends July 13. That is a NEPA timeframe. This is a NEPA
14 analysis of this project. That's a NEPA timeframe.

15 What you have to worry about -- we accept
16 comments from the beginning of pre-filing, which was two
17 years ago, up until the Commission decides to vote on the
18 project. You want to get your comments in as soon as
19 possible because what happens -- this is the way the train
20 goes down the track, from this point on we're going to try
21 to get a draft Environmental Impact Statement on the street.
22 So if your comments come in in time for us to incorporate
23 those into the draft, we will do so. If they don't, then
24 we'll incorporate those comments into the final EIS. There
25 are two EISs coming out here, the draft for the public to

1 review and then a final EIS for the public to look at.

2 And then, after the final EIS comes out, the
3 Commission makes a final decision on the project. So you
4 have a lot of time to get comments in, it's just you don't
5 want to miss the boat on what step you get them in. So we
6 ask for them as soon as we can. We strongly encourage
7 electronic filing of all comments. The instructions can be
8 located on our website at www.FERC.gov under the e-Filing
9 link. That information is inside this notice. If you want
10 to submit written comments, please follow the directions in
11 the supplemental notice. Again, if you did not receive the
12 notice, please pick it up. The instructions are in there.

13 It's very important that any comments you send in
14 include the internal docket number for the project. A lot
15 of times we'll get comments in and we kind of have to figure
16 out what project they're for. The docket number is on the
17 supplemental notice and it is CP-09-35. People have been
18 following this project all along notice there used to be a
19 "PF" number. It used to be PF-07-13, I believe, was the
20 "PF" number. That stood for "pre-filing." The "CP" stands
21 for Certificate Proceeding. So that will ensure that I and
22 the members of the staff evaluating this project will get
23 your comments in the right manner.

24 After the draft EIS is issued, you will have 90
25 days to review and comment on it. Normally, it's a 45-day

1 comment period for FERC and NEPA, but since the BLM has to
2 do -- and the Forest Service, they need to do plan
3 amendments, it kicks it to a 90-day review period. Towards
4 the end of the comment period, we will schedule public
5 comment meetings similar to this one. This is more of a
6 scoping meeting. I'm here to get information from you guys
7 on the proposed project. The EIS will come out. The next
8 meeting will be for you guys to come tell me how wonderful
9 the document was written and you all approve of it. But
10 really that's how it is. It's for you guys to read the EIS
11 and tell FERC what you think about it.

12 At the end of the comment period where we use
13 your comments and any new information that we've gathered to
14 finalize the EIS, which I talked about earlier, is the final
15 EIS. The final EIS will be mailed to people who are on the
16 mailing list. If you received the draft, you will receive
17 the final. The EIS -- this is important -- the EIS is not a
18 decisional document. It is being prepared to advise the
19 Commission, the five Commissioners that I talked about
20 upstairs that are politically appointed by the President.
21 What happens is along with the Environmental Impact
22 Statement there are other issues besides -- there are non-
23 environmental issues such as engineering, markets, tariffs,
24 and rates. That gets all put into an order and sent up to
25 the Commissioners to vote on this project. So the EIS that

1 you see out on the streets is non-decisional. The people
2 who make the decision are the Commissioners upstairs.

3 That information, the Environmental Impact
4 Statement, along with the other engineering, markets, and
5 rates information that's what they use to approve or deny a
6 certificate that will be FERC's authorization for this
7 project. There's no review of FERC's decision by the
8 President or the Congress, maintaining FERC's independence
9 as a regulatory agency in providing for fair and unbiased
10 decisions.

11 Now, everyone has to remember that's FERC's
12 decision; but we also have, which Molly will talk about
13 later, is the BLM's decision on the project and the Forest
14 Service's decision on the project, and the Army Corps of
15 Engineer's decision and the state's decision. So there's a
16 lot of decision besides what -- we may be the lead federal
17 agency, but the other agencies also have to make their
18 decisions. The Fish and Wildlife Service and NOAA have to
19 issue a biological opinion on the project; so just because
20 FERC issues a certificate on a project, and you've seen it
21 just recently on a Bradwood Project where it's conditioned.
22 The certificate will have a number of conditions in it that
23 the company must satisfy before they go forward. That's
24 important too.

25 If the Commission votes to approve the project

1 and a certificate of public convenience and necessity is
2 issued, Palomar will be required to meet those conditions
3 outlined in the certificate.

4 Before we start taking comments from you, I'd
5 like to provide a brief overview of the project. Usually,
6 the company does this, but since the application has been
7 filed and protested we can't have the company up here
8 presenting their project. I need to do it. So if I don't
9 do a good enough job, the Palomar guys are here tonight and
10 they'll be able to answer any question you have in that
11 room. They're going to be here after the meeting, too.
12 Right guys? You guys are going to stay?

13 I had a company one time -- I kept saying during
14 the scoping meeting you know these guys are here with the
15 maps. They're here to answer all your questions. All of a
16 sudden this big guy, someone like your size, came to the
17 back of the room and say, "Where's those guys?" They'd
18 left. They left me hanging, which wasn't cool.

19 So the purpose and the need of the project is to
20 provide a second source of natural gas for the Portland
21 area, which is currently dependent on one pipe that runs
22 through the Columbia Gorge. Palomar proposes to be a 217-
23 mile, 260 inch diameter bi-directional pipeline, which means
24 gas can flow in both directions, unlike a lot of the older
25 pipes that are in the ground today, between the existing GTN

1 gas pipeline, which is this green line right here. That's
2 their existing system at Kent and the proposed liquefied
3 natural gas terminal at Bradwood Landing on the Columbia
4 River.

5 This more of an overview map that you guys may
6 have seen in the open house. This is where the Bradwood
7 Landing project is. So right now it's up near Wasco in West
8 Port. Right now, the line runs over to here, which is near
9 Mollala area before it gets over here and crosses the
10 Cascades. This part of their project is dependent on the
11 Bradwood Landing facility being built. If the Bradwood
12 Landing facility, which was approved by the Commission,
13 which now they're trying to meet all the conditions put upon
14 that certificate or actually it's an authorization when it's
15 an LNG facility. This part from Mollala west would not need
16 to be built if the Bradwood Landing facility is never
17 constructed. But the area from Mollala where Westwood
18 Natural is East is not dependent on the LNG terminal.

19 So no compressor station for the proposed route
20 is needed at this point. The pipeline would be capable of
21 transporting North American gas west of the Portland area
22 from the GNT Pipeline or imported gas from liquefied natural
23 gas terminal. In other words, they can move gas from their
24 existing system west or they can take gas from Bradwood and
25 move it east, if that terminal gets built. Or if that

1 terminal doesn't get built, they could still move gas East
2 from the Mollala area. So there are a lot of different
3 things that can happen with this project.

4 A 3.8-mile, 24-inch diameter pipeline would link
5 the main Palomar Pipeline and the Northwest Natural with the
6 city gate in Mollala. That's what this little red line is
7 here that runs up. That would hook them into the local
8 distribution company. Like a lot of people in this town
9 have asked me -- I think the last time -- do you guys have
10 natural gas here? It's dependent on a local distribution
11 company providing you that gas, which could happen in the
12 future. We don't regulate the local distribution companies.
13 We get that question all the time.

14 The pipeline will be buried, except for three
15 above-ground river crossings, the Deschutes River right now
16 it's proposed to have an aerial crossing near Maupin in Fish
17 Creek and the Clackamas River on the Mount Hood National
18 Forest. So there are three aerial crossing, which means the
19 majority of this pipeline is underground, but in those three
20 locations is above ground.

21 The proposed route crosses BLM-managed lands
22 along the Deschutes River about 1 mile downstream from
23 Maupin. The Deschutes is a congressionally-designated Wild
24 and Scenic River. There is a concern that the proposed
25 overhead crossing would adversely affect the outstanding,

1 remarkable values of the river, including scenery. Palomar
2 tried to use an existing utility corridor closer t Maupin,
3 but the topography was not suitable for a pipeline crossing
4 at that point. The proposed crossing point is about 300,000
5 feet downstream from the transmission line.

6 There is an existing utility corridor, which
7 maybe a lot of people are familiar with in this room. The
8 way that these pipelines were constructed there are only so
9 many ways that they can go into the ground or above ground.
10 And this whole stretch of river, you know, the Wild and
11 Scenic part is pretty huge. So Palomar is trying to figure
12 out the best way to get across it, if they can get across
13 it. One is here in the town, one is through the Warm
14 Springs right now, and one is where -- you know, just a
15 little bit north of the town near that existing utility
16 corridor. Everywhere else they're crossing a Wild and
17 Scenic River, which a lot of agencies and a lot of people
18 are not fond of. So along with Palomar, FERC is trying to
19 figure out, okay, how can these guys get across because we
20 can ask them to go in a bunch of other different locations
21 that they haven't even brought to our attention. So if
22 anybody else would have any ideas, like the Mayor has one
23 that we're going to talk about tomorrow, please let us know.

