



February 23, 2011

Palomar Gas Transmission, LLC
One SW Columbia, Suite 475
Portland, Oregon 97258

Tel 866.220.0268
Fax 503.833.4954

Email info@palomargas.com

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

Re: Palomar Gas Transmission, LLC
Docket No. CP09-35-000
Palomar Pipeline Project

Dear Ms. Bose:

We are in receipt of the January 25, 2011, letter from Jeff Wright at the Federal Energy Regulatory Commission ("Commission" or "FERC"), Office of Energy Projects. Provided herein is a project status update as requested for the Palomar Gas Transmission, LLC ("Palomar") project.

On February 3, 2011, a joint workshop with Commissioners from the Oregon Public Utility Commission and from the Washington Utility and Transportation Commission was held in Portland, Oregon, at the Port of Portland offices. The workshop discussed regional supply and demand issues associated with the integration of renewable energy, existing natural gas pipeline infrastructure in the region, and the need for additional infrastructure. Numerous regional stakeholders in the Northwest energy industry participated in the workshop. A copy of the workshop agenda is attached. The workshop provided an opportunity for representatives from Palomar and the Williams Companies to explain how Palomar, in conjunction with an expansion of the Williams Northwest Pipeline, will help to provide a regional solution to improve the natural gas pipeline infrastructure in the Northwest. The workshop provided a beneficial exchange of information that will help the state Commissioners and the other stakeholders understand the regional energy landscape as decisions related to new infrastructure projects are made in the future.

Palomar continues to work with customers regarding their needs, and we anticipate that we will hold an open season this spring. Following the open season, we anticipate negotiating agreements with interested customers and determining the revised configuration of the project as well as the required in-service date for Palomar. We hope to have that effort completed in the summer or fall of 2011. Following that, an amended Certificate Application would be filed with the Commission.

Federal Energy Regulatory Commission
February 23, 2011
Page 2

Palomar is e-filing this information in accordance with the Commission's Order No. 703, *Filing Via the Internet* guidelines, issued in Docket No. RM07-16-000 on November 15, 2007.

If you have any questions regarding this matter, please contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael B. Burke". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael B. Burke
General Manager

Attachment

CC: Jeff Wright, OEP
Doug Sipe, OEP
Elizabeth Anklam, OEP

**Natural Gas Pipeline Infrastructure Workshop
OPUC and WUTC Commissions**

**Port of Portland Headquarters Building
Portland, OR
(Airport)**

February 3, 2011

- 9:00 a.m. - Introductions and Opening Remarks
- NW Natural, Gregg Kantor
- 9:15 a.m. - Regional Supply/Demand Outlook
- Northwest Gas Association
 - BPA, Steve Wright
- 9:45 a.m. - Integrated Project Overview
- Williams – Blue Bridge Expansion
(Background and New Conceptual Overview)
 - TransCanada – Economics and Next Steps
- 10:15 a.m. - Break
- 10:30 a.m. - LDC's and Stakeholders – The Need for Infrastructure
- PGE
 - PSE
 - NW Natural
- 11:20 a.m. - Summation
- NW Natural, Gregg Kantor
- 11:30 a.m. - Public Comment
- 11:45 a.m. - Commissioner Comment
- 12:00 p.m. - Conclusion

Document Content(s)

Palomar Gas Transmission Palomar Project Update.PDF.....1-3