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WELLINGHOFF

From: CHUCKANDCINDY STRAUGHAN [mailto:kestrellane@dishmail.net]
Sent: Tuesday, December 22, 2009 3:21 PM
To: jon.wellinghoff@ferc.gov; James.Pederson@ferc.gov
Cc: Berick, Dave (Wyden); Boone.Rep@state.or.us; Riley.Rep@state.or.us;
sen.betsyjohnson@state.or.us; stephen.marx@mail.house.gov; Senator, noreply (Merkley);
Gautreaux, Mary (Wyden); Michael.Carrier@state.or.us
Subject: FERC Review Process Problems and Abuses

Dear Chairman Wellinghoff:

We are writing you today to request your assistance in initiating an investigation into the abuse of Oregonians in the FERC review process for LNG terminals and pipelines. We are also requesting you use your position to change the current FERC application and review process for these projects, due to the fact that the existing model for review of such projects is fundamentally flawed in the following ways:

1. FERC will not even consider independent analysis as to whether evidence exists to support sufficient need for importing LNG to meet future energy requirements for the country or a region.
2. FERC conducts no analysis into the merits of each proposed project to assess which proposal has the most potential to meet future energy needs while minimizing adverse impacts to the environment, state and local economy and private property owners along the project corridor.
3. The current process invites FERC staff to turn a blind eye to the actions of project applicants which constitute abuse of the process, by allowing applicants to say anything during the scoping process without forcing them to prove their claims and/or without requiring them to abide by their commitments made.
4. FERC, as it is now structured, is in no way a regulatory agency. The primary function of FERC is as a facilitator of projects for large private corporations for the purpose of market speculation, which is clearly not serving the public interests or national security of America.
5. FERC review processes waste millions of taxpayer dollars by meaningless process duplication functions on overlapping projects where there has been no need established as a justification for this bureaucratic activity.

For more than two years we have been living with the threat that the proposed Oregon LNG pipeline, which is plotted to cut diagonally across our 12 acre property, will destroy our farm and life's work.

On Dec. 2, 2009, FERC staff organized and conducted a second site visit along the proposed pipeline route through Washington County, Oregon as a part of their preparation for the DEIS for Oregon LNG. Despite the fact that Oregon LNG has established an adversarial relationship with impacted landowners during the past two years, we felt it best to grant permission to FERC staff to walk our property and personally witness the environmental, economic and geological problems related to siting a pipeline on and adjacent to our property. We were advised this visit would require Oregon LNG staff, contractors and the general public to access our property and we provided each with a written letter which clearly limited their access to our property for Dec. 2, 2009 only, for the purpose of observing and specifically restricted them from taking photographs or other recordings during their visit.

In direct violation to the terms of this letter, Mr. Peter Hansen, CEO of Oregon LNG, Jay Lorenz and Emilio Candanoza, engineers from CH2M Hill (Oregon LNG contractor) proceeded to take GPS survey data during the site visit. When confronted about this, they made no excuses or apologies despite acknowledging receipt of the letter provided them prior to entering the property. Further, Peter Hansen repeatedly warned property owners throughout the tour that failure to allow Oregon LNG access to their properties would result in greater difficulties in terms of negotiations for easements. One of his statements to us, which was repeated several times was;

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"If you let us on your property and cooperate with us, it will go so much better for you..." He made claims that he could make adjustments to the proposal which would allow landowners to plant, previously prohibited crops over the pipeline if they cooperated with his company. In addition, he reminded landowners that their power of eminent domain was only a last resort if landowners failed to agree to terms of an easement. These statements all represent attempts to distort, coerce and threaten landowners in the path of the pipeline. At no point, during these exchanges between Mr. Hansen and landowners, who allowed limited access to their property for this day, did anyone from FERC intervene or comment that Oregon LNG representatives were out of line or inappropriate statements. It appeared to the landowners that Oregon LNG representatives were in charge and FERC staff were 'just along for the ride'.