24 Palomar is considering an alternative route along
25 Highway 197 through the Town of Maupin. This route would

1 cross the Deschutes River on a segment designated as Wild
2 and Scenic, but on private land adjacent to the existing
3 Highway Bridge. This area has a lower scenic quality rating
4 due to the existing developments in Maupin. After crossing
5 the river on a new bridge structure, the pipeline would be
6 buried in city streets and would rejoin the proposed route
7 approximately 2 miles west of Maupin. Any of the three
8 variations of the Maupin Bridge Alternatives would be about
9 1.3 miles shorter or would cross fewer streams than the
10 proposed alternative. None of the three route variations
11 through Maupin would require a compressor station.

12 The Confederated Tribes where we're going to be
13 tomorrow night, we're going to be in Madras, that's another
14 alternative we're going to be talking about. They requested
15 Palomar route the pipeline through their reservation. The
16 pipeline would cross the Deschutes above the re-regulation
17 dam. It actually would be, which is the FERC hydro side.
18 They're in our same building at FERC. They do have other
19 offices, but the guys that regulate the hydro are on the
20 same floor as I do. They regulate that dam, so we'd have to
21 work with those guys where we would get it across up there.

22 That portion of the river is not designated Wild
23 and Scenic. This route would begin on the Crooked River
24 National Grassland east of Madras, unlike the proposed route
25 in the Maupin Alternatives, both the Warm Springs

1 Reservation Alternative and the Northern Variation would
2 require a compressor station. The Warm Springs route would
3 be shorter. It's different. At first, we thought it was 9
4 miles. Now that Warm Springs is coming back to us saying
5 they want to route it a little bit differently, so we have a
6 meeting with those guys on Wednesday to figure out exactly
7 how much shorter it would be, then the proposed route that
8 would require crossing several additional fish streams. The
9 Warm Spring Alternative could only be selected if the Tribe
10 and Palomar negotiate an agreement. The FERC cannot mandate
11 a route across the Reservation. In other words, this word
12 is usually not good for the public to hear, the pipeline
13 company, if FERC issues a certificate for the project, has
14 the right of eminent domain. If the FERC considers the
15 project can be built, then the company can use eminent domain
16 to put it on private land. But they can't use eminent
17 domain on a sovereign nation where it would be an Indian
18 Tribe. So for that route to work, that route has to be
19 negotiated between Palomar and the Tribe of Warm Springs.
20 So that's the routes.

21 Again, if you guys have any other questions about
22 the routes, please ask Palomar or me after the meetings.
23 Again, they're up in the air for us right now that's why
24 we're out here doing scoping. We have a lot of meetings
25 after this one to figure out exactly which route would work.

1 But right now, Molly, from the BLM, would like to say a
2 couple of words to you guys.

3 MS. BROWN: So as Doug said, I'm Molly Brown, a
4 field manager from the Prineville BLM. We've got a couple
5 other folks here tonight. John Styduhar is actually the
6 project manager for this. He's out of our Portland office.
7 And then Christina Lilienthal is also here, our new Public
8 Affairs officer, so this is a good opportunity for her to
9 meet all of you folks. And we appreciate the turnout
10 tonight and I was just hoping to kind of clarify some of the
11 predicaments that the Bureau of Land Management has been
12 finding ourselves in, so we're just wanted to share some
13 additional information with you as FERC has done.

14 So the authority that BLM has with this project
15 is we decided to grant to not grant a right-of-way across
16 lands managed by our agency. We're limited to lands that
17 are under our jurisdiction and we can't grant a right-of-way
18 on private or other federal or state lands or Indian
19 Reservation lands. So for us, this project is affecting our
20 Salem District for a short distance. But the majority of
21 what we wanted to talk to you all tonight about is the
22 section here near Maupin.

23 So our responsibility as an agency -- so you
24 already heard tonight from Doug that we're a cooperating
25 agency in developing this Environmental Impact Statement and

1 we're responding to Palomar's right-of-way request. We also
2 have to obey the laws set out by Congress, so we follow the
3 rules and regulations and the land management directions
4 adopted and implemented by the agency, as directed by law.

5 In addition, we have to ensure that the National
6 Environmental Policy Act document analyzes the effects to
7 BLM-managed resources and that there is an adequate range of
8 alternatives considered. We also have to comply with the
9 following direction, mainly, this is out of the Wild and
10 Scenic Rivers Act, so when the Lower Deschutes was
11 designated as a national Wild and Scenic River, Congress
12 provided that this river is to be administered by the
13 Secretary of the Interior through a cooperative management
14 agreement between the Confederated Tribes of the Warm
15 Springs Reservation and the State of Oregon. So there are
16 three of us that manage that.

17 So there's an intergovernmental cooperative
18 management agreement that was signed in 2002 and we can't
19 grant a right-of-way unless it would protect and enhance the
20 Wild and Scenic River values, which includes sceneries and
21 fisheries.

22 I just want to go over this one other time. So
23 when Congress designated this section, including this
24 proposed crossing area, it recognized the scenic,
25 recreation, fisheries, wildlife, cultural, geology, and

1 botany resources, which constitute the rivers outstandingly
2 remarkable values. The Wild and Scenic Rivers Act provides
3 that it is the policy of the United States that certain
4 selected rivers shall be preserved in free-flowing condition
5 and that they and their immediate environment shall be
6 protected for the benefit and enjoyment of present and
7 future generations.

8 The BLM may only allow uses where consistent with
9 the Wild and Scenic Rivers Act mandate to protect and
10 enhance the rivers outstandingly remarkable values. We also
11 manage this river kind of consistent with our resource
12 management plans and so in this case there are two of those.
13 There's our two rivers management plan; and then
14 subsequently there was the Lower Deschutes River management
15 plan of 1993.

16 So when we got this application, we determined
17 that this proposed project, because it wasn't in that
18 utility corridor, as Doug mentioned, would not be in
19 conformance with certain aspects of our two rivers
20 management plan or our Lower Deschutes River management
21 plan. So that would mean that the crossing would require a
22 site-specific plan amendment. Also, as co-managers of the
23 river, the State of Oregon and the Confederated Tribes of
24 Warm Springs play a key role in any plan amendment process,
25 also the communities and counties and the other folks that

1 participated at the table with us in that Lower Deschutes
2 River Wild and Scenic Rivers Plan. So we would also seek
3 concurrence of the other river managing partners before
4 approving any amendment.

5 We're directed by the National Environmental
6 Policy Act to consider a broad range of alternatives when
7 evaluating a project proposal, so we did ask FERC to
8 consider other alternatives that would avoid the Wild and
9 Scenic River Crossing altogether and not require a plan
10 amendment. And the public will have the opportunity to
11 comment on the proposed action and its affect when the draft
12 Environmental Impact Statement is released by FERC as
13 previously said by Doug.

14 So we are here to help. I think Doug is going to
15 take up the presentation again, but I appreciate your time.

16 MR. SIPE: Okay, guys. You've listened to us for
17 about a half an hour, so now it's time to listen to you
18 guys. I will be here to answer any question that you have
19 here tonight. I'm not saying that I can answer all of them,
20 but I'll do my best. If I can't answer your question
21 tonight, there's another public scoping meeting tomorrow
22 night. I'll try to get that answer and try and put it on
23 the record tomorrow night.

24 Again, this meeting is being recorded by a court
25 reporter. The transcript from this meeting will be put in

1 the record so everyone would have a chance to look at it
2 that's why it's very important tonight -- I have a speakers'
3 list here and people signed up to speak. After I get
4 through those speakers then, if you're sitting there and you
5 think of a question, you can ask it. But when you ask the
6 question, please don't just shout it out. I need you to
7 come to the microphone, state your name for the court
8 reporter, and ask the question and then I can answer it.
9 And we can go back and forth like that all night. If you
10 want to go back during the meeting at some point and sign up
11 to speak, you can do that also.

12 So again, this will allow for the process to be
13 orderly and allow everyone to hear your question and also
14 hear the response from FERC or the BLM. So we will not
15 begin the important part of the meeting with your comments.
16 When your name is called, please step up to the microphone
17 and spell your name for the record.

18 The first person I have on the list tonight is
19 Amy Harwood.

20 MS. HARWOOD: Hi. My name is Amy Harwood. I
21 work with BARK and we're the watchdogs for Mount Hood
22 National Forest. Last summer I was pretty concerned about
23 the Palomar Pipeline and decided to walk through a section
24 that goes through the Mount Hood National Forest, so I
25 walked the 47 miles and saw it for myself and can tell you

1 for sure it's not appropriate through Mount Hood.

2 But I came out today so that I could take a look
3 at the Deschutes Crossing and also to see the proposed
4 alternatives through the Town of Maupin and was extremely
5 disappointed to find out that they were not flagged, the
6 maps that have been included in the scoping letter are not
7 good enough to be able to discern where exactly this thing
8 is going. I thought it was going to be attached to the
9 bridge. It's not. There's a new bridge. That kind of
10 information needs to be in the scoping process. This is the
11 opportunity for people to have a say over what gets
12 considered in the Environmental Impact Statement. I
13 understand that's not a decisional document, but that's what
14 we have to see that the government has taken the time to
15 actually decide whether this has environmental impacts, so
16 it's a big deal. The scoping period has to have enough
17 information and mapping so that people can go and actually
18 see this thing. And the flagging, I understand it's hard to
19 keep flags up, but they have to be there, especially when
20 you have an open house meeting somebody should have gone out
21 and made sure that those were there so that the people who
22 are coming to see it before they came to the meeting they
23 were there.

