

**Bark
PO Box 12065
Portland, OR 97212**

Oregon Citizens Against the Pipelines
www.oregonfirst.net

**Columbia Riverkeeper
724 Oak St.
Hood River, OR 97031**

February 25, 2011

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NW
Washington, DC 20426
Via electronic filing

Re: Palomar Gas Transmission, LLC
Docket No. CP09-35-000
Palomar Pipeline Project
Project status update dated 10/22/2011, submittal #20110223-5032

Ms. Bose:

Bark and the undersigned respectfully request that FERC immediately deny Palomar Pipeline Company's current Certificate Application (Docket # CP09-35) or require the company to withdraw and resubmit an application for this proposed project. We make this request based on the clear evidence that Palomar is significantly redesigning its proposal, misleading FERC and the public with regard to the project description, and wasting public resources by allowing its current application to remain open at FERC. Palomar's recent filing to FERC (submittal # 20110223-5032) is vague, includes little information about the nature of the "Commissioner Workshops," and demonstrates contempt for FERC's application process.

We have listed our complaints regarding the current status of the project below. Supporting documentation is attached:

- According to the document titled *Integrated Project – Benefits and Next Steps* (attached, pdf p. 17-24) provided by Palomar at the "Commissioner Workshop" it is plain to see that Palomar plans to move forward with only half of its originally-proposed pipeline: the roughly 110 miles of pipeline planned from Madras to Molalla referred to as "Palomar East" (pdf p. 19, 20). Palomar has alluded to this configuration for over a year, including a March 7, 2010 article in the *Oregonian* newspaper. The company has identified this new configuration to the Oregon Public Utilities Commission (OPUC) and the Washington Utilities and Transportation Commission, but not to FERC. We believe this new configuration constitutes reason for FERC to deny the current application, or require the company to withdraw and submit a new application to FERC that includes these significant changes. An amended application is not sufficient.
- Palomar continues to suggest in public venues that it is not currently moving forward with the NEPA process and that significant changes to the pipeline configuration are already established. This is evidenced in the documents provided at the "Commissioner Workshop" in which it is stated that Palomar will "resume the NEPA process" (pdf p. 18) and that the project is defined as "Palomar East." The US Forest Service currently lists the needed NEPA activities in Mt. Hood National Forest as being "on hold" on its public website and the *Oregonian* newspaper article mentioned above also discusses a "delay" in the Palomar project. Should FERC be spending its valuable staff time and limited

public resources to keep an application open for a project with NEPA processes that are indefinitely delayed?

- New information coming from Palomar, NW Natural, and Williams NW Pipeline indicates they are moving forward with a new connected action, the proposed Williams NW Blue Bridge Expansion Project. The “Commissioner Workshop” materials include frequent references to Palomar as an “integrated project” with Blue Bridge (pdf p. 7, 8, 11, 15, 21-24). In Williams’ Blue Bridge presentation at the workshop it clearly lays out a plan for “applying the Blue Bridge concept using GTN and Palomar as the east-west leg” (pdf p. 7). NW Natural, a partner company in Palomar, claims in its workshop presentation to “know that a collective effort is needed if Palomar is to proceed, which is why we support the integrated Palomar | Blue Bridge project” (pdf p. 11). Furthermore, Palomar in its recent submission to FERC (submittal # 20110223-5032) indicates that it will work “in conjunction with an expansion of the Williams Northwest Pipeline.” This new collaboration is additional cause for a withdrawal and resubmission of Palomar’s application. Will FERC consider these proposals as a connected action?
- The “Commissioner Workshops” lacked sufficient public notice for stakeholders and interveners in the project. The only notice provided in Oregon was a listing on the OPUC website and email notification to members of the OPUC hearings notification list. Because Palomar, in its Oct. 22, 2010 status update (submittal # 20101022-5114), did not provide information to FERC or its interveners about the nature of these “Commissioner Workshops,” it was impossible for stakeholders to plan for reviewing the OPUC hearings notice website. As a result of this minimal public notice, interveners to the project in the FERC docket, impacted landowners on the pipeline route, stakeholders, and members of the public were not directly notified of the meeting. Why did Palomar not identify what these “Commissioner Workshops” were to be and why did they not make a good faith effort to inform established stakeholders in the project of these public meetings?

Based on the evidence, we believe that Palomar requires a new scoping period. The public, and perhaps FERC itself, has been deliberately misinformed regarding the nature of the Palomar Pipeline project. If FERC allows Palomar to simply amend its current application, the public will continue to misunderstand the nature of this project. Due to the volume of impacted landowners, interveners, stakeholders and public interest in this project it would be a disservice to those parties to allow Palomar to continue dragging out this process without a clear project description or a transparent evaluation of connected actions (ie. The Blue Bridge Project). How can the public and authorized permitting agencies be meaningfully engaged in the NEPA process without a clear understanding of what the project is? Is it not the intent of a scoping period to establish this public and agency understanding?

To summarize, Palomar is currently making significant changes to its proposed project as defined by the current application to FERC (CP09-35). These changes are deserving of a new scoping period in order to lay the foundation for a meaningfully engaged public and sufficient NEPA process. FERC has an opportunity to demonstrate fiscal responsibility and transparency by immediately denying the application. Without the withdrawal and submission of a new application, stakeholders, interveners, and members of the public will continue to be mired in

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confusion about what is being proposed, what it is a connected action and what is the project's purpose.

Thank you for considering this request.

Sincerely,
Olivia Schmidt
Bark
Columbia Riverkeeper
Oregon Citizens Against the Pipelines