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MEETING  
CORPUS CHRISTI LNG TERMINAL AND PIPELINE PROJECT  
DOCKET NO. PF12-3-000  
JUNE 26, 2012  
6:00 P.M.  
CONFERENCE ROOM  
PORTLAND COMMUNITY CENTER  
2000 BILLY G. WEBB  
PORTLAND, TEXAS 78734

1                   MR. PECONOM:    Good evening, everybody.  
2           My name is John Peconom, and I'm an environmental  
3           project manager for the Federal Energy Regulatory  
4           Commissions office of energy projects.  On behalf of  
5           the Federal Energy Regulatory Commission, I would like  
6           to thank all of you for coming tonight.  Let the  
7           record show that this public scoping meeting for the  
8           proposed Corpus Christi LNG Terminal Pipeline Project  
9           began at 6:20 local time on June 26th, 2012 at the  
10          Portland Community Center in Portland, Texas.

11                   With me tonight is Jim Blaze, in the  
12          back, also with the commission's office of energy  
13          projects.  With us are Dennis Woods and Amy Williams  
14          of Perennial Environmental.  Dennis and Amy are  
15          third-party contractors who are assisting the  
16          commission's staff with its environmental review of  
17          the Corpus Christi LNG Terminal and Pipeline Project.  
18          Also joining us are representatives of state and  
19          federal agencies amongst you in the crowd there.  They  
20          will be available afterwards if you have questions.

21                   The purpose of this evening's meeting  
22          is for us, the staff of the Federal Energy Regulatory  
23          Commission, to provide you, the public, with  
24          information about our review of the proposed Corpus  
25          Christi LNG Terminal Pipeline Project and to give you  
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1 an opportunity to ask questions about our review  
2 process to express your concerns about the project.  
3 The Federal Energy Regulatory Commission is an  
4 independent federal agency based in Washington D.C.,  
5 and is responsible for regulating numerous aspects of  
6 the energy industry, including the siting, approval,  
7 and construction of liquefied natural gas import and  
8 export terminal facilities and associated pipelines.

9 The five-member commission is appointed  
10 by the President and confirmed by the United States  
11 senate. As required by the Natural Environmental  
12 Policy Act of 1969 and its regulations implementing  
13 this act, the commission must consider potential  
14 environmental impacts of a proposed project before  
15 rendering a decision about that project.

16 As a member of the commissioned staff,  
17 I'm responsible for conducting the commission's  
18 environmental review of this project. Before I begin  
19 my presentation about the commission's environmental  
20 review process, I have asked Ms. Pat Outtrim, Corpus  
21 Christi Action, LLC to provide you with a brief  
22 summary of the Corpus Christi liquefaction project, or  
23 as I -- or as I refer to it, Corpus Christi LNG  
24 Terminal Pipeline Project.

25 After her presentation, Ms. Outtrim has  
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1       agreed to answer any questions you may have about the  
2       project.  However, to ensure that the meeting  
3       concludes at a reasonable hour and that everyone has  
4       the chance to make comments about the project, I'm  
5       limiting her time to answer questions to 10 minutes.  
6       If there is still questions for Ms. Outtrim after the  
7       10 minutes has concluded, she has agreed to remain  
8       after the meeting to answer any questions that folks  
9       may still have.  Please now give your attention to  
10      Ms. Outtrim.  And please hold your questions until her  
11      presentation has concluded.

12                   MS. OUTTRIM:  Can you-all hear me all  
13      right in the back?  Then I won't use the mic.  I'll  
14      just scream good.  Good evening.  Thank you-all for  
15      coming to the scoping meeting this evening.  I'll give  
16      you a brief overview on the terminal and pipeline  
17      project, and as you-all very well know, since you're  
18      very close to the Eagle Ford here, there has been a  
19      very big change in the United States over the last few  
20      years.  We originally looked at the same site, same  
21      footprint for import terminal, but we thought that the  
22      natural gas being produced in this country was going  
23      to be in decline.

24                   But over the last four or five years,  
25      with the shale gas revolution -- and this map shows  
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1       you the various shale plays in the United States --  
2       there's been a huge increase in the supply of that  
3       natural gas in the country, and there are now reserves  
4       in the country. We are in the Gulf Coast area. The  
5       Eagle Ford is a very large area of natural gas. It's  
6       just about 60 miles to the north of our proposed  
7       facility. Instead, the natural gas reserves have  
8       increased substantially. In fact, they've almost  
9       doubled since about the 2004 time frame.

10               This map shows you that, and there are  
11       a lot of different reserve numbers out there, but in  
12       general, they're all in a very much positive trend.

13               This is a map of the Eagle Ford Shale  
14       just to the north of us. There's really three  
15       different sections in that shale in an area that's dry  
16       gas, an area that's producing wet condensates, and the  
17       area that's producing oil. A lot of the shale gas  
18       plays and the rigs in those plays have shifted to the  
19       more oil-rich plays, because the oil rich plays are --  
20       when they produce, they produce much more revenue, as  
21       well as much more expensive than natural gas is. And  
22       this is happening in Eagle Ford as well. That's the  
23       good news.

24               The kind of bad news is that there's  
25       associated natural gas, even with those oil-rich  
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1 plays. So even though they're producing a lot of oil,  
2 they're also producing additional volume of natural  
3 gas. And as we all know, the price of natural gas is  
4 really low right now.

5 When we found out that shale was  
6 definitely a -- going to be a prolific shale gas  
7 plays, we started thinking about, as a company, a way  
8 to use our import terminal project sites in a way that  
9 might could take advantage of that additional supply  
10 of natural gas. And we decided that exporting some  
11 small supplies of that natural gas would be good for  
12 the country. And this lines out all those reasons.  
13 There's a board in the back and also some of these  
14 flyers that you can pick up.

15 But there's two main things for the  
16 region. One is additional jobs. Our facility will be  
17 able to have permanent jobs for about 150 to 200  
18 people. But the construction time window is six  
19 years, with an average of 1800 people on site, for  
20 that period of time of about 3000. It's very  
21 important for the region that there's going to be that  
22 kind of volume of wages here, about a billion dollars  
23 worth of wages in the area.

24 Second is, for the Eagle Ford Shale  
25 area, as we're producing that natural gas, we're  
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1 providing jobs for those folks, and that's roughly 30  
2 to 50,000 jobs that we are going to supply.

3 So this also improves our balance of  
4 trade in the United States, because producing this  
5 natural gas and exporting it improves our balance of  
6 trade by about seven billion dollars a year. And it  
7 also allows us to provide our allies worldwide with a  
8 secure supply of natural gas. Many of our allies are  
9 having to get their gas from Russia, Nigeria, Algeria.  
10 They don't have great trading partners worldwide.  
11 It's very important to the United States.

12 But this is what we originally  
13 permitted back in the 2003/2004 time frame. This was  
14 the original import terminal. It was for -- we were  
15 going to be able to provide natural gas to the rest of  
16 the country, bringing it in as liquid -- vaporized,  
17 liquefied natural gas. It included a 23-mile  
18 pipeline. You'll see that our export terminal is on  
19 the exact same point as the original import terminal.  
20 All of the environmental impacts of this facility we  
21 looked at back in 2003/2004 time frame. We have  
22 reviewed all of those impacts.

23 We have updated all of that information  
24 and actually got new analyses for our new facility.  
25 We said the location of the facility is on the north  
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1 side of the bay. It's right between the Sherwin  
2 Alumina facility and the port property. This is a --  
3 an aerial view of the site. When we had the original  
4 facility permitted, we did do some groundwork, some  
5 road work there to cap the area.

6 There was a bauxite reserve for the  
7 federal government during World War II. Those bauxite  
8 reserves have been removed, but the bauxite residue  
9 has remained. We actually put dirt over that, which  
10 was an improvement to that site. Some of our dredge  
11 spoil would go to actually cap some of the bauxite  
12 areas.

13 This is the export terminal of Corpus  
14 Christi liquefaction facility that is currently in  
15 front of the Federal Energy Regulatory Commission. It  
16 is on the exact same footprint, as I said. We have  
17 redone all of the environmental analysis, including  
18 the impacts of the offshore facility and the impacts  
19 to the area itself, the air impacts, noise impacts,  
20 etc. All of those are in our recent reports that we  
21 have filed with the Federal Energy Regulatory  
22 Commission on the facility.

23 The facility will be able to liquefy  
24 about (inaudible) a day, and three LNG trains --  
25 they're called trains. And that -- let's see, the  
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1 three areas here are the trains. Once the natural gas  
2 is condensed to forms of liquid, we put it in the LNG  
3 tanks. And then from the tanks it's pumped to the  
4 ships to go oversea. It's never stored under  
5 pressure. It's only stored as liquid, very well  
6 refrigerated.