24 I don't want to take up too much time because I
25 want to hear what other people from here have to say. I've

1 been involved in this. I've been on the record enough
2 times, but I do want to just update and say for folks here
3 who are just coming for the first time there have been
4 numerous communities along this whole pipeline that have
5 come out in opposition, passed resolutions in their town
6 council. Clackamas County commissioners passed a resolution
7 against this. Senator Ron Widen even came out with some
8 very strong concerns about the impacts to Mount Hood
9 National Forest and what it means to actually change these
10 rules on the public lands. There's nowhere else for us to
11 go in terms of politicians that can help us in stopping this
12 thing, and so I want to also just encourage residents who
13 are here. I know this is on the record, but I don't care
14 because I get to talk to you, this is really huge and I
15 really encourage you to stay involved in this, and research
16 the risks that this is bringing to your town and to the land
17 around us.

18 It's going to be a long process, but on the other
19 side of Mount Hood there have been people organized around
20 this for years and they're going to be thrilled to hear that
21 there were as many people at this town meeting when I go
22 back there. So thanks again.

23 MR. SIPE: Thanks Amy. The next speaker is
24 Olivia Schmidt.

25 MS. SCHMIDT: I'm Olivia Schmidt, O-L-I-V-I-A,

1 S-C-H-M-I-D-T. I'm here tonight representing Oregon
2 Citizens Against the Pipelines, a community-based
3 organization in Clatsop, Columbia, Washington, Yamhill,
4 Marion, and Clackamas counties all fighting these proposals
5 because of the eminent domain issue and environmental impact
6 to their communities as well as emergency response and
7 public safety issues. I'm also representing Columbia River
8 Keeper and Oregon Sierra Club.

9 I have a few comments I need to make, procedural,
10 and substantive, both. On the procedural side, I believe
11 that these meetings should be held in more locations. I
12 realize that Maupin and Madras and the Warm Springs
13 Reservation area the primarily impacted areas by this
14 alternative, but the communities that are paying attention
15 to this project have important comments to make about these
16 alternatives and if you don't hold meetings in areas that
17 are accessible to them by a less than say three hour drive
18 on a workday, I don't think you're doing a service to the
19 public of the state.

20 I'd like to reiterate Amy Hardwood's claim that
21 the maps included in this scoping notice are not adequate.
22 You can't read the creek names in the Warm Springs
23 Reservation. It's difficult to say where exactly the
24 pipeline is going. What I'd really like to see is maps
25 similar in quality to what we had in the room with Palomar

1 available on the FERC docket. I'm putting in that request
2 to FERC to request those maps to be available online from
3 Palomar.

4 As you mentioned, developing mailing lists, as
5 you know, there's been a lawsuit, a Freedom of Information
6 Act lawsuit brought to FERC about not making mailing lists
7 available, which should be public information and protected
8 under the Freedom of Information Act. I believe that those
9 also should be made available for these alternatives. And
10 regardless of the fact that as you said, Mr. Sipe, that this
11 project is not dependent on an LNG terminal, this pipeline
12 should be considered as a connected action to the Bradwood
13 Landing proposal because the Bradwood Landing LNG terminal
14 on the Columbia River has a binding contract for the entire
15 capacity of the full length of this pipeline, the East end
16 and the West end. It is inaccurate to say that the East end
17 of this pipeline is not dependent on the project that has a
18 binding contract with the company to supply all of the gas
19 for the pipeline.

20 Substance -- I'm gravely concerned about the
21 safety implications for the Town of Maupin or any populated
22 area where these pipelines would go through with a
23 recognized 700-foot fire hazard zone on either side of the
24 pipe, with non-odorized gas running through the pipeline at
25 14000 psi, with shut-off valves on the pipeline only

1 scheduled every 15 miles. I think it represents a huge
2 security, safety, emergency response issue for members of
3 this community whose homes and schools and roads would be
4 within that fire hazard zone.

5 I guess as a supplemental question to that would
6 the pipe be odorized through this area or is the population
7 of this town fall under the standard in the Natural Gas Act
8 that makes it so that rural and non-densely populated areas
9 aren't provided the protection of having an odor added to
10 the pipelines?

11 I'm concerned about the potential conflict with
12 the water supply for the City of Maupin, as other cities and
13 counties in the state -- to name a few, Yamhill, Gaston,
14 Carlton, Forest Grove, the county of Clackamas, the county
15 of Douglas -- Douglas County have all passed resolutions
16 opposing these pipelines because of the potential impacts
17 they would have to roadways that would be necessary for
18 emergency response or water and sewer lines or as you
19 mentioned the urban growth boundary in Mollala. I'm
20 concerned about the impact to those basic services for
21 members of this community.

22 While I'm concerned about this alternative, I
23 want to say that the Oregon Citizens Against the Pipelines,
24 the Oregon Sierra Club and the Columbia River Keeper support
25 a no-action alternative, which has not been raised in this

1 meeting. There's a proposed pipeline and there are three
2 alternative routes. There's also the option of no action,
3 meaning that this pipeline wouldn't be built since it's
4 dependent on the Bradwood Landing terminal, which you didn't
5 mention as actually facing a 9th Circuit Court of Appeals
6 case coming from the State of Washington, the State of
7 Oregon, the National Marine Fisheries Services, and Columbia
8 River Keeper there's a good possibility that terminal won't
9 go through, which would make the entire pipeline not
10 financially feasible for the company and certainly not
11 necessary.

12 The last two things I need to just make a comment
13 about the proceedings tonight. One is I don't think it's --
14 well, three things. I don't think it's appropriate to
15 imply that this community might have access to natural gas
16 because of this pipeline. It's not a distribution line.
17 It's a transmission line. If you're saying that no
18 compressor station would be required, then it absolutely
19 would not be attached to any distribution lines. And in my
20 work with other communities in the state who have even
21 larger populations than Maupin, the response from the
22 Palomar Company you don't have enough people here for us to
23 create a distribution line. So I think that's remiss to
24 imply that that might be a possibility as a result of this
25 project.

1 Secondarily, I just on a basic level, after
2 working with hundreds of impacted landowners, I appreciate
3 wanting to keep it a little light, but I don't think that
4 humor is appropriate when you're addressing a community that
5 could be so gravely impacted and saying something like the
6 comment period after the DEIS is dropped is to tell us how
7 great that document is I think is a really unfortunate
8 statement, considering the harsh comments being made by the
9 state and federal agencies regarding other draft
10 Environmental Impact Statements for projects that you
11 personally have been overseeing and specifically, in the
12 State of Oregon.

13 Thank you for coming here tonight. It's nice to
14 have some venue for people to communicate their concerns
15 about these projects and please do look into ways to plug
16 into communities that are fighting these projects; NoLNG.net
17 is one place to find those resources.

18 (Applause.)

19 MR. SIPE: Thanks Olivia. The next speaker is
20 Alan Shewey.

21 MR. SHEWEY: My name is Alan Shewey and my wife
22 Donna and I, who is sitting in the middle --

23 COURT REPORTER: Spell your last name, sir.

24 MR. SHEWEY: Pardon me?

25 COURT REPORTER: Spell your last name for the

1 record.

2 MR. SHEWEY: S-H-E-W-E-Y.

3 COURT REPORTER: Thank you.

4 MR. SHEWEY: We own a home in Maupin. It's
5 adjacent to the river on Riverside Street, 808 Riverside,
6 and I would like to make some comments about the proposed
7 action and actually request that Palomar amend it's
8 application to change the route from the Grey Eagle Site or
9 to further investigate tunneling that site. The discussion
10 tonight suggested that horizontal directional drilling was
11 not an appropriate technique for crossing the river below
12 grade at that site and I agree that's true, but there are
13 other methods for tunneling that ought to be looked at if
14 that site is to be considered at all. Those are micro
15 tunneling or conventional tunneling or even the old
16 traditional hard-rock mining. So there are other ways to
17 advance this conduit or this pipeline across the river then
18 above grade.

19 I don't find that an above-grade crossing on a
20 Wild and Scenic river north of the city is an appropriate
21 activity for a pipeline of this type. There's already been
22 comments made by the lady here about the fact that this is a
23 pressurized gas line. You just asked for either solid
24 requirements for hardening this pipeline or you ask for a
25 potential for activities that happen in the summer in

1 Maupin, which is kids diving off of it or crawling onto it
2 or bungee jumping or God's knows what else and I asked
3 myself because I see a lot of people go in the river and to
4 know Maupin is to know that this a community that exist, in
5 large measure, because of rafting activities in the
6 summertime.