To add insult to injury, FERC staff provided the impacted property owners with Oregon LNG maps (labeled Alignment Sheet Plan and Profile) without a word of discussion or explanation during the entire process by either FERC staff present or Oregon LNG staff and contractors present. At one point, we were standing at the foot of our driveway discussing the impact to our front field and no one mentioned the newly proposed rectifying station that would be placed in that very spot, which would further destroy our ability to make a living and impede access to and from our property. It was only after everyone had left that we had a chance to examine the maps and discovered that significant changes to the pipeline had been made on the maps which had increased the adverse impacts to several landowners, including to our property. If, as we were led to believe, the purpose of the FERC tour was to understand and mitigate some of the concerns that affected landowners had about the pipeline, this opportunity was lost by the lack of discussion and disclosure by members of the tour. In fact, the actions of Oregon LNG and FERC staff served to (again) undermine any opportunity to establish an open trust relationship between the landowners and either FERC or Oregon LNG. It seems inconceivable that the above actions of Oregon LNG or FERC staff was simply an oversight, but rather a clear demonstration of an attempt to deceive landowners at best, and to intimidate the landowners, at worst.

Mr. Wellinghoff, we are small farmers who use organic practices to grow native plants, fruits and vegetables on 12 acres, to sell at local markets. We have been building our soil and improving the tilth over the past 10 years in hopes that we would be able to become a certified organic farm within the next couple of years. Our front field, where the proposed pipeline is intended to cross diagonally, measures 370 ft. by 727 ft.. During the construction phase, we will lose a swath 150 ft. by 900 ft. across the diagonal of this 5 acre field, which effectively removes almost half of our total acreage from production, plus the damage that will be done to our newly installed automatic drip irrigation system, which was installed at a cost of \$30,000. Not to mention, young fruit trees and berries that will have to be torn out, along with a stand of ash trees that help provide drainage to a section of our property that should be classified as a wetlands. This was pointed out during the tour and one of the FERC staff stated that it should be designated as such. Also during this leg of the tour, while showing staff how close the pipeline was coming to our home, I heard someone behind me say, "We might have to condemn the house too." But, with about 40 people there, including the press, and much conversation going on, I could not determine who made the remark and I was engaged in conversation with Mehda at the time. Needless to say, after those remarks and the lack of discussion regarding the new proposed changes, it was an overwhelming experience. Small farmers like us cannot withstand this size of impact and continue to have a viable farming operation, let alone lose our entire investment in this property. If this pipeline is approved and installed, our farm and our life's work will be ruined. We are retired, and we would never be able to bounce back from this kind of economic impact. Oregon LNG and FERC seem to be oblivious to the kind of stress they are placing on affected landowners.

It is unconscionable that our Federal Government empowers an agency like FERC, which is funded by federal tax dollars, to insure that the interests of private, for-profit, corporate speculators are of greater importance and value than are the interests of the small farmers, foresters, nurseries and vineyards each of whom pay taxes to support an agency that will ultimately serve as the instrument of our demise. It appears that we, as a nation, have learned little since the Enron, and Wall Street debacles in our recent past. If our government continues to

assign the functions of our 'regulatory agencies' to that of facilitating partners to private corporations vs regulators of the private sector, then our democracy is doomed.

FERC is not now, nor does it appear to want to follow its own mandates in the foreseeable future, to insure compliance over projects it is supposed to oversee. The Bradwood Landing LNG project is a perfect example. It is out of compliance with the conditions of the FERC approval of this project even though it has been clearly documented that nearly the entire output of the Bradwood Landing project is committed to the Palomar Pipeline. Yet what is FERC doing to insure compliance? Nothing but taking a wait and see approach. FERC staff tried to assure us on their Oregon LNG tour this month, that if the project applicants did not comply with FERC conditions in mitigating environmental issues and problems that arose during the course of the project, FERC would take steps to hold them accountable, however, with the unexplained map distribution, to landowners busy trying to present complicated issues to those on the tour during the Dec. 2nd visit, and the appearance of collusion between Oregon LNG and the FERC staff, this statement seems disingenuous at best. Perhaps these environmental and economic reparations are possible, but if FERC's past actions are predictive of future actions, any compliance issues will likely not be resolved within our lifetime. FERC simply does not have the interest, the will, the staff, the funding or the power (or perhaps a combination of these) to serve as an effective regulatory agency compared to the large corporate, industrial energy interests over which it is supposed to govern.

It is clear to most of us at the local level that significant changes are required to the FERC organization and we strongly encourage you to take immediate steps to begin making these changes. A good start would be to stop the three proposed LNG project review processes currently underway in Oregon and to combine the review of these projects only after a determination of a necessity for the future energy needs, verses local environmental and economic impacts, has been established to justify the importation of foreign LNG to America.

Respectfully,

Charles and Cynthia Straughan

Kestrel Lane Farm & Garden