7 The storage tanks are really a tank  
8 within a tank. It's much like a thermos, an old-time  
9 thermos that you might carry with you, the inner  
10 vessel to it, and then insulation of an outer vessel.  
11 It's exactly the same concept here. There's an inner  
12 lining tank. There's a lot of insulation around that,  
13 and then there's an outer concrete tank. Very robust,  
14 built to withstand hurricanes, tornadoes, and  
15 extremely high tech, never under pressure. It simply  
16 sits there in a big thermos. Same with ships.

17 This is the actual LNG train. You can  
18 see a lot of air coolers on either side, and then six  
19 turbines, compressors. The way the LNG facility  
20 works, just like the way your air conditioner or  
21 refrigerator works, only it's a lot bigger. You take  
22 a refrigerant and you compress it, and you let that  
23 refrigerant -- goes -- it basically sucks the heat out  
24 of the surrounding environment, and the heat is coming  
25 out of the natural gas.

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1                   So we have three loops. We have a  
2 propane loop, refrigerant loop, of course, and that  
3 cools it down from (inaudible) gas down a bit. I'm  
4 not sure exactly (inaudible) -- that reminds me --  
5 okay. And then it goes through the ethylene loop.  
6 And that goes down to minus 150. And then it goes  
7 through the methane loop, and that goes to minus 260  
8 degrees. And that is the -- so you chill it in three  
9 stages. You have two terminals, two compressors per  
10 stage.

11                   This is the route for the pipeline.  
12 This is your -- basically your original route of the  
13 pipeline that we had originally permitted. It goes  
14 mainly through agricultural land, and it goes north  
15 about 23 miles, so just north of Sinton. We have a  
16 couple of compressor stations on that pipeline. Now,  
17 basically, all we've done is add compression to the  
18 pipeline instead of taking natural gas and putting it  
19 in the pipeline grid. We bring you natural gas from  
20 that pipeline grid to our facility liquefied.

21                   Again this is about a \$10 billion  
22 investment in the area. Much of the equipment will  
23 come from the United States. Sourced, GE terminals  
24 are out of Ohio. We have quite a bit of fabrication  
25 that's done in the Texas area. Of course, we have  
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1 jobs that would be available to the folks here in the  
2 area as well. Construction time line is 2014, about  
3 2016.

4 In -- we're right now in our front-end  
5 engineering and design and our prefiling. It's called  
6 a prefiling process with our agencies. What this  
7 allows us to do is have these types of meetings for  
8 people to ask questions about what we are proposing.  
9 That way we can add that information to our resource  
10 report to study those things. We're hoping for  
11 further approval in about a year after we file a  
12 ratification, which will be about September 2013, and  
13 we'll be able to start construction.

14 This is Shamrock Island. As we said,  
15 we were going to have some impacts to the water areas.  
16 This is our irrigation area. We are proposing to put  
17 in the rock maintenance around Shamrock Island. This  
18 is one of the premier rookeries in the country. And  
19 the island is being washed out. You can kind of  
20 see -- see some areas where it's being washed out. So  
21 putting those rock items around Shamrock Island will  
22 be able to protect the island and protect that rookery  
23 that includes the -- the area around the site along  
24 the plant in that area, so that the birds have  
25 (inaudible). So that's one of our major mitigaton  
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1 (inaudible). And those Are some of our (inaudible).  
2 Questions? Yes, sir?

3 MR. PECONOM: Let me interrupt you for  
4 one second. Since we have a court reporter here --  
5 many of you may have noticed -- in order for her to  
6 record everything accurately, I'm going to bring a  
7 microphone up or ask you to stand up and speak loudly  
8 so she can hear, and if you wouldn't mind saying your  
9 name.

10 MR. BIRD: My name is Richard Bird. I  
11 live in Portland, and I was just wondering why they  
12 couldn't have built a dangerous plant like this in a  
13 less-populated area.

14 MEMBER OF AUDIENCE: That's -- like to  
15 repeat that --

16 MS. OUTTRIM: The question was why we  
17 couldn't have built a plant like this in a  
18 less-populated area.

19 The facility, as it relates to other  
20 types of facilities that are in the area, actually is  
21 a very safe facility. Natural gas, unconfined, does  
22 not explode, (inaudible) at a very slow flame speed.  
23 And the facility is a simple phase change from natural  
24 gas. The facility is analyzed through all of the  
25 various hazards, and requirements for regulations in  
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1 those hazards remain on the property. So the hazards  
2 that we have remain in the area and don't pose a  
3 threat to the public.

4 MR. DAVIDSON: Good evening. My name  
5 Peter Davidson. I live at 111 Lost Creek in Portland.  
6 The issue is -- I understand explosive rages. I know  
7 that Mr. English, when he was showing a slide at the  
8 university, asked the guy who had the slides to take  
9 them out, because the plume didn't go beyond your  
10 area. But that's not the issue.

11 The issue is this plant has six jumbo  
12 jet engines that run and compresses natural gas. The  
13 vibrations, the noise -- and these engines run 24  
14 hours a day, seven days a week, 365 days a year. This  
15 is 1.27 miles from the closest residence in North  
16 Shore. I've measured it. I've walked it, and I've  
17 looked at it. I don't believe that's fair on our  
18 community.

19 The second thing is, there are going to  
20 be three tanks. Each tank is a -- 183 feet tall in  
21 the center, and at least 140 feet on top of the dome.  
22 It's 183 -- 83 feet on the sides -- it's 140. There  
23 are three of those. I mean, these windmills, the  
24 electrical windmills that you see have polluted our  
25 vision from Corpus Christi. You look out -- yeah, in  
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1 the beginning, when they put windmills there, that was  
2 fine. But now there are so many. Other issues, the  
3 engine vibrations on the ground, they're going to  
4 chase our birds away.

5 This is the only area of the whole of  
6 North Shore -- this area -- I don't know if any of you  
7 know the historic value of this area. This was  
8 president Taft's brother's area. His house, his ranch  
9 was on this area, and on the site where -- where  
10 Cheniere was going to build their office was the  
11 residence of President Taft's brother, and they've  
12 moved it. They've fenced it off.

13 The other issues are the devaluation.  
14 When you spend a lot of money, you build houses in  
15 North Shore, you know, it's not fair to put a plant  
16 there. And I know the port's going to build a port  
17 right there. And they wanted to bring coal and  
18 add places in. But there's a lot of room.

19 Why didn't they go and buy the base?  
20 Because this is convenient to put in a pipe that's 24  
21 miles from the area where -- the Eagle Ford Shale area  
22 to this plant, and it's a lot less expensive. They  
23 could have built it on Harbor Island. There are  
24 plenty of other places they can build it, not right  
25 next to North Shore.

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1                   I'm not against development at all.  
2           I'm against putting it in our residence. You know,  
3           everybody's saying, Yeah, the explosive power. If it  
4           did blow up, it would be serious. There was a plant  
5           that exploded in -- in Morocco -- Algeria. Sorry, was  
6           Algeria. And it took out about 20 square miles. They  
7           haven't tested these things.

8                   And they say, yeah, yes, yes. But with  
9           the situation in the world, that's one thing. The  
10          other thing is, we just had two girls murdered down on  
11          Wildcat Drive. I know it's got nothing to do -- but  
12          industry is creeping closer and closer to Portland.  
13          And I have property in Ingleside on the water, and  
14          there's no mitigation of the sea grass at my property.  
15          They haven't -- they just said, Well, tough luck.

16                   They've done it on Ingleside of the  
17          Bay, but they have not done it in the area along the  
18          ship channel at Ingleside. And all they care about is  
19          \$10 billion and putting in some -- using effluent  
20          water and different things like that.

21                   And yeah, they can package it up and  
22          put a nice bow on it and put a silver dollar on it,  
23          but that's what it is. And this is our home, our  
24          residence. If you look at the community, what  
25          Portland represents, this is a beautiful area. And I  
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1 moved here many, many years ago. And I enjoy --  
2 you-all moved here many, many years ago. So, you  
3 know, you're encroaching on our home. Thank you.

4 MR. PECONOM: Thank you, sir, for your  
5 comments. I'm glad they were entered into the record.  
6 This portion of the meeting -- and I should make this  
7 clear, so I apologize to you all of you -- is to give  
8 you an opportunity to hear a presentation by the  
9 company proposing this project, and then a quick a  
10 question and answer for any questions you may have  
11 about the project.

12 The purpose as being -- as I said, is  
13 for you-all to give us feedback on the project, which  
14 you just very well did. And I appreciate that very  
15 much. We're going to have a section later in the  
16 meeting dedicated to comments. But right now I wanted  
17 to just give you the opportunity to ask questions of  
18 the -- of the company, and then, later on you can come  
19 and direct your concerns or your comments regarding  
20 safety and home values and visual impacts and other  
21 concerns you may have.

22 So does anybody else have any specific  
23 questions about the project? Question, not a comment?  
24 Okay. Excellent. And I think we can take two more  
25 questions before I want to move on and explain the  
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1 process and talk about this.