7 I'm just not sure what the rafting guides are
8 going to say to the people in those boats as they go
9 underneath a 36-inch gas line that's suspended above them.
10 Are they going to say, oh gee, that's just a 36-inch high-
11 pressure gas line feeding Portland? I think that's going to
12 be a difficult issue. The rafting scenarios here are
13 already difficult and I think one of the effects of this
14 pipeline above grade is going to be to draw attention to its
15 location in this community. And it's right in the middle of
16 a rafting area.

17 For the record, the rafting area starts from
18 Harpham Flats and goes to Sandy Beach. It's used by
19 thousands and thousands of people annually, mostly in the
20 summertime. And so I just think that an overhead or
21 aboveground crossing of this river at that location is just
22 not an acceptable alternative.

23 And then I look at the other issues. I also want
24 to state for the record that I think an open cut where you
25 would use traditional excavation methods to cut through the

1 river is not an acceptable scenario as well. So I just
2 don't like the Grey Eagle site, and I know where it is. I
3 went down and took a look at the location. There's some --
4 I think it's DEA. David Evans has done some surveying
5 apparently, and there's a cross-section there. I just don't
6 see that that's an appropriate place for an overhead
7 location.

8 You know there's other sites that have been
9 looked at in the community, and I'll leave it for others who
10 like me are going to be adjacent to a buried pipeline. I
11 know there's a lot of buried gas pipelines around. I also
12 know that buried pipelines for gas are required and will
13 continue to be. So I don't dispute the need for a pipeline.
14 I just look at a community, such as ours, that exist on
15 tourism and the Wild and Scenic beauty of this and I just
16 don't like the Grey Eagle site. I don't like what will
17 happen to the scarp on the way coming down to the river from
18 the West. I don't like what will happen to the scarp on the
19 way going back up. You will always see that and I just
20 don't think it's appropriate.

21 So there are other alternatives within the
22 community. I'm sure that others of you out here have
23 something to say about those routes. Some of those go along
24 side your house. Again, I've gotten used to buried
25 pipelines and buried gas lines, specifically. And I think

1 if done well they are a safe way to transport a valuable
2 commodity for energy. I just don't like above-grade
3 crossings in any form. So I think that ends my comments.
4 Thank you.

5 (Applause.)

6 MR. SIPE: Thank you Allen. Tamara Wimmer,
7 W-I-M-M-E-R?

8 MS. WIMMER: Thank you. I have a few questions.
9 You talk about a 36-inch buried line. How deep do you have
10 to have that?

11 MR. SIPE: DOT requirements are 3 feet, 3 foot of
12 cover over the top of it.

13 MS. WIMMER: Just 3 feet of cover? Okay.

14 MR. SIPE: But a lot of other areas, through
15 agricultural areas, near some residential areas the pipe
16 would be deeper. It's just that that's the average depth
17 that it needs to be covered by.

18 MS. WIMMER: Okay. Now, we do have a lot of rock
19 here. We just put in some water and sewer lines on our main
20 street. I live on Elrod, which is just two blocks away.
21 How deep are those lines 'cause they --

22 MR. ROSS: You're asking me?

23 MR. WIMMER: Yeah. Mayor?

24 MR. ROSS: Four to six feet.

25 MR. SIPE: The Mayor said 4 to 6 feet. What we

1 can't have because it's a court reporter is for you to ask
2 questions to them because they can't answer them. You just
3 need to ask through me.

4 MS. WIMMER: Oh, okay.

5 MR. SIPE: Sorry about that.

6 MS. WIMMER; Okay. I'm sorry. Also, I'm really
7 concerned because a lot of this -- it's hard to tell from
8 your little map at the very end, which is maybe an inch and
9 a half long and an inch high, you know, exactly how this
10 pipeline is running through the city and if there is a
11 700-foot area that she was talking about that is a hazardous
12 area, how does this affect the homes.

13 MR. SIPE: She's talking about -- and you'll see
14 as part of our analysis in the Environmental Impact
15 Statement what she's referring to is a PIR ratio, a
16 potential impact radius. That will be described in the
17 Environmental Impact Statement so you can look at that.

18 MS. WIMMER: Okay. Is this going to affect
19 property values then in resale, et cetera, from houses
20 located within this 700-foot boundary possibly?

21 MR. SIPE: It can affect property values. I've
22 seen affect property values and I've seen it have no affect
23 on property values.

24 MS. WIMMER: Okay. Another thing is if you run
25 this along Elrod, somehow you have to get it up on the hill.

1 When you get it up on the hill, you are going over our
2 aquifer and you get through a highly sensitive area at
3 first, which has a time of travel of less than six months
4 and then you get into the next area, which is still within
5 our city limits, which has a one to three year time of
6 travel. Now, I understand this is not liquefied.

7 MR. SIPE: Correct.

8 MS. WIMMER: But you have construction.

9 MR. SIPE: Correct.

10 MS. WIMMER: And you have this construction going
11 on, on top of our aquifer and I have some concerns about
12 that so I think that definitely needs to be addressed. They
13 need to look at our plan that we have and maybe get a hold
14 of DEQ, Julie Harvey from -- it is Oregon Health and Water
15 Rights? Anyway, I have the names, but do get together with
16 our city and go over that mapping because I am very
17 concerned about our water rights.

18 MR. SIPE: That issue will be covered in the
19 draft.

20 Ms. WIMMER: Okay. Thank you.

21 MR. SIPE: Thank you. I assume this is your
22 husband Ralph, W-I-M-M-E-R. Thank you, Tamara.

23 MR. WIMMER: Ralph Wimmer, a resident of Maupin.
24 I'd like to say that I agree with Mr. Shewey wholeheartedly
25 in his statements, and actually I agree with my wife. I'd

1 better.

2 (Laughter.)

3 MR. SIPE: That will be recorded, too, by the
4 way.

5 MR. WIMMER: If you would, please. I also have
6 concerns about the two routes, which they will go through
7 Maupin. Number one is the sensitive area, the possible
8 explosion area. I don't know if anybody here saw or heard
9 anything on television when Bonneville hot springs had a
10 land movement and the pipeline there blew or separated and
11 then caught fire. It took a long time to get that fire out
12 and it had a great affect on the surrounding area and I
13 believe it was even bigger than 700 feet. And I'm really
14 concerned about that in Maupin if something like this should
15 happen.

16 Another thing is having your nearest valves 15
17 miles apart. How long is it going to take to get somebody
18 to those valves to shut it off? Are we going to wait days
19 with this fire shooting up 4 or 500 feet in the air under
20 1400 pounds of pressures burning everything within 700 feet
21 on either side? This is something to think about.

22 Another thing is going across the top of our
23 aquifers. Our land here is we've got maybe 6 inches of
24 topsoil and we go into kind of colichi and then under that
25 we have the salt. The salt it cracks vertical. Once you

1 disturb that and you put pipelines in there and then cover
2 it back up with dirt, then you have an easier way even for
3 oils, contaminants to drift down through. You're just
4 giving them a place to run and I'm very concerned about
5 that. Like she said, you're going -- either route that you
6 take put you across a highly sensitive area and it takes
7 from three months to one year, and I think that goes clear
8 out onto Highway 216. So you know, we're talking quite a
9 ways out and I haven't seen anything addressed on our water
10 quality reports. I haven't heard anybody mention that they
11 looked into this or checked with DEQ or any -- well, we
12 spent a lot of time and a lot of money getting these reports
13 to the city and I think these things -- this issue needs to
14 be addressed. I believe that's all that I have.

15 MR. SIPE: Thank you. Again, these comments that
16 you guys are giving us tonight are great and these are the
17 issues that will be discussed in the Environmental Impact
18 Statement. The next speaker on the list is Alex Brown.

19 MR. BROWN: Thank you. My name is Alex Brown,
20 B-R-O-W-N. First and foremost, I'm a native Portlander and
21 I love Mount Hood National Forest, the Deschutes River and I
22 love Oregon. Second of all, I'm the director of BARK, the
23 non-profit organization that's dedicated to protecting and
24 restoring Mount Hood National Forest, along with Amy
25 Harwood. And I'm against the building of the Palomar

1 Pipeline.

2 I don't care if it's drilled through the river
3 threatening fish habitat or hung across the river adding an
4 eyesore to the Deschutes. I don't care if it's red or
5 blue. The bottom line is that Oregon doesn't need it.
6 Maupin residents, as we've already established, have very
7 little, if anything, to gain from this proposal, so I'm
8 going to speak from my perspective in Portland, which is
9 we're being told that the Palomar is needed for one of two
10 reasons, either to bring liquefied natural gas in from
11 foreign sources -- Russia, Malaysia, elsewhere or to provide
12 redundancy in the existing system. So that if something
13 happened to the pipeline in the Gorge that we'll have
14 another way to get gas.

15 Well, as a Portlander, I can tell you that, one,
16 I don't want gas from foreign sources. We have enough
17 issues dealing with foreign fossil fuels. And I also in my
18 short 32 years have never experienced a problem with the
19 existing pipeline. I'm sure we could have one, but as a
20 ratepayer, I would much rather have my millions of dollars
21 that's going to Northwest Natural go to the better
22 maintenance and security of the existing pipeline.

23 So for me the real question is why? Why are we
24 being asked to sacrifice fertile land, farmland? Why are we
25 being asked to risk prized fish habitat? Why are we being

1 asked to sacrifice the Pacific Crest Trail? And why are we
2 being asked to risk our drinking water for the Palomar
3 Pipeline? I have yet to hear a satisfactory answer.

4 A lot of time has been spent asking us where the
5 pipeline will cross the river, how we want Palomar to
6 mitigate the damage in our land, et cetera. But no time has
7 been spent asking us do we want the Palomar Pipeline. Well,
8 my answer is no. And at the risk of taking up too much time
9 at the community that is at stake here, I'm going to leave
10 the microphone, but I would like to say once again that the
11 website to find out more information about communities at
12 risk from the pipeline is LNG.net. And if you'd like more
13 information on the potential impacts to Mount Hood National
14 Forest, including Fish Creek, the Clackamas River, the
15 Pacific Crest Trail, you can go to BARK's website, which is
16 BARKOUT.org. That's B-A-R-K hyphen O-U-T dot O-R-G. Thank
17 you.

18 MR. SIPE: Thank you Alex. The next speaker is
19 Jennifer Mitchke? Did I get it right, M-I-T-C-H-K-E?

20 MS. MITCHKE: Thank you. I just have a really
21 brief comment. I'll just talk loud. It's okay. Thank you.
22 Thanks. Thank you.

23 I'd just like to express concerns for having the
24 pipeline go through Maupin. I feel like we are a small
25 community with very limited resources and just don't think

1 it's appropriate for it to go through here. We've had a
2 series of earthquakes increasing in frequency in the past
3 year and with the epicenter 9 miles from the Town of Maupin.
4 And we are so limited in resources that it would be very
5 difficult for us to respond in case of an emergency. You
6 can check the USGS website for conformation of number and
7 frequency of earthquakes in our area. That's just my
8 biggest concern, I guess. And I think it would really be
9 ugly to have it cross the river here in town. I'd prefer it
10 someplace else. Thanks.

11 MR. SIPE: Thank you.

12 (Applause.)

13 MR. SIPE: Tammy Creel, C-R-E-E-L?

14 MS. CREEL: Do I need to spell it again?

15 MR. SIPE: I think I got it.

16 MS. CREEL: Okay. I have a question about the
17 precedent. Is there something -- are there other gas lines
18 that are crossing Wild and Scenic Rivers right now anywhere
19 in the United States?

20 MR. SIPE: There are pipelines that cross that
21 Wild and Scenic Rivers, but the ones that we have found have
22 crossed before they've been designated Wild and Scenic.

23 MS. CREEL: Okay.

24 MR. SIPE: So in other words, there are bridges,
25 you know, pipelines --

1 MS. CREEL: But it was before the Wild and Scenic
2 was enacted.

3 MR. SIPE: That's what we've found so far.

4 MS. CREEL: So would this open the door as a
5 precedent for LNG companies to come in and want to cross
6 other wild and scenic rivers if FERC says yes to this
7 crossing in the Wild and Scenic River or even in the U.S.
8 Forest Service, you know. I guess my concern is that
9 especially --

10 MR. SIPE: That's a good concern.

11 MS. CREEL: -- you know, we don't have a lot of
12 wild and protected rivers or Wild and Scenic Rivers and you
13 know, why should we take away what we already have? I mean
14 if the gas company -- if it's not of any benefit to Oregon
15 and the gas company has other areas to choose from outside
16 of a Wild and Scenic designation, then I think that that
17 should be honored. We passed those laws. It would take an
18 amendment of Congress to change that.

19 MR. SIPE: It would.

20 MS. CREEL: And I just don't see any real benefit
21 to our state, but maybe I don't have the whole picture. So
22 I guess that's my comment.

23 MR. SIPE: It's a good comment. Thank you.

24 (Applause.)

25 MR. SIPE: Frank J. Kay -- J. is the middle

1 initial, Kay, K-A-Y. There's something written after that.
2 Is that the IV or --

3 MR. KAY: The III.

4 MR. SIPE: The III? So Frank Kay, III. Thank
5 you.

6 MR. KAY: All right. Thank you for introducing
7 me. I'm on the city council in the City of Maupin and also
8 a homeowner and an avid fisherman and a representative of
9 Trout Unlimited, both locally and nationally, and I
10 participated in the FERC relicensing process of the Pelton
11 Round Butte.

12 I would like to encourage or say, first of all,
13 I'm skeptical, but willing to listen and learn about the
14 project and the pipeline. And I think it's incumbent upon
15 FERC to do a thorough job of analyzing it and getting the
16 data and exploring all options. They need to establish a
17 need and also looking at the options to determine the best
18 alternative and not spare any expense doing it.

19 I think there need to be fair compensation for
20 landowners or cities or tribes that the pipeline might go
21 through and a significant public education process because
22 there can be a lot of fear and anxiety and other things that
23 go along with this and citizens have a right to expect our
24 government to do a great job with doing this.

25 And then finally, of the three alternatives it's

1 my feeling that the Maupin Alternative is quite -- is
2 probably the most problematic, but I'm still willing to
3 listen to it. But I would strongly suggest that we focus on
4 the BLM and Tribal land rather than through Maupin.

5 MR. SIPE: Thank you.

6 (Applause.)

7 MR. SIPE: No one else signed up to speak. Do we
8 have anybody else that would like to speak? This is the
9 last on the speakers' list. Sir, just when you go up,
10 please state your name for the record.

11 MR. CARLSON: I'm Dennis Carlson. I reside here
12 in Maupin. I think the timing of this whole thing is clear
13 wrong, including with the LNG plant down in the Portland or
14 Columbia area. We're at a stage where we're supposed to be
15 looking at reducing our carbon footprint and one way to do
16 that is to combine industrial activities so that the waste
17 energy of one facility can be used by another. And with
18 liquefied natural gas at the time that it's being changed
19 from liquid to gas, it is a natural refrigeration process
20 just like a gas refrigerator system in a travel trailer.

21 So the LNG plant if it's going to be used at all,
22 should be located in a place where there is enough
23 industrial need for cold temperatures like massive food
24 freezing plants and so it needs to be in some place where
25 there's enough food that needs to be frozen and maybe other

1 industrial facilities that need cold temperatures and leave
2 Oregon out if it, including the pipeline. Thank you.

3 MR. SIPE: Thank you.

4 (Applause.)

5 MR. SIPE: Any other speakers? Mayor, sir, I see
6 you're next.

7 MR. ROSS: Dennis Ross, that's R-O-S-S, the
8 first, with apologies to Frank. I've got a couple of
9 questions, but they'll probably be better asked of Palomar,
10 so I'm going to ask them. But I'm going to ask you one.
11 Although I haven't heard it here, except it was mentioned by
12 Allen that perhaps a viable way to go across the river and
13 violate anything scenic would be underneath and so I'm going
14 to ask them to look at that option.

15 In general, I'm going to ask what is the
16 incidence of pipe rupture and what have been -- what is a
17 good record of what has happened when it ruptures? Does it
18 just go up in the air and kill birds as they catch on fire?
19 Does it have to be something to catch them on fire because
20 this is something we need to know if it's going to create a
21 700-foot fire? That's enough to set the world on fire.

22 COURT REPORTER: Mr. Mayor, could you move away
23 from the microphone, just a bit. You sound muffled.

24 MR. ROSS: Can you hear me now?

25 COURT REPORTER: That's perfect.

1 MR. ROSS: Okay. Excuse me. I'm used to a
2 cheap, local band that has a microphone that you have to
3 have your teeth on.

4 (Laughter.)

5 MR. ROSS: Can shut-off valve be installed -- I'm
6 the bass player. I know about this. What is the -- can the
7 shut-off valves be installed any closer than 5 miles? And I
8 have a feeling that the answer to that is probably going to
9 be yes. You could put one on the outside of the city limits
10 if you had to.

11 The other thing about something that Ralph
12 mentioned how long would it take to turn it off? And I have
13 been told before that they're automatic.

14 MR. SIPE: Computerized.

15 MR. ROSS: Computerized, it's completely
16 monitored. That would be another reason why it would be
17 nice to have one right at the city limits so we could -- in
18 case the computers are acting like the one I've got in my
19 office. You could go up there and manually turn it off.

20 Another thing we might ask ourselves is how much
21 money is coming into Wasco County every year. Now, this is
22 where the rubber hits the road. I've heard the figure \$2
23 million per year comes into the county from the gas line. I
24 don't know if that's even accurate, but I think that
25 question should be asked because if that is true then the

1 county would be drooling to have this come through.

2 And the last one -- and these are in no
3 particular order or relationship -- is what is the
4 relationship of gas, if it were to leak into the river, on
5 fish? I have no idea. I guess if it was on fire we'd have
6 fried fish, but I don't know the answer to that one and I
7 think maybe you have an answer for that one or maybe you
8 don't. That's all.

9 MR. SIPE: Thank you, Mayor. A lot of the
10 questions you asked tonight like for valves, gas leaking
11 into the river, the Department of Transportation I can give
12 you a contact for them tomorrow and they can answer it.
13 That's the ones that regulate the safety and the
14 construction of the pipeline. Sir? Sorry.