2 MR. MORROW: My name is Gary Moore.  
3 I'm a local city councilman. My question is -- and  
4 I've been answered. I'd like to repeat it. My  
5 question was that the stacks -- release valve stacks  
6 generate quite a lot of heat, so much so that the  
7 neighboring plant, Cheniere -- Sherwin Williams  
8 Alumina may have problems, as far as employees being  
9 able to work when these stacks are going off because  
10 of the heat. Where is the gentleman that answered my  
11 question? Yes. Would you mind giving everybody that  
12 answer? It was a good answer, but I certainly  
13 couldn't come to repeat it. Thank you.

14 MR. McMILLAN: I'm James McMillan. I'm  
15 a project director of Cheniere. And the question is  
16 related to the flares that we have that are required  
17 for this facility. The flares are established to  
18 address any emergency situations that may happen in  
19 the plant. We go through a very stringent analysis of  
20 anything that could go wrong in the plant, and we have  
21 release designed to relieve pressure in the plant to  
22 go to these flares.

23 We have evaluated all the possible  
24 cases that can result in a release of overpressure to  
25 these flares, and based upon that analysis, we do a  
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1 calculation to determine what are the radiation  
2 circles resulting from this release. And these  
3 radiation circles are based upon the API 521  
4 criteria -- which, you do a calculation based upon F  
5 factors and various stringent computer analysis, and  
6 the result is that you -- the API has a number of  
7 levels of flare of heat intensity on the ground.

8           So we've computed these such that where  
9 we located the flares, we have a -- a 523 feet radius  
10 from the flare, that we only allow people to go in  
11 there with special permission. There's also a 500 BTU  
12 per hour circle around these flares, which means  
13 anybody outside that circle can work all day without  
14 any impact, other than you need to wear long-sleeve  
15 shirt and long-sleeve pants to avoid sunburn.

16           So we do a very stringent analysis of  
17 all the releasing errors that can go wrong in the  
18 plant, and we do a calculation to see what is the  
19 radiation circles that can hit the ground where people  
20 can be working, and we address all of those with  
21 exclusion zones, and we control the areas of the  
22 people who have to work in that area; will be properly  
23 closed and not be exposed to any danger.

24           So the other question is how often do  
25 these flares go off? When we first start up the  
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1 plant, you're going to see the flare for a couple of  
2 days. We have to get the unit lined out. That means  
3 we have to get the (inaudible) unit going. We've got  
4 to get the dehydration unit going. We have to cool  
5 the plant down. So, unfortunately, it takes several  
6 days of continuous flaring. So you'll see this flare  
7 24 hours a day for several days during the initial  
8 startup.

9 After that the only thing that you can  
10 see is the pilot light on flares. We don't expect any  
11 emergencies when they -- if we lose power to the  
12 plant, the plant goes down, there should be no  
13 release. The only thing is what if our shutdown  
14 system doesn't work the way it's supposed to do.  
15 Well, that's part of the emergency release analysis.  
16 So in the history of these facilities, there's been  
17 very minimal number of these type of releases, but  
18 because they can occur, we control the area where the  
19 flare release is going to be.

20 MR. PECONOM: Thank you, James. Are  
21 there any more questions about the project?

22 MR. ADAMS: John Adams. I'm  
23 representing the Texas Coastal Bend Chapter of the  
24 Surf Rider Foundation. I feel like I'm yelling at  
25 you, but I'm asking you -- it was alluded to in your  
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1 presentation -- you showed two ships there along the  
2 ship channel. Given the port's other expansion plans  
3 along La Quinta ship channel area, and not telling what  
4 else coming in and out of the port, are you-all aware  
5 that there is no navigation system going for the  
6 pilots to operate under? That's sponsored by -- other  
7 ports, as you probably are well aware of, in Sabine  
8 there's a port system run by NOAA that Cheniere was  
9 probably part of.

10 But the Port of Corpus Christi does not  
11 participate in something like that. Right now there's  
12 no navigational safety program at all in the Corpus  
13 Christi ship channel or La Quinta ship channel.  
14 And -- I don't know. You guys probably going to be  
15 expected to come up and maybe pitch, if it's a perfect  
16 world, and the port decides, yes, this is very  
17 necessary for safety of shipping. And I just want you  
18 to be aware of that. And hopefully, you'd be  
19 encouraging the Port of Corpus Christi to invest in a  
20 port navigation system through NOAA or through  
21 somebody else, but get one. Thank you.

22 MR. PECONOM: I think at this time I'd  
23 like to move forward with the meeting. So thank you,  
24 Ms. Outtrim for your presentation.

25 MEMBER OF AUDIENCE: I've got some more  
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1 questions.

2 MR. PECONOM: Yeah. Okay.

3 MEMBER OF AUDIENCE: Are you going to  
4 cut the questions short?

5 MR. PECONOM: No, I'm not going to cut  
6 the questions short. I just want to make sure  
7 everyone had a chance to comment on the project. If  
8 you have a question about the project in terms of the  
9 facilities as they propose to build, Ms. Outtrim and  
10 the others will be available after the meeting. And  
11 if we have time, after we give our people a chance to  
12 speak about the project, I'll open it back up for  
13 additional questions about the project.

14 What I want to do now is take a few  
15 minutes and talk about what we at the Federal Energy  
16 Regulatory Commission do, what our responsibilities  
17 are. As I said previously, I work for the FERC. I'm  
18 project manager. I'm the environmental project  
19 manager responsible for reviewing this project. I  
20 work with a group of individuals of all disciplines --  
21 biology, geology, safety, engineering, wildlife, a  
22 whole slew of individuals. We also work with local  
23 agencies federal, state folks to review this project.

24 When a company proposes a project such  
25 as this, they come to us seeking a certificate and  
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1 permission to build this facility. Our job, as I said  
2 before, required by federal law, is to review the  
3 project, prepare a document that describes the  
4 document and potential impacts of the environment. We  
5 are what Pat referred to earlier as the prefilings  
6 process.

7           The prefilings process is the process  
8 that we have developed to involve, not only  
9 stakeholders, like yourself, but others, agencies, and  
10 ourselves to work with the staff -- excuse me, to work  
11 with the company, before a project is finalized, to  
12 identify issues that could exist, to address those  
13 issues, to identify environmental impacts that could  
14 result from construction, operation of a project, and  
15 develop measures to avoid, minimize, and mitigate  
16 those environmental impacts.

17           In December of 2011, Corpus Christi,  
18 Liquefaction, LLC, approached us to begin with  
19 prefilings review, which we agreed to do. In June of  
20 this year, we issued notice of intent to prepare an  
21 environmental assessment, request environmental  
22 comments, and notice public scoping meeting many of  
23 you should have received. If you did not receive that  
24 notice, we have a mailing list in the back which you  
25 can sign and be part of, so you can receive all future  
26

1 notices from the commission.

2                   What we're doing right now is called  
3 scoping. Scoping is a process where we reach out to  
4 the public, state, and federal agencies and ask them  
5 what their concerns are about the project. We have  
6 received preliminary information about the company  
7 from -- about the project. We are reviewing that  
8 information and making and beginning to form our  
9 environmental review.

10                   What we always do is ask the public for  
11 their thoughts. I am from Washington, D.C. I am not  
12 a Corpus Christi resident. So I rely on you folks to  
13 tell us what your concerns are. And many of you have  
14 already done that in some of the questions you've  
15 asked. This is very helpful for us.

16                   In a few minutes I'll open up the  
17 meeting for public speakers to again share their  
18 concerns with the project or about the project. When  
19 the prefiling process is concluded, and that is after  
20 we've worked with the company to identify the issues,  
21 resolve them, we've talked to folks, like yourself,  
22 we've worked with locally, agencies, Texas Parks and  
23 Wildlife Department, Coast Guard, Corps of Engineers,  
24 Fish and Wildlife Service, National Marine and Fishery  
25 Service, Texas Railroad Commission, Texas Council on  
26

1 Environmental Quality -- sorry, Commission. I  
2 apologize -- United States Environmental Protection  
3 Agency, and others. We take all the -- their concerns  
4 and their expertise, and we begin to prepare our  
5 environmental review.

6 Ultimately, our environmental review  
7 will end up in an environmental document, either  
8 environment assessment or environment impact  
9 statement. The commission, which I spoke about  
10 earlier, will take that environmental document, along  
11 with other tools, and form -- reach a decision about  
12 the project, whether or not to approve it.

13 The prefiling process concludes when  
14 we -- when we've completed -- we've determined that  
15 there's enough information to move forward. It will  
16 then file a formal application with the commission,  
17 which time we will again continue to gather  
18 information to prepare analysis. That analysis will  
19 probably be developed and presented in an  
20 environmental document, anywhere from six months to a  
21 year from now. This is the first time we're here.  
22 Depending on how our review goes and the issues  
23 identified, we may come back again to ask your -- to  
24 get your concerns about the project and the work that  
25 we've done.