15 MR. WALP: My name is Ron Walp, W-A-L-P, for I'm
16 a short timer in Maupin, but progress moves on and
17 technology moves on. And I just have this to say. I've
18 been around for a while. Once you lose it, you never get it
19 back with regard to projects. I'm talking about dams and I
20 think Maupin has to face an issue with light pollution.
21 That's another issue. They've just gone through big
22 construction, progress. They've adjusted to that. I lived
23 on the Clackamas River 3 miles up from High Rocks, the City
24 of Clackamas wanted to take water out of the Clackamas to
25 feed the City of Clackamas and it was on the Oregon City

1 side. They had technology. I'm with Mr. -- help me here.
2 You're a friend of Don Wilson.

3 AUDIENCE MEMBER: Shewey.

4 MR. WALP: Shewey. You know, I'd hate to see it
5 happen to the rafting business and that eyesore and all that
6 kind of stuff, but on the Clackamas River they took water
7 from the Oregon City side and that's where the storage and
8 stuff like that is. They did the Clackamas River dams up
9 there. They lowered the flow so that they could go
10 underneath. And I don't know how water compares with
11 natural gas, but that happened in the -- I left there in
12 '96, so that probably happened in '90 to '94. But you know,
13 my general comments are this is the fact that I moved over
14 here to be away from progress.

15 (Laughter.)

16 (Applause.)

17 MR. WALP: I mean, no, I'm a wild fish guy. Now,
18 I spoke to the -- I spoke to the Oregon Fish Commission two
19 times this summer and some of these people that are on this
20 Fish Commission -- you know, I wish Tom McCall were right
21 here now, okay.

22 (Applause.)

23 MR. WALP: And once you lose it, you never get it
24 back.

25 MR. SIPE: Thank you, sir.

1 (Applause.)

2 MR. SIPE: Anybody else? Any questions that you
3 guys want to ask? You don't have to have necessarily a
4 speech. You can ask questions. Sir, you have to come to
5 the mike. Sorry. That's the trouble with federal
6 government. We've got to have everything on the record.

7 MR. SHEWEY: My name is Allen Shewey and I
8 testified previously. I'd just like to ask what's the
9 deadline for formal -- if you'd go through again, the
10 deadline for formal comments and are they in writing or can
11 they be submitted over the net or how is that accomplished?

12 MR. SIPE: There are a number of ways you can
13 submit comments. One, you can go through -- you can e-
14 Subscribe to this project, good point. If you e-Subscribe,
15 you do it through www.FERC.gov. We have the information in
16 the back. Everything that goes into the record, whether
17 it's filed in from the public, another agency, whether we
18 issue something, whether the company files something, you'll
19 get an e-mail sent to you. You can also go on there and e-
20 File your comments, basically type them in. We have a quick
21 comment form. You can type it in and put it on the record
22 that way. Then we'll take those comments and we'll address
23 them in the draft.

24 The schedule I have in front of me right now is,
25 you know, everyone keeps asking me when is the draft going

1 to come out, and some organizations here asked me about that
2 tonight. It's all dependent on what information we get out
3 of these scoping meeting and this scoping phase of these
4 alternatives. I would like to have a draft Environmental
5 Impact Statement on the street within two months for the
6 public review. For you to get your comments in, you should
7 start looking around that two-month timeframe, at least get
8 them in. The deadline we have right now is July 13. That's
9 the NEPA timeframe. Sometime near then we want you guys to
10 have your comments in. But if you don't get them in at that
11 point, they won't be covered in the draft but they'll be
12 covered in the final.

13 MR. SHEWEY: Oh, okay. Thank you.

14 MS. SIPE: Thank you. Any other questions?
15 Again, I will be here -- miss? Sorry.

16 MS. SHEWEY: Donna Shewey, and it's S-H-E-W-E-Y.
17 I'm a bottom line person and I deal with money. What's the
18 bottom line with money because at some point money is going
19 to have to be talked about and I assume it's going to be
20 talked about at different levels, whether it's the City of
21 Maupin or whether it's the Tribes or BLM or who it is; not
22 saying that we're going to trade our beautiful scenic and
23 wildlife rivers --

24 MR. SIPE: Right.

25 MS. SHEWEY: -- for any dollar because maybe

1 there's not a price -- you know, maybe there isn't a price
2 that we're willing to deal with. But again, we all know
3 that this is a natural gas pipeline and we know it's a major
4 company that the hush-hush side of this is the dollar side.

5

6 MR. SIPE: And that's what you're asking?

7 MS. SHEWEY: Yeah.

8 MR. SIPE: What is the dollar amount?

9 MS. SHEWEY: Yeah. I mean do you guys have a
10 range? You know, if there's a bottom like we can negotiate
11 this level. Somebody else negotiates this. What's the --
12 you know, how far is the natural gas company willing to go?
13 What's the bottom line with the dollars?

14 MR. SIPE: There isn't a bottom line. There
15 isn't a top end. It's all a negotiation -- now that's what
16 FERC does not get involved in. We do not get into direct
17 negotiations between a landowner, a county, a city, a state,
18 whatever it is, the dollar -- but we can give, you know,
19 negotiation advice. I get a lot of calls and people will
20 ask me, okay, how does this work? That's what happens when
21 a pipeline wants to look at an easement, remember it's an
22 easement across your property. They're not taking your
23 land. That's a lot of misunderstanding. It's an easement
24 to put a pipeline on your land. That's negotiated directly
25 between you and the gas company.

1 MS. SHEWEY: But the reality is there is a dollar
2 value for that easement.

3 MR. SIPE: Absolutely.

4 MS. SHEWEY: I'm making that clear.

5 MR. SIPE: And usually the way it works is the
6 company they'll work within the local jurisdiction, whatever
7 it is, get the value of your land and then they'll put some
8 paperwork together and they'll present that dollar amount,
9 whatever they think they should be paying for an easement on
10 your property, they'll put that in front of you and then you
11 negotiate it back and forth.

12 MS. SHEWEY: And again, I think that's a big
13 educational process so that people understand it may be a
14 one-time payment and that's it or is it long-term?

15 MR. SIPE: Yes. It's a one-time easement
16 payment. That's the way the industry works right now.

17 MS. SHEWEY: Right versus somebody thinking they
18 have a gas line they're going to get checks every year.

19 MR. SIPE: Yeah. For example, if you have a
20 production wells, which we don't regulate the producers of
21 natural gas or any energy source, you'll get royalty checks
22 if that production would be on your property. This is a
23 one-time payment from a company coming across with an
24 easement on your property.

25 MR. GANTZ: Tom Gantz, G-A-N-T-Z. Donna and some

1 others have brought up the issue of money, and there will be
2 winners and losers in this aspect for sure. Some people
3 will get money for crossing their property, but you want to
4 be very, very careful. It's going to have a significant
5 impact on property values and being able to sell your land.
6 There should be another person here tonight to talk on that
7 subject, but for sure I have experienced in Clark County in
8 Washington that the gas line and it severely affected
9 property values adjacent to that gas line. So when you're
10 talking about the money back and forth, keep in mind what
11 it's going to do for your property value and resale values.

12 MR. SIPE: Thank you.

13 (Applause.)

14 MS. CREEL: Tammy Creel again.

15 COURT REPORTER: You want to spell that, please?

16 MS. CREEL: C-R-E-E-L.

17 COURT REPORTER: Thank you.

18 MS. CREEL: Has the BLM or the Tribes made any
19 decision that FERC is aware of as far as whether or not
20 they're willing to agree to this pipeline and what kind of
21 deadline or timeline would their decisions be under if FERC
22 actually approved the project to go forward from the federal
23 government, FERC, standpoint?

24 MR. SIPE: The Warm Springs Tribe has come out
25 and asked for the pipeline project to be on the Tribe

1 property.

2 MS. CREEL: Okay.

3 MR. SIPE: We've had several meetings with those
4 guys about that, but again, that comes down to a negotiation
5 between the company and the Tribe. The BLM and all the
6 agencies that we've worked with no one has come out with a
7 decision either way about the project.

8 MS. CREEL: Okay.

9 MR. SIPE: The way that works is once our final
10 Environmental Impact Statement is released the other
11 agencies have 90 days to issue their decision if they don't
12 have a statutory timeframe. So once you see the final EIS
13 come out, like the BLM, the Forest Service they'd have 90
14 days to issue their decision.

15 MS. CREEL: And irregardless of whether or not
16 the pipeline crosses the Deschutes River or the Reservation,
17 it would still need to go through the Mount Hood National
18 Forest?

19 MR. SIPE: The way it is proposed right now,
20 correct.

21 MS. CREEL: There wouldn't be any way to go
22 around that either?

23 MR. SIPE: Well, I mean --

24 MS. CREEL: Not propose right now.

25 MR. SIPE: You can look -- you know this is a

1 huge tract of land.

2 MS. CREEL: Uh-huh.

3 MR. SIPE: I mean you can look at all the
4 different types of variations that you could use. Right
5 now, at FERC, we need to look at the route the company
6 proposed in front of us. Now sure, we could say, well hey,
7 you know, you can start here at Point A and go over to Point
8 B, which would make it a completely, entirely different
9 route.

10 MS. CREEL: Okay.

11 MR. SIPE: But that's not what the company's
12 proposed. Now, we look at alternatives and sometimes we
13 have told the company to go a completely different route.
14 But the problem with this project is, you know, there is a
15 dollar sign here for the companies too. They can't build a
16 500-mile pipeline project to go around everything. They
17 need to go somewhat to a point where, you know, you can make
18 it viable for the company to build it.

19 Now the problem is with this area is where they
20 need to connect to their existing line that whole river is
21 Wild and Scenic. So you need to figure out which place to
22 cross it at. Now, you can go up into Warm Springs were it's
23 not considered Wild and Scenic, but then you're crossing
24 Tribal property that has to be negotiated with them. And
25 then everywhere else, that why this town of Maupin is being

1 looked at because there is existing infrastructure here. So
2 when you do the analysis of the scenic value of the river in
3 this area since you do have existing infrastructure going
4 across the Wild and Scenic, the scenic value is a little bit
5 lower in comparison to other parts of the rivers. The river
6 is beautiful. I mean I've flown it, looked at multiple
7 times. I agree with what you're saying.

8 MS. CREEL: Okay.

9 MR. SIPE: And everyone has to remember that FERC
10 has a tough job here. You know, we work with all the other
11 agencies. It's a balancing act for FERC. We need to
12 protect the public, in general, and all their comments and
13 make sure that they're addressed. We need to balance the
14 environmental impacts of a particular project; and then we
15 also have to make sure that the infrastructure is in the
16 ground to provide the gas to the people who need it. So
17 it's a complete -- that's why there's so much under the
18 Commission to make their decision upon. It's not just
19 environmental. It's a lot of other things that goes into
20 that.

21 MS. CREEL: Okay.

22 MR. SIPE: I don't know who was next. I think he
23 was next, ma'am.

24 MR. MILES: Mike Miles. I live in the City of
25 Maupin, worked for the City of Maupin. Is another aspect of

1 them looking at going through the City of Maupin is it not a
2 fact that within our city limits that the Deschutes River is
3 not a scenic, wild waterway?

4 MR. SIPE: You know, I've heard that from the
5 beginning like, okay, around the City of Maupin there's a
6 certain part of the river that's not designated Wild and
7 Scenic. Then I heard it went back the other way, no, it is
8 still Wild and Scenic, but it's just within the water -- you
9 know, within the width of the water, the stream. So that's
10 what we're still working out with the BLM and other
11 agencies. We're trying to figure out the best place to
12 cross this, if it ever gets crossed. We are looking at
13 horizontal directional drilling, which does come in -- you
14 know, horizontal directional drilling, if you have the river
15 floating this way towards you guys, they'll start back here
16 and they'll drill underneath of it and come up on the other
17 side where you would not affect the river.

18 The problem you have with that is the river is
19 within a pretty big canyon, so it's very hard to set up a
20 drill to make it work and make it feasible. There's been a
21 lot of geo-technical analysis on that, so the last version
22 of a crossing we would want to have happen is an aerial
23 crossing. We prefer for it to be underground, but when it
24 can't be -- and there are a number of aerial crossing
25 throughout the country -- but we'd prefer it to be

1 underground. So there are a number of different variations
2 that we're looking into.

3 MS. SCHMIDT: Just one more -- regarding the
4 issue of the eminent domain and the negotiations since that
5 is the primary concern of Oregon Citizens Against the
6 Pipelines, just about four months ago in Mollala we
7 organized a free workshop on what your rights as landowners
8 are, what the negotiation process is like, how that can
9 impact property value, the fact that you don't have to allow
10 companies onto your property to survey. If you're
11 interested in that information, my email is
12 OliviaRiver@gmail.com and I can connect you to resources
13 that will explain what that process is like and even give
14 you resources to legal advice with that regard and it is a
15 serious issue and I'm glad that it was raised.

16 MR. WALP: I was up before. I'm Ron Walp and I
17 know that money is power, okay. Who's Palomar Gas? Who are
18 these people and you know, what do they represent? Are they
19 U.S. citizens, are they foreigners or -- I mean maybe that's
20 a stupid question, but I'm just curious.

21 MR. SIPE: Palomar Gas Transmission, LLC. I mean
22 the parent company would be TransCanada and Northwest
23 Natural is a partner in this project.

24 MS. WOOSIDE: I'm Sandra Woodside and I live on
25 the area Juniper Flat. It's 12 miles wide. We have

1 something like four power lines and we've got fiber optic
2 and now they want to put a gas line across there. I want to
3 know how much is enough?

4 (Applause.)

5 MR. SIPE: That's a very good question. That's
6 something that we battle at FERC where you have an existing
7 pipeline or an existing power line or a railroad or a
8 highway and that's something that we -- as part of our
9 regulations, we first ask them to look at existing utility
10 corridors or existing corridors. But that is a very good
11 question. You know, I have pipelines I've looked at, say,
12 in Farmington, New Mexico there's 15 or 16 lines in there.
13 But that's what it was designated, that's where a town
14 pushed that. That's were a lot of stuff was just pushed
15 inside a utility corridor. You have places in Florida that
16 had seven or eight lines where some people they would want
17 that, but other people down the line since it's such a long
18 linear facility, they don't. So that's something we always
19 look into is we don't want pipelines spread across the
20 country on Greenfield's right-of-ways. We ask them to look
21 at existing utility corridors.

22 MR. CARLSON: Dennis Carlson. I wonder since
23 FERC is doing the EIS whether or not they have a vested
24 interest in the output, in the outcome of the EIS. And
25 secondly, does the Commission tend to have political

1 leanings, one way or the other, and depending on who's on
2 the Commission with whatever administration is in business
3 at the time, does that tend to affect their decisions?

4 MR. SIPE: It's a good question. I've been at
5 FERC for approximately 11 years and our division, the
6 Division of Gas, Environment, and Engineering I've seen
7 different -- I have seen different chairmen as part of our --
8 -- you know, our boss basically. The way that we do the
9 analysis on pipeline projects through that 11 years -- you
10 know, I can talk to my boss who's been there for 30 years,
11 it hasn't really changed. Schedules may change, projects
12 may be pushed a little bit differently because of political
13 pressure, but the way we look at a pipeline project really
14 doesn't change.

15 Now, you may ask -- we've been asked this
16 question a good bit, how many projects does the Commission
17 actually deny? It's not many because what happens, and I've
18 seen it happen and you can go look at our administrative
19 record right now, is we have approved, for example, like the
20 LNG facility there was a big push for LNG terminals over the
21 last several years. There were a lot of these terminals
22 that were approved by the Commission, but we issue a
23 conditional authorization for those. A number of those
24 terminals could not ever be built because they cannot meet
25 the criteria or they cannot satisfy the conditions put upon

1 them, so they've never been built.

2 There has been an LGN terminal over the recent couple of
3 years denied by the Commission. So in other words, there
4 are a lot of projects that come through our door in any
5 given year. There are a number of projects that fail coming
6 through our process and never gets to the point where the
7 Commission has to vote upon them.

8 Then there's other projects that are approved,
9 but cannot be built because they can't satisfy the
10 conditions, not just our conditions, other agency conditions
11 that's put upon them. So we do want good project. We do
12 want a good project to come into the door and to be built
13 and environmentally it's sound, though mitigation or
14 whatever it may be. But there are other projects that can't
15 be built because they can't satisfy the conditions and
16 they're not built.

17 MR. SHEWEY: Allen Shewey again. I heard you
18 talk about horizontal directional drilling and I'm familiar
19 with that technology, but that's not the only way that a
20 crossing could be advanced across the river.

21 MR. SIPE: Correct.

22 MR. SHEWEY: Horizontal directional boring,
23 micro-tunneling, conventional tunneling, TBM -- all of those
24 technologies and they have grown rapidly. There's a society
25 called The North American Society for Trenchless

1 Technologies and they are consultants that do nothing but
2 tunneling today. So the technology has grown very rapidly
3 and I would ask that FERC and the companies involved here,
4 Palomar and others, take a look at those technologies as a
5 potential way to diffuse many of the issues associated with
6 this river. There are many of us in this community that
7 care a great deal about the Deschutes River and even though
8 people say, well, you know Maupin and its location on the
9 river reduces the wild and scenic value, to many of us it
10 does not. This is a very beautiful river corridor, even
11 through the heart of the river. Now there's a bridge across
12 the river and maybe that's an appropriate location, maybe
13 that's not. That's for others to decide, but I still feel
14 very strongly that an overhead crossing of this river is a
15 very difficult thing to stomach.

16 MR. SIPE: Thank you, sir. And with your
17 comments tonight, they will -- the company is hearing your
18 comments. So they know we're going to ask that for those
19 other reasons and we work with -- you know, FERC may not
20 have the expertise to look into that, but we have geo-
21 technical engineers through our consultants that do, that's
22 why we hire consultants.