26

1                   Does anybody have any questions on the  
2                   environmental review process that FERC conducts? I'd  
3                   be happy to answer them. Is everyone familiar with an  
4                   environmental analysis? You've seen them probably  
5                   before with the corps engineers, the shipping channel,  
6                   some of the other projects that are federal --  
7                   federally linked, generally due to an environmental  
8                   assessment, general impact statement?

9                   MEMBER OF AUDIENCE: I have a question.

10                  MR. PECONOM: Yes.

11                  MEMBER OF AUDIENCE: Is your review  
12                  specifically to make sure the public is safe?

13                  MR. PECONOM: That is part of our  
14                  review.

15                  MEMBER OF AUDIENCE: Repeat the  
16                  question, please.

17                  MR. PECONOM: The review, does it take  
18                  into account public safety? Yes. Our review -- and I  
19                  should -- I would like to say our review takes into  
20                  account a number of factors -- geology, soils, public  
21                  safety, wildlife, water bodies, channels, visual  
22                  impacts, the ways of safety, air quality,  
23                  socioeconomic impacts -- all those things are covered  
24                  under our environmental review. And we will have a  
25                  discussion of them and the potential impacts of them

26

1 and what the company is going to do about them and  
2 what we think needs to be done about them to make sure  
3 that the impacts are minimized to the extent possible.

4 Are there any other questions about  
5 the -- FERC'S environmental review process? Yes,  
6 ma'am.

7 MEMBER OF AUDIENCE: Have you done an  
8 environmental impact study?

9 MR. PECONOM: We have not done an  
10 environmental document yet. We -- the first time they  
11 proposed this project a number of years ago, we  
12 performed an environmental impact statement. At this  
13 point we haven't decided whether it's going to be  
14 environment assessment or environmental impact  
15 statement.

16 MEMBER OF AUDIENCE: How do we get you  
17 to do one?

18 MR. PECONOM: Send us letters. Tell us  
19 your concerns. The environmental analysis is based on  
20 what we see. Are there significant issues? Is there  
21 significant local concern? If these things are yes,  
22 you know, there's a lot of potential issues and people  
23 care about them, then we'll do a more involved  
24 environmental review. If we came here and no one said  
25 anything, everyone seemed to be fine with it, then I

26

1 think that would tell us partly that the environmental  
2 assessment may be appropriate.

3 So we base our environmental document  
4 on the issues raised and the issues that we see out  
5 there. I can tell you right now we're looking at air  
6 quality, looking at water quality, looking at safety,  
7 visual impacts, noise -- all the things that I  
8 mentioned have been identified by our work and some of  
9 the discussions with folks already.

10 Any other questions about the  
11 environmental review process? Yes, ma'am.

12 MEMBER OF AUDIENCE: How did you notify  
13 people in the Portland area that you were having this  
14 meeting tonight -- other than the ones who showed up  
15 to the previous meeting were on the mailing list. Was  
16 there any sort of general notification that went out?

17 MR. PECONOM: No, there's no -- like a  
18 newspaper announcement or something to that effect?

19 MEMBER OF AUDIENCE: Uh-huh.

20 MR. PECONOM: No. What we do is we  
21 develop an environmental mailing list. And this is  
22 developed based on folks' potentially impacted by the  
23 project -- typically, landowners, a building or a  
24 crossroads project, concerned citizens that we know of  
25 that have identified themselves to the company

26

1       previously, local agencies, local nongovernment  
2       organizations. All those folks are put together on  
3       our mailing list that we then send out our notices to.

4               Folks can also register on-line to be  
5       on our mailing list. Our mailing list is evolving,  
6       growing, I won't say daily, but, you know, it grows  
7       weekly. Folks express interest about it. So that's  
8       how we let people know about the project.

9               And we also send out to local media,  
10       newspapers, libraries, TV stations. I send it, and,  
11       you know, what they do with it, I'm not sure. You  
12       know, there's -- we do send it out to the folks to get  
13       as many people as we can involved.

14               Yes, sir, did you have a question?

15               MR. DAVIDSON: Just a statement. I  
16       came to the last meeting. I filled out three or four  
17       forms with my address and my concerns, and I never  
18       received any notification of the meeting tonight,  
19       other than the goodwill of Mr. English, from Cheniere,  
20       giving me a phone call, but I did not receive any.

21               MR. PECONOM: Well, I apologize, and  
22       I'll make sure that we get you on the mailing list for  
23       future references -- or for future notices. As with  
24       most mailings, we did get some returns. So it's  
25       possible that somewhere it was written down

26

1       incorrectly. And we may have missed it. And I  
2       apologize, and we'll get you on there. We do the best  
3       job that we can to make sure that everyone is  
4       involved. I want to hear your comments. The  
5       commission wants to hear your comments. It's an  
6       important part of our review process.

7                        As I said, we're from Washington D.C.  
8       We don't claim to know everything that goes on in  
9       Corpus Christi. So the -- please, tell your friends,  
10      you know, that the scoping period, the comment period  
11      closes July 2nd. So we'd like you to send your  
12      letters in. You can do that on-line. You can do that  
13      via mail.

14                      In the back we have extra copies of the  
15      notice of intent that I talked about earlier, where we  
16      do have information on how to submit comments to the  
17      commission. So even after the period closes July 2nd,  
18      we'll still accept comments. We'll basically accept  
19      comments throughout our environmental review. The  
20      sooner you get them to us, the better we can begin to  
21      consider what those comments are and to include in our  
22      environmental review.

23                      Any other questions about the first  
24      FERC's environmental review? I know I went through  
25      that pretty quickly. Okay. I will be available after  
26

1 the meeting if you have questions or want to talk  
2 about the review process. This is the part of the  
3 meeting -- actually, before I go forward with the  
4 comment period of the meeting, I mentioned to you that  
5 we do this meeting, do this environmental review in  
6 conjunction with other agencies. With us tonight is  
7 John Jacoby of the Department of Transportation  
8 Pipeline Hazardous Materials Administration, correct?  
9 Yes. And he was going to give us a quick presentation  
10 about their involvement in the project. John, if you  
11 wouldn't mind.

12 MR. JACOBY: As he said, my name is  
13 John Jacoby. I work with the U.S. Department of  
14 Transportations Office of Pipeline Safety. We are  
15 part of the Pipeline Hazard Materials Safety  
16 Administration. We don't have anything to do with  
17 approving the project, nor do we have anything to do  
18 with the location of the project. But having said  
19 that, we do have regulations and protocols for  
20 inspection of the project during the course of the  
21 construction of the project, and then we will inspect  
22 it annually during the operation.

23 Our regulation is 49 CFR parts 19 -- or  
24 part 193 applies specifically to LNG plants, and  
25 that's basic. It incorporates, by reference, the 2003  
26

1 version of the NSP -- NFPA59A, and there are very,  
2 very specific regulations and requirements that deal  
3 with the design, construction, and operation of this  
4 particular plant. One thing that hasn't been  
5 mentioned so far is there is a very thorough and  
6 comprehensive emergency response plan. So in the  
7 unlikely event that something does happen,  
8 everything's in place to handle it as efficiently as  
9 possible.

10 I have personally participated, in  
11 review of the construction, inspection -- or the  
12 inspection of every single LNG facility west of  
13 Louisiana on the Gulf Coast the last eight years.  
14 And, to my knowledge, we've not had a single incident  
15 associated with the operation of an LNG facility  
16 resulting in an injury to anybody outside the area of  
17 the plant.

18 There are specific requirements  
19 regarding thermal exclusion zones and vapor exclusion  
20 zones. And as far as I can tell, there have been no  
21 incidents of releases that resulted in any significant  
22 environmental pollution associated with an LNG  
23 facility. And I, too, will be around. Be happy to  
24 provide copies of any of the rules and regulations. I  
25 have plenty of business cards, so ask me for a  
26

1 business card. Send me an e-mail. I'll be happy to  
2 answer any questions you may have, and I'll try and  
3 address any questions you have at this point in time.  
4 Any questions? For what it's worth, I am a registered  
5 professional engineer, and I do have a license to  
6 practice law in the state of Texas.

7 MR. PECONOM: Thank you, John. And  
8 actually point out, I invited John here tonight  
9 because he's a safety expert dealing with these  
10 facilities. And safety is something that we  
11 identified and the company identified very early on as  
12 an issue that the people of Corpus Christi will be  
13 concerned with. We don't always have representatives  
14 like John at our meetings, but because safety was  
15 identified as an issue, we thought it would be good  
16 for him to be here. So please take advantage of him  
17 after this meeting and ask him questions. He has  
18 worked on a number of LNG projects, as he said. So  
19 it's a great resource, and I'm glad that he's here.

20 Okay. Now this is part of the meeting  
21 where you give us your comments. You tell us what  
22 you're concerned about. And this is what we want to  
23 hear. I'm going to set up the microphone, and when  
24 you come up, please say your name, your affiliation,  
25 and let us know what your concerns are. I want to  
26

1 make sure that the court reporter can hear you, so  
2 that's why I ask you to come up and speak to the  
3 microphone. I know it's not always easy for folks to  
4 come up and speak, but it is important, and I  
5 appreciate it. As hard as it is for you, it's twice  
6 as hard for me. So I appreciate it, coming up.

7 I will go through the list of people  
8 that signed up and give them the opportunity to speak  
9 first. And then, afterwards, if anybody else would  
10 like to speak, I'll call for speakers. I think we're  
11 doing okay on time. I was going to ask if folks could  
12 try to keep their comments to about five minutes or  
13 so, just to give everyone the opportunity.

14 If, when we're done, there's still  
15 time, we'll let people come back up and give us  
16 additional comments, if they want to. I understand  
17 people are very concerned about the project. So with  
18 that I will get the list. And I believe, Ms. Ledesma  
19 was first. And I apologize ahead of time if I  
20 mispronounce someone's name. I can't -- it's Peconom.  
21 You can imagine that gets mispronounced all the time.  
22 So --

23 MS. LEDESMA: Thank you. Good evening.  
24 I am Monica Ledesma, district director for  
25 Congressman Farenthold's office, and unfortunately,  
26

1 he's unable to be here this evening. However, he  
2 asked me to say a few words on his behalf. He truly  
3 believes, of course, the best ideas come from you and  
4 the best solutions are community driven. So I'd like  
5 to thank everybody for being here this evening.  
6 Congressman Farenthold supports all the above strategy  
7 to our country's energy challenges. Cheniere's  
8 proposed liquefied natural gas terminal right here in  
9 Gregory-Portland will play a crucial part. Coupled  
10 with the Eagle Ford Shale discovery, this project will  
11 impact our community in a positive and profound way  
12 now and in the years to come.

13 Building Cheniere's terminal will  
14 create hundreds of local jobs, unleash estimated  
15 100-plus years of natural gas, and expand access to  
16 markets, both here and abroad. Simply said, it's a  
17 win-win for South Texas. Thank you so much.

18 MR. PECONOM: Thank you, Monica. I  
19 should point out, I do a lot of these meetings, and  
20 it's not very often that the congressman or their  
21 representative shows up. So I think that's great.  
22 And your elected officials are here.

23 Speaking -- Mr. -- you wanted to  
24 comment?

25 MEMBER OF AUDIENCE: I've already asked  
26

1 my question. They answered it. Thank you.

2 MR. PECONOM: Great. Mr. Ballou -- did  
3 I pronounce it right?

4 MR. BALLOU: You did. I have to  
5 caution you, though, bragging you're from  
6 Washington, D.C. isn't always the way to make yourself  
7 welcome.

8 My name is Tom Ballou, and I work for  
9 the Sherwin Alumina Company, which someone noted  
10 earlier was a fenceline neighbor of the project.  
11 Sherwin Alumina Company, LLC, which does business as  
12 the Sherwin Alumina Company, is a direct fenceline  
13 neighbor, located adjacent to the site of the proposed  
14 CC LNG liquefaction and gasification plant and marine  
15 terminal. The Sherwin Alumina Company operates a  
16 large bauxite refinery originally constructed on the  
17 site by Reynolds Metals Company in 1952, which has  
18 operated essentially continuously since March of 1953.  
19 I say essentially because it's been the odd hurricane  
20 that takes care of everything around here.

21 The plant refines imported natural  
22 bauxite ore into aluminum products ranging from  
23 pharmaceutical-grade aluminum hydrate to metallurgical  
24 or smelter grade calcite aluminum. The plant's  
25 capacity is approximately 1.6 million metric tons of  
26

1 aluminum per year. We employ approximately 650  
2 full-time employees and two to 400 contracted  
3 personnel on the site all the time, so we're a big  
4 community.

5 Sherwin Alumina Company has no  
6 financial or ownership interest in either Cheniere  
7 Energy or CC LNG. The prior CC LNG venture and LNG  
8 receiving terminal and gasification facility was  
9 permitted for construction by FERC, as you noted  
10 earlier, the U.S. Army Corps of Engineers, and the  
11 Texas Commission on Environmental Quality. However,  
12 it was never constructed and now appears to have been  
13 abandoned, as all the permits have expired or have  
14 been cancelled, as late as two weeks ago by FERC.

15 CC LNG now proposes to build a much  
16 different and larger project on the same tract of  
17 land, and I think the graphics that Ms. Pat Outtrim  
18 showed, showed that. Lot more stuff there. Some were  
19 expanded by a purchase of some restricted use property  
20 from Alcoa. Actually, from Reynolds Metals, a  
21 subsidiary of Alcoa. That still kind of grates on me.  
22 The proposed project raises significant questions of  
23 public safety which directly impact Sherwin Alumina  
24 Company and its employees and contractors.

25 Proposed CC LNG facility will be a  
26

1 fenceline neighbor who will occupy essentially all of  
2 the usable property owned by CC LNG. Unfortunately,  
3 CC LNG has prepared to design a plant that's a little  
4 too large for its own property and now proposes to  
5 locate its process flares on the Sherwin Alumina plant  
6 site. I understand we are still studying CCLNG's  
7 request, and we're working closely with them. As late  
8 as yesterday we met with them. But we haven't  
9 consented to the proposal, and unless and until we do,  
10 I don't think they can actually locate the flares over  
11 there or impact our employees, property, or operations  
12 with high levels of radiation from the flares.

13 In addition to the location of the  
14 flares themselves, which occupy part of our property,  
15 the flares imply a thermal radiation impact zone  
16 that's quite large, 500 BTU per square foot hour area,  
17 overlying more than 60 acres of our plant site. If  
18 this land was vacant, easy accommodations might be  
19 possible. However, Sherwin has critical facilities  
20 lying within the proposed thermal zones. Our  
21 employees have to work in those zones on a relatively  
22 constant basis during all hours of the day and night  
23 to operate and maintain those facilities.

24 Modeling supplied by CC LNG and  
25 confirmed by an independent consultant has  
26

1 demonstrated the critical items of the plant  
2 infrastructure, including, among others, pumps,  
3 pipelines, electrical switch gear, permanent mandated  
4 air quality monitors, which its employees -- our  
5 employees must operate and maintain, lie within that  
6 500 BTU per square foot hour zone, and immediately  
7 adjacent to the 1500 BTU per square foot hour zone.  
8 Both persons and equipment could be in the worse  
9 case -- we understand it's a worse-case scenario --  
10 could be exposed to potential harm.

11 Published literature even suggests  
12 that, beyond those distances, many of the plant  
13 structures could absorb significant amounts of  
14 radiated heat, elevating temperature and exposing the  
15 occupants and equipment within and around the  
16 potential danger. The flares are not just emergency  
17 flares subject to only remote possibility of use. The  
18 process flares which have to be used any time you  
19 start it up, shut down, significant adjustments made,  
20 or possibly, who knows, a process, upsets of other  
21 kind, even though we've been told, if there's a power  
22 failure, all the valves will automatically close, and  
23 there's no release.

24 I've learned that if a thing can  
25 possibly happen, it is going to happen sooner or  
26

1 later. Some of the events could be scheduled, such as  
2 startups or shutdowns. Others, like upsets, might  
3 not. They occur as a surprise. The use of flares  
4 isn't just a possibility; it's a certainty.

5 Radiated heat produced could pose a  
6 significant threat, and not only to the people and  
7 infrastructure of the wells. Have a lot of wildlife  
8 that lives on our property.

9 Therefore, expect a request that the  
10 location of potential impacts of the flares be added  
11 to the issues to be explored in the environment  
12 assessment. And we also expect that we will probably  
13 file and request to intervene at the appropriate time.

14 Guess I'm still under five minutes.  
15 Like to make a couple of other remarks, if I could.  
16 The first time I ever had exposure to the -- the FERC  
17 ESEI process was in 2004, and it was not in connection  
18 with the CC LNG project. At the time we were very  
19 interested in that project, so I decided I wanted to  
20 learn about how FERC worked and how all of this worked  
21 with public participation. So I got on a plane, flew  
22 down to Florida, and went to an environmental  
23 assessment meeting down there.

24 Now, that one was actually to get  
25 public comments on a draft EIS that had been written  
26

1 for, guess what, an LNG terminal. That one had a  
2 quirk to it. The terminal was going to be in Bimini  
3 or one of the Bahama islands, going to be a pipeline  
4 that came under the Atlantic and surfaced at Amy  
5 Beach.