23 MR. WALP: Ron Walp again. And there's -- you
24 know, it's kind of like three strikes you're out and I'll
25 quit after this one, but I spend my winter in Patagonia,

1 Arizona. That's in Santa Cruz County. Santa Cruz County is
2 fighting Canadian companies that are coming in there trying
3 to reopen mines in the Forest Service land and people from
4 all over the United States have moved into that pristine
5 county that's at about 4,000 to 6,000 feet. Granted, some
6 of them are people who are with money, but I just go down
7 there in a trailer and go with the scenery and, you know --
8 and then, this doesn't have anything to do with it, but 4
9 miles from there the United States Government is putting in
10 about \$4 million a mile to put in a fence. So there's kind
11 of some mixed emotions down there, but it's the Canadians
12 that the Americans are fighting down there with regards to
13 reopening these open mines, open-pit mines and all that kind
14 of stuff. So sorry to interrupt your program.

15 MR. SIPE: It's just that we get asked this a
16 good bit and everyone has to remember in this room that what
17 FERC looks at is an interstate grid for pipeline projects.
18 We don't look at a state's specific need for gas. We look
19 at it for an interstate grid. Like right now Oregon is
20 being fed through a number of different sources. One is
21 Canadian gas that comes down from Canada through the
22 Northwest Pipeline into Portland. That's one option that
23 the Bradwood Terminal -- the reason we've been asked earlier
24 tonight is they think that's a connected action with this
25 project. The Bradwood Terminal has two options to get rid

1 of their gas. One, they have a pipeline going over to
2 connect to the Northwest Pipeline. Two, they have a
3 secondary source, which is Palomar to offload their gas.
4 But everyone has to remember that a lot of gas that comes to
5 Oregon a lot of it comes from Wyoming through other states
6 into Oregon. Some of it comes from Mexico from the LNG
7 terminal up through California and around. This is an
8 interstate grid. Gas comes from multiple different sources
9 to feed one state. That's what we need to look at. We're
10 not looking at state-specific need. We've been asked to by
11 your local elected officials, by your federal officials, by
12 a lot of people, but that's not what FERC does. We look at
13 the interstate grid.

14 Any other questions?

15 MS. CREEL: In relation -- this is Tammy Creel
16 again. In relation to the LNG Pipeline then did they try to
17 approach other states to try to put in an LNG port that
18 would hook into that TransCanada -- did they try to put in a
19 port in California? I thought I heard that they did and it
20 was turned down. It was defeated. So that's why we're kind
21 of at Oregon right now at least for the LNG part of it.
22 Would FERC consider the Palomar -- a condition of the
23 Palomar approval by saying that LNG would not be allowed to
24 connect into Palomar if, indeed, their main concern is
25 providing just an alternative route in case the Portland

1 route goes down, which is the reason I heard tonight at the
2 meeting was why they wanted to install the line. And then
3 last, is it an open trench through the Mount Hood National
4 Forest.

5 MR. SIPE: Yes.

6 MS. CREEL: So it's an open trench through the
7 Mount Hood National Forest.

8 MR. SIPE: It's underground. It's an open
9 trench, but it's covered. I mean buried under 3 feet of
10 cover or more cover.

11 MS. CREEL: Oh, okay. I thought that --

12 MR. SIPE: The only aerial crossing --

13 MS. CREEL: -- it was open, an open trench, the
14 pipeline would be laying in a trench.

15 MR. SIPE: Oh, no, no, no. Huh-uh. No.

16 MS. CREEL: No. Okay.

17 MR. SIPE: Again, with the Palomar project, the
18 way that they proposed it to us they don't need the Bradwood
19 LNG Terminal. You have to remember these terminals -- a lot
20 of these terminals that are being proposed in this country
21 they're developers that build LNG terminals. A lot of them
22 are not pipeline operators or builders. A lot of them will
23 come in, they want to build an LNG facility, and then they
24 contact a Palomar or a Williams or someone who builds
25 pipelines. We need to get our LNG in here and we need to

1 put it into an interstate grid. That's why the Bradwood
2 Landing Project they contacted basically Palomar in
3 Northwest Company so we need to feed into the grid. Palomar
4 can stop their pipeline project in Mollala and connect with
5 the LDC, which is Northwest Natural, and be done. This
6 project doesn't need to go connect to Bradwood. That's just
7 -- all Bradwood is is a secondary option to get rid of their
8 fuel.

9 MS. CREEL: And if it did that, where would they
10 get their gas from then? They wouldn't get it from the LNG,
11 so they wouldn't get it from exporting?

12 MR. SIPE: Well, they would get it from their
13 existing line that's east of here.

14 MS. CREEL: In the United States -- most of it.
15 Is that --

16 MR. SIPE: Well, their line goes up through --
17 you know, it goes up through Oregon, up through Idaho, up
18 into Canada. It goes down further South. It's a long line.

19 MS. CREEL: But my point is, is the gas coming
20 from in the United States?

21 MR. SIPE: It can be or it could be coming from
22 out of the United States. There's not just one source for
23 these pipelines to receive their gas. Like, for example,
24 right now the Marsalis Shell plate they're finding ways to
25 look down into the geology out there and develop more gas in

1 the United States. Some of these LNG terminals now are
2 coming back to FERC saying we want to export our gas instead
3 of import it because they've found another source.

4 Now, a lot of the states involved with that --
5 that's happening in the lower southwest area, in the
6 northeast area, namely, with this Marsalis Shell plate where
7 these developers are developing this gas and sticking it
8 into the interstate grid.

9 MS. CREEL: Okay.

10 MR. SIPE: You have to remember gas -- this is an
11 interstate grid. It could come from multiple different
12 areas, either it's an LNG terminals get imported from
13 another country, either it's coming from Canada, either it's
14 coming from Mexico -- one of those three or within the
15 United States.

16 MS. CREEL: And you did say that the majority of
17 them are not turned down by FERC; the majority of the
18 proposals that are submitted are not turned down?

19 MR. SIPE: Well, no. I didn't say that they're
20 not turned down. They go through a process. Our process is
21 very long and complicated.

22 MS. CREEL: Sure.

23 MR. SIPE: A lot of projects don't even make it
24 through our process.

25 MS. CREEL: Okay.

1 MR. SIPE: So the Commission doesn't have to vote
2 on them. A lot of projects are voted upon and we put
3 conditions upon them they can't build it because they can't
4 meet the conditions.

5 MS. CREEL: Okay.

6 MR. SIPE: If they build it -- hey, if a project
7 comes through FERC, makes it through our process, they can
8 satisfy the conditions, they can satisfy all the other
9 agencies conditions, built it.

10 MS. CREEL: They can have it. Okay.

11 MR. LEWIS: Hello. My name is Silas Lewis,
12 S-I-L-A-S. From what I've heard here tonight and what I've
13 heard talking to people in Maupin, the community of Maupin I
14 believe does not want this pipeline. The Confederated
15 Tribes, from what I've heard, do want this pipeline. So I
16 strongly believe that that's where the negotiations should
17 be moving this pipeline down Confederated Tribes land.
18 That's all I have to say. Thank you, sir.

19 MR. WIMMER: Thank you. Ralph Wimmer,
20 W-I-M-M-E-R. I understand that this hearing is just a
21 hearing on the proposed alternate routes.

22 MR. SIPE: Correct.

23 MR. WIMMER: Okay.

24 MR. SIPE: Well, not correct. I mean we'll take
25 comments on the entire project, but the main purpose of this

1 meeting is for the alternative analysis.

2 MR. WIMMER: Okay. What are the odds that they
3 will have to take the one of the alternative routes other
4 than the original proposed route?

5 MR. SIPE: That's why we're out here analyzing
6 the alternatives. That's what scoping is about. I mean I
7 can't give you odds on that. I mean it's just -- we're
8 looking at the most or the best environmentally preferable
9 route to use out of all the alternatives. It maybe a new
10 one.

11 MR. WIMMER: I understand that Palomar was forced
12 into this issue. They didn't want an alternative route and
13 they were told they have to come up with at least one
14 alternative route in case the first one was turned down.

15 MR. SIPE: They need to come up with multiple
16 alternatives. That's part of our process. We need -- as
17 part of NEPA, you need to look at alternative routes for a
18 proposal.

19 MR. WIMMER: Okay. Thank you.

20 MR. SIPE: Again, we will be here after I close
21 the formal part of the meeting, if you guys have any other
22 questions. Again Palomar they're still here if you want to
23 look at detailed maps. Are there any other questions?

24 (No response.)

25 MR. SIPE: With that, that's the end of our list.

1 There are no more questions. Without any more speakers, the
2 formal part of this meeting will conclude. On behalf of the
3 Federal Energy Regulatory Commission, and our cooperating
4 agencies, especially the BLM who spoke tonight and the
5 Forest Service who's present, I'd like to thank you all for
6 coming tonight. Let the record show that the Palomar Gas
7 Transmission Pipeline Project public scoping meeting
8 concluded at 8:50 p.m. Thank you.

9 (Whereupon, at 8:50 p.m., the above-entitled
10 scoping meeting was concluded.)

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