6 I learned at that time how to use the  
7 FERC website, and it's really very easy to use. I  
8 would urge you, if you're interested in the project --  
9 I think all of you are -- it's easy. It's [ferc.gov](http://ferc.gov).  
10 It's easy to go. You can get on the mailing list.  
11 You can get on a subscription list, which is a  
12 different thing. You can register to get a copy of EA  
13 or EIS when it's written. You will get all the  
14 notices, so you know when things are happening.  
15 You're on the subscription list, you get a notice of  
16 every piece of paper that's filed. You can download  
17 it. Really easy to use. You should do that.

18 One of the odd things I discovered at  
19 the meeting I went to, the EIS was about that thick.  
20 And if you get one like that, I urge you to use the  
21 full 30 days between the time you get it in the  
22 meeting, because it's going to put you to sleep at  
23 least 29 times. However, buried in it is really  
24 important stuff, some of which may be good news. So  
25 it's worth reading.

26

1                   What distressed me about that meeting  
2                   was that there were probably 60 or 70 people that came  
3                   and spoke. That's good, right? Only problem is 40 of  
4                   them got up and prefaced their remarks by saying, I  
5                   haven't actually read it, but I don't like this thing.  
6                   And that was essentially the -- the gist of their  
7                   remarks. And what FERC really wanted to know was, Did  
8                   you like the book? So read the book and find out  
9                   what's really there. Don't assume that FERC didn't  
10                  address your concerns. You have concerns, though,  
11                  it's good to talk about them. Thank you.

12                  MR. PECONOM: That is actually the  
13                  first time I've ever heard anyone say that the FERC  
14                  website is easy.

15                  MR. BALLOU: It is absolutely simple to  
16                  navigate.

17                  MR. PECONOM: And I'm glad you brought  
18                  that up. And I should have mentioned that earlier,  
19                  www.ferc.gov is a website. And I kid a little bit  
20                  about it being easy to operate. I work on it every  
21                  day, so I think it's easy, but I know many folks would  
22                  not be familiar with it. It could be a challenge.  
23                  There is a handout in the back that describes a little  
24                  bit more about how to use the FERC website.

25                  And Mr. Ballou did touch on a couple  
26

1 things, one be the subscription, which is the service  
2 that you can sign up for and sends you a notice every  
3 time somebody files something. I have to sign up for  
4 it because I'm the project manager, and I got two  
5 e-mails today that said there were two comments about  
6 the project, one from the fish and wildlife service,  
7 and the other one was from --

8 MEMBER OF AUDIENCE: TCEQ.

9 MR. PECONOM: Oh, TCEQ. Yes. Thank  
10 you. So it's a very interesting way and very helpful  
11 way to stay on top of the project, and I know what's  
12 going on. So once again, it's [www.ferc.gov](http://www.ferc.gov). There's  
13 a handout in the back that can help you, and talk to  
14 you a little bit more about it after the meeting.

15 And also, we have extra copies of the  
16 notice of intent to prepare an environmental  
17 assessment and request for comments on environmental  
18 issues and scoping, and I know not everyone got one.  
19 They're in the back, and they have some good  
20 information there about the project and how it will be  
21 processed.

22 One thing I wanted to point out from  
23 that document is that if you're interested in sending  
24 us a comment -- written comments, you can address  
25 those to Ms. Kimberly Bose, the secretary for Federal  
26

1 Energy Regulatory Commission at 888 First Street  
2 Northeast, Washington, D.C. 20426. And if you do mail  
3 comments, the -- important to put on there is  
4 attention to her docket number PF12-3-000. That is  
5 our administrative number for this project. So any  
6 correspondence, any letters, comments you'd like to  
7 send to us can be done through that address and that  
8 number.

9 I'm sure many of you are like me  
10 following any type of process of a presentation; some  
11 of you who are sitting and hear it and some of the  
12 comments are made. Maybe you aren't ready to speak  
13 today, but if it comes to the point next week or two  
14 weeks or a month even, thought about it some and  
15 talked to your neighbors, please, send us your  
16 comments.

17 Next on the speakers is Ms. Bailey.  
18 And I was thinking about -- you asked me about how do  
19 we contact people. I was in your neighborhood today  
20 so I could try to see the surrounding area of the  
21 project. Do you have a homeowner's association or  
22 some central way I can send information to the  
23 neighborhood? I'd be happy to put them on the list.  
24 You may even have a community list that are -- you  
25 know, kind of connection to you somehow so that folks  
26

1 can get the information about the project. I can talk  
2 to you afterwards more about that. So these -- and,  
3 actually, I should point out that she gave me  
4 handwritten-type comments -- that some of you have  
5 comments you want to give me after the meeting, I'd be  
6 happy to take them and put them in our record.

7 MS. BAILEY: Thank you John. And  
8 I'm -- we're Portland, Texas, not Corpus Christi.  
9 It's okay. Sandra Bailey, I'm a resident of Portland,  
10 and I have three things that I want to urge FERC to  
11 take a very close look at, and it deals with ozone,  
12 water, and greenhouse gas. As you know, high levels  
13 of ozone increase respiratory issues for the very  
14 young, old, and those with conditions like asthma.  
15 NOx and VOC emissions are the key components to ozone  
16 formation.

17 Already stated there are going to be  
18 six very large compressors operating on the facility,  
19 and that there will also be fugitive VOC emissions.  
20 That's just natural to the LNG. I hope that you look  
21 very carefully to see what that contribution will be  
22 to the ozone contribution to this area.

23 One thing you may not be aware of is we  
24 are an -- in attainment for ozone, but we're just  
25 barely. We're at 71 parts per billion. The current  
26

1 EPA standard is at 75. I'd like to keep this area in  
2 attainment, not only for the regulatory reasons, but  
3 also for the general health of the community. That  
4 was the ozone.

5 The other thing I want to comment on  
6 was water. This is a arid region. We only get about  
7 30 inches of rain per year. The lake levels currently  
8 that supply our water, at our 50 percent level, and  
9 Corpus Christi is under a voluntary water restriction.  
10 And I was wondering how much water this facility would  
11 be using per day and where their water source was  
12 going to be.

13 And then the last thing I had to  
14 comment on is greenhouse gas. That's becoming --  
15 people are becoming more aware about the greenhouse  
16 gases. And again, there will be fugitive emissions  
17 associated with this facility. You have your NOx; you  
18 have VOCs; you have ships docked out there that will  
19 be continuously running. What will their greenhouse  
20 contribution be, and what are we going to be doing or  
21 should be doing to prevent significant deterioration  
22 within this area.

23 MR. PECONOM: Thank you.

24 MS. BAILEY: Thank you, John.

25 MR. PECONOM: Earlier, Ms. Bailey asked

26

1 me how many liquefaction projects there were out there  
2 currently right now. And I can tell all of you are  
3 very concerned about the project. I brought with me  
4 the environment assessment for Sabine Pass  
5 liquefaction project that I'd be happy to put at the  
6 front desk there later, after the meeting, so you can  
7 thumb through it, see what a FERC document looks like  
8 and see what kind of analysis we do.

9 This is also something that you can  
10 access on line, because I think it would be important  
11 and probably answer some of the questions you have.  
12 And you can actually see what a FERC document looks  
13 like, if you haven't seen it. Some of you may be  
14 familiar with it. So I'll have that available later  
15 and then talk to you a little bit about that and give  
16 you information to find it on-line so you can learn a  
17 little more about the actual projects.

18 Next is Mr. Grumbles.

19 MR. GRUMBLES: My name is Bobby  
20 Grumbles, one of the members of the Aransas Corpus  
21 Christi pilots that's going to be responsible for the  
22 transit from sea to the facility.

23 MEMBER OF AUDIENCE: Turn his mic  
24 around where we can hear it.

25 MR. GRUMBLES: This is Jay Rivera, one  
26

1 of the partners. And we're two of 13 members of the  
2 Aransas Corpus Christi pilot association responsible  
3 for making the transit from the Gulf of Mexico to the  
4 facility engineer through the Corpus Christi Ship  
5 Channel, the La Quinta Channel, and also on the point  
6 Channel. We're commissioned by the governor of Texas  
7 to protect the citizens, and we appreciate your  
8 concern in this project, but -- to protect the bays  
9 and estuaries that we will be transiting.

10 We've been working with Cheniere on --  
11 built a good relationship with common goals on safety,  
12 productivity, and income to the area. We -- in 2006  
13 we had several pilots go up and do a simulation. And  
14 through the feasibility studies, permitting approval  
15 the Coast Guard approved back in 2006, been 10 years.  
16 We were invited back in May of this year. We -- the  
17 new simulation facility at (inaudible) in Baltimore,  
18 Maryland, is, you know, cutting edge. All the  
19 facilities in this area -- or that area, and we made  
20 extensive transit with the outlets, you know, that is  
21 exclusive to this area. We have a prevailing wind.  
22 We sailed it at 20 knots, which is -- and the dodging  
23 currents -- earlier they mentioned something about  
24 port users. The port system not being installed here  
25 in Corpus Christi, but that was one of Cheniere's main  
26

1 questions. And we gave them the strategic locations  
2 that we felt like would enhance the safety of the  
3 transit up the channel at this time, and they're --  
4 they have no qualms about looking into it and the  
5 expense and going to the port users and Port of Corpus  
6 Christi, all of us participating in -- you know, to  
7 help us -- how the sense at the entrance channel  
8 throughout the process of piloting the ships to the  
9 docks.

10 I'm -- I'm scattershooting. I've made  
11 a few notes in here. It wasn't a prepared speech. We  
12 have three different-size tankers. We ran them all,  
13 the first two without modifications to the channel.  
14 We felt, as professionals, that really was safe  
15 transit with proper tug usage. Engineers guaranteed,  
16 you know, that they were going to put the -- build  
17 tugs that would be exclusively for the LNG tankers  
18 on-call here in Corpus Christi. We wouldn't have to  
19 use -- bring it under different tugs.

20 You know, this is the one part of this  
21 whole project that I want to -- you know, we've used  
22 all of our expertise in years of piloting, and we push  
23 it to the limits out there, and we will be going back.  
24 Every member will go and do the simulation.

25 And actually, in my opinion, the  
26

1 simulation is more strained and complicated. It makes  
2 you use all of your skills to transit because you can  
3 put the elements that you normally wouldn't make a  
4 move in. There will be some kind of parameter set  
5 when we come to make it a safe transit. So once the  
6 product is on the ship and departing or the tankers  
7 coming into, we'll make it as safe as possible, not  
8 only for everyone else -- but our career is on the  
9 line as a pilot, you know, with the Coast Guard --  
10 answer to the Coast Guard and -- that --

11 So Cheniere has come to the plate. The  
12 expense that was spent on this, I'm not sure of, but  
13 it was a lot. And we -- they went and found the best  
14 facility available at the time. And I feel  
15 comfortable saying that even the largest type of the  
16 modifications to La Quinta Channel -- which, with the  
17 port already doing the La Quinta extension, it's going  
18 to be very minimal. Everything's in place, far as I  
19 know, anything else I know. Jay, would you like to  
20 add something to that?

21 MR. RIVERA: I would just like to say  
22 that the -- Cheniere has come to us and basically said  
23 we want to make this as safe as possible and  
24 successful as possible with the highest percentage of  
25 success for each transit. What do you need to make it  
26

1 safe? What will it take? Here it is, and it be done.

2 MR. PECONOM: Thank you. Next is  
3 Suter.

4 MR. SUTER: I'm Hal Suter. I'm from  
5 Corpus Christi. I am the chair of the Lone Star  
6 Chapter of the Sierra Club, which is the state  
7 affiliate with the national Sierra Club. I would  
8 imagine this is going to be, I guess, somewhat similar  
9 some other process; you get into socioeconomics much  
10 more thoroughly in EIS than you do in an EA; is that  
11 correct?

12 MR. PECONOM: Generally, an  
13 environmental impact statement is more of a deeper  
14 analysis, yes.

15 MR. SUTER: Okay. So I would have no  
16 doubt that, as a single support, we would probably  
17 form a request for EIS, and I'm sure once the final  
18 process happens, don't be surprised if we're going to  
19 asking for intervenor party status in this as well.  
20 But, I guess, basically, a general thing -- most of  
21 the environmental questions have already been asked  
22 somewhat, sort of environmental economic question. I  
23 believe one of the ladies earlier was talking about  
24 the presence of, you know, greenhouse gas and the  
25 like, but one of the things which the conversion of  
26

1 using natural gas has been more part of the fuel mix  
2 for utilities, replacing, like you said, that four  
3 letter word, c-o-a-l, coal. I'd like to know if you  
4 have any information as this goes forward as to what  
5 the use of export of natural gas we have to do as far  
6 as using natural gas domestically, as far as the fuel  
7 source for utilities.

8 And we have -- that would probably be,  
9 I guess, about the best question. And generally, that  
10 was, have the -- its effect on utility rates in  
11 general, because the presence of natural gas in its  
12 abundance and relatively expensive gives the prospect  
13 of certain amount of utility rate relief of people.  
14 If we are exporting a great deal of it, what effect  
15 does the export have on its abundance and the  
16 potential to lower utility rates for folks. Those are  
17 my things right now. Thank you.

18 MR. PECONOM: Thank you. Next is  
19 Mr. Pat Suter. I'm sorry, Mrs. Pat Suter. I  
20 apologize.

21 MS. SUTER: My name is Pat Suter, and  
22 I'm speaking on behalf of the birds. Nobody speaks to  
23 the birds except strange people like me. But we're  
24 concerned about the height of the towers. We're  
25 concerned about how close they might be to one  
26

1 another. We're concerned about what effect all this  
2 activity on the North Shore is going to have for the  
3 major migration group of birds that go back and forth  
4 in the spring and the fall. And when you do your  
5 environmental assessment -- which I assume will be  
6 done -- we want you to include any effects that you  
7 think they might have on bird migration. Thank you.

8 MR. PECONOM: Thank you, ma'am. That  
9 was the last speaker that signed up on the list. Was  
10 there anybody else that would like to speak at this  
11 time?

12 MS. LATENIN: I would.

13 MR. PECONOM: You want to hold it or do  
14 you want me to --

15 MS. LATENIN: I'll hold it. My name is  
16 Uleta Latenin. I live at 102 Markham Place here in  
17 Portland. My husband and I just bought our house in  
18 December. We sold a house in Floresville, so we came  
19 out of the frying pan and into the fire. I don't -- I  
20 had no idea this was going on down here. Our house on  
21 Markham Place, we can see the islands right off of us,  
22 right next to Dunes Park. We have a view of  
23 everything that goes up and down that channel.

24 I want to know how many more ships  
25 you're going to have coming in there to that channel,

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1       because these LNG ships are not small. I know. I  
2       used to be a merchant seaman, and my husband is a  
3       merchant seaman, and he works on ships. I know what  
4       kind of environment impact they can have, because  
5       that's our bread and butter. And I want to know how  
6       many and what -- how much natural gas -- liquefied  
7       natural gas are you going to have on those ships. And  
8       I didn't hear any kind of information like -- from  
9       your presentation. That's what I wanted to ask you  
10      when I raised my hand, but I didn't get called on.  
11      That's another issue.

12                     The other thing I wanted to ask about  
13      was -- and my notes are terrible, so you'll have to  
14      forgive me for just a second. I want to know about  
15      notification, if there is some kind of a -- of a  
16      emergency at the plant, and we who live pretty close  
17      to it, you know, like spitting distance, are you going  
18      to be able to tell us that something's wrong? Or are  
19      we going to have to wait to watch the cloud come over  
20      us? I want to know what you-all are going to do to  
21      notify the public and notify the people that live  
22      within the zone, which I would consider to be about  
23      five miles, at least. But, I mean, I don't know what  
24      you-all use as your zones. But I really think that  
25      should be considered. And I thank you for your time.

26

1                   MR. PECONOM: Thank you. And you  
2 reminded me that the speaker, for now, is going to  
3 come back to questions. I actually can answer a  
4 question about how many ships, because they have  
5 provided us with preliminary information. My  
6 understanding, 300 ships will be coming to the  
7 terminal every year; that correct?

8                   MS. OUTTRIM: Between two and 300  
9 ships.

10                  MR. PECONOM: Between two and 300  
11 ships. Sizes vary. There are different -- as I'm  
12 sure you-all know, they're different-size ships. And  
13 safety and emergency notification is something that's  
14 definitely going to be part of the process. It's a  
15 requirement. It has to be done. And first responders  
16 here in Portland and local community will be involved  
17 and will be assisting to notify people, should there  
18 be an incident.

19                  Before I get to questions again, are  
20 there any other people that would like to speak or  
21 share their concerns? Yes, sir.

22                  MR. DAVIDSON: I'd just rather face  
23 everybody. You know, Ms. Suter said something about  
24 the birds. This side of Corpus Christi Bay is where  
25 we have scrub brush, 12-, 13-foot high, and all the  
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1 birds live here. The rest live in Rockport, and this  
2 is slowly getting eroded. Originally, when the Port  
3 of Corpus Christi was built, there was a country club  
4 over there. The original country club in Corpus  
5 Christi was right along where Citgo and Valero was.  
6 And that was the prime area of Corpus Christi. And  
7 look what's happened. I-37, it's refinery row. And  
8 that's what's happening here.

9 The port is building their port on this  
10 side of the Cheniere plant, and their container ship  
11 project fell through. They considered putting coal  
12 and exporting coal there as well. So you've got coal  
13 dust.

14 When Sherwin Alumina, the Northers blow  
15 in, all that red dust comes over my house. Goes all  
16 the way to Corpus Christi. I was the local sailmate,  
17 working on sailboats. And all the white sails and all  
18 the white sail covers used to get covered in red dust.

19 A couple of other things with the  
20 wind-generating windmills, they're not in a proper  
21 pattern over here. And I do know the Navy is very  
22 concerned, and I was talking to the director of the  
23 Corpus Christi airport. There is no radar detection  
24 in an emergency. McKendall (ph) airport is three  
25 minutes flying distance away. I flew from there, and  
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1       there was a Citation jet over there. I mean, somebody  
2       could load that with explosives. Could crash into one  
3       of these ships. I mean, it could happen. That hasn't  
4       been checked out. You know, these are the things.

5                       Cameron County, where Cheniere's other  
6       plant is -- Cameron County is 1935 square miles, the  
7       largest county in Louisiana. It only has 6000  
8       residents. Portland, Corpus Christi, Gregory,  
9       Ingleside, we have many, many thousands of people in  
10      the area. The closest school in Cameron County is 12  
11      miles away. Our school is three miles away,  
12      two-and-a-half miles away. These are things that we  
13      need to consider that haven't been addressed. Thank  
14      you.

15                      MR. PECONOM: Yes, sir.

16                      MR. SAMBRANO: Now I feel obligated I  
17      have to say something. My name is Augustino Sambrano,  
18      and I'm newly elected mayor pro tem, a council member  
19      for the city of Gregory. And I used to say mayor  
20      because I used to be the mayor for '76 or '86. And I  
21      feel obligated to say something, because Gregory was  
22      established in 1886. And we are the recipients of  
23      everything you think of. Reynolds built in 1952.  
24      Gregory has been the recipient of bauxite the past 60  
25      years. My house -- purpose of my house pinkish is

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1       because of the bauxite. And we learned to live with  
2       it. DuPont built in the early '70s. Oxy built in the  
3       '87s. Now we have a Tianjin pipeline company building  
4       there, close to Gregory. And now Chenieres. So we  
5       have lived and experienced a lot of industrial growth,  
6       and there's good, and there's bad.

7                       I have worked with DuPont for 14 years.  
8       Worked with Oxy for 23 years. I know how DuPont  
9       operates. I know how Oxy operates. I know how  
10      community friendly they are, because I was -- I was  
11      there. And I have lived in Gregory all this time. I  
12      didn't move. I have dealt with hazardous chemicals.  
13      I have dealt with environmental impact studies. And,  
14      as a matter of fact, if Chenieres does establish and  
15      Chenieres asks from the city of Gregory in reference  
16      to -- like the Tianjin company asked me for water and  
17      sewers -- yes, there will be an environmental impact  
18      study, because that's part of the procedure. But  
19      that's to be determined later on.

20                      But what I'm trying to say is that,  
21      because of my experiences with the industry, there's  
22      good, and there's bad. And I'm fully aware of the  
23      concerns of the people of Portland with the  
24      environmentals, with the birds, and everything else --  
25      which, I'm concerned also. But I'm also concerned  
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1 about jobs, about progress. And we have -- in Gregory  
2 we're the recipients of -- you name it, we've got  
3 it -- industrial traffic, bauxite. But I also am  
4 aware that these companies take safety very seriously.

5 Now, I am aware of DuPont and Oxy  
6 taking safety very seriously, but am I aware of the  
7 Tianjin company? Not yet, but I will find out. Am I  
8 aware about Cheniere's safety philosophy? Not yet,  
9 but I will find out. I've spoken to the people that I  
10 have. They're very community conscious. So I trust  
11 that, whatever happens, there's nothing we can --  
12 well, there's things we can do, but progress will take  
13 place. And the city of Gregory is directly downwind  
14 of every company. So if anybody has anything to  
15 complain, it's us, okay?

16 And if we have to swallow some of that,  
17 we will, providing that we get jobs, providing that  
18 we -- we talk about chemicals. The railroad runs  
19 through Gregory. Hazardous chemical runs through  
20 those tank cars -- HF, chlorine, sulfuric acid. You  
21 name it, goes through there.

22 As far the noise is concerned, my job  
23 with Oxy, I've worked with turbines, and yes, they are  
24 noisy, but there are such things called sound  
25 enclosures that can be installed. And you can drive  
26

1 50 feet away from it and not hear it. Well, that's  
2 150, safe side.

3 But nonetheless, I understand  
4 everybody's concerns. I am concerned also. But we  
5 have to address every issue, and environmental impact  
6 is one that is -- I am very concerned. And I'm going  
7 to leave it up to the people from Washington D.C. I'm  
8 pretty sure they're not going to do anything  
9 intentionally to hurt us, but if they do, then we have  
10 to do something about it.

11 Hopefully, that will not be the case.  
12 Hopefully, we're not going to wait until something  
13 happens before we take action. We're going to take  
14 action before something happens. And that is all  
15 being prepared, having planning, having emergency  
16 response teams, having an action plan for the  
17 worse-case scenario.

18 And that's where I will be coming from.  
19 That's where I'll be questioning seriously people from  
20 Cheniere, people from the Tianjin company that is  
21 being built right outside of Gregory. So I am as  
22 concerned as all of you, but we have more at stake, I  
23 think, at this stage of the game than anybody else.  
24 Thank you.

25 MR. PECONOM: Thank you. As I've  
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1 listened to your comment, I wanted to show you a few  
2 things quickly. This in my hand here is an  
3 environmental impact statement. You can kind of see  
4 how wide it is. It was prepared in 2005, seven years  
5 ago. This is an environmental assessment that was  
6 prepared earlier this year, last year. This one  
7 covered migratory birds. Seven years ago we didn't do  
8 much on migratory birds. So it's an involving process  
9 even on our end, just to give you a little perspective  
10 on the difference in analysis between two projects.

11 These aren't exactly the same projects,  
12 but just an EIS is always a more in-depth analysis.  
13 An EA is -- depending on the type of project, is a  
14 little less. So just to give you an idea of what  
15 these documents look like -- and as we've talked a  
16 little bit about them. Any other -- anybody else  
17 would like to speak tonight before we loop around  
18 to -- yes.

19 MR. KLINE: Good evening. My name is  
20 Jim Kline. I represent the Coalition, local  
21 Environmental Group here in Corpus Christi, and I'd  
22 just like to speak to the water issue again. Several  
23 other people have brought this up already as well, and  
24 actually, I've had a conversation with the Cheniere  
25 folks even before the presentation about water usage.

26

1 And it's my understanding that at least some of the  
2 water the plant will be using will be perhaps effluent  
3 water. I'd like to see some more specific numbers on  
4 that. That's the water we use, and also the amount of  
5 fresh water they're going to be using as well, the  
6 amount of water they're going to be discharging as  
7 well. And I would assume that's -- that EIS, those  
8 numbers would be there, and so I think that for  
9 myself, and certainly expect a plan of this size, that  
10 an EIS would be warranted. Thank you.

11 MR. PECONOM: Thank you.

12 MR. JACOBY: This is John Jacoby with  
13 the office of pipeline safety again. With respect to  
14 the proximity of the airport, there are specific  
15 requirements listed in the regulations. I don't  
16 recall what they are off the top of my head, but I --  
17 my guess is, based on the proximity of other airports  
18 and other plants, that that's not going to be an issue  
19 with this particular site, at least under the  
20 regulations.

21 MR. PECONOM: Is there anyone else who  
22 would like to speak? Okay. We have some time left.  
23 Would anybody else like to ask questions about the  
24 project of the Cheniere, of the Corpus Christi  
25 liquefaction representatives or about the FERC

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1 environmental review process? Seeing no hands, I'd  
2 like to conclude the meeting at this point.

3 But before I do, I want to thank all of  
4 your for coming tonight. I do these meetings quite  
5 often, and you just never know what kind of input  
6 you're going to get. And I have to say I'm very  
7 impressed with some of the comments you-all have made.  
8 You've talked about air quality, health impacts,  
9 safety, migratory birds, wildlife, water quality. So  
10 it's been very helpful and educational for us. And I  
11 appreciate you being here, because I know how hard it  
12 is to take away time from your life and your family,  
13 coming out for two hours on a Tuesday evening.

14 So, again, thank you very much for  
15 being here. And I will conclude the meeting now and  
16 make myself available for any questions and  
17 conversations -- yes, sir -- and Corpus Christi, the  
18 back, folks will be here for a while as well.

19 MEMBER OF AUDIENCE: May I just add a  
20 final comment? Not everyone is comfortable coming up  
21 to the microphone and speaking, so after the meeting  
22 has broken up, the Cheniere people are still going to  
23 be here, and we encourage you to come by and ask your  
24 questions. You don't want to stand up there and ask  
25 in front of everybody, that's what we're here for.

26

1                   MR. PECONOM: Great. That's good to  
2 know. And again, as I said, please send us your  
3 comments. If you take some time to think about it and  
4 want to mail us some, that'd be very helpful. Thank  
5 you again, and have a good night.

6                   (The meeting concluded at 7:47 p.m.)

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