BE IT REMEMBERED that the hearing was taken at the Harrison Plaza Hotel, located at 409 South Cole Road, Boise, Idaho, before Debra Burnham, a Court Reporter and Notary Public in and for the County of Ada, State of Idaho, on Tuesday, the 1st day of November, 2005, commencing at the hour of 1:00 p.m. in the above-entitled matter.

APPEARANCES:
For the DOE: Ms. Julia Souder
For the USFS: Ms. Maryanne Huttinaitis
For the BLM: Mr. Bill Weigand

1. Whereupon the hearing proceeded as follows:
2. MR. BENNETT: I think we're about ready to start. My name is K. Lynn Bennett, I'm the state director for BLM here, and I certainly would like to thank you all for coming to this session, this scoping session; and welcome you. This scoping session is in terms of energy corridor designations for federal lands administered by BLM and the Forest Service. The Energy Policy Act of 2005 requires the Secretaries of Energy, Agriculture, and the Interior to designate corridors for oil, gas and hydrogen pipelines and electricity transmission and distribution facilities on federal land in the 11 contiguous western states.
3. The Act further directs the Secretaries to incorporate the designated corridors into the relevant agency land use plans and resource management plans or equivalent plans and to perform any environmental review that may be required to complete the designation of the corridors.
4. For that purpose the Department of Energy, BLM and the Forest Service are preparing the West-wide Energy Corridor Programmatic Environmental Impact Statement. The West-wide Energy Corridor Programmatic Environmental Impact Statement will evaluate the
1 right-of-way program, and I have been involved with
2 other corridor efforts in the past; so I look forward
3 to this effort as well, and your comments.
4 MS. KURTWAITS: Good afternoon, folks. My
5 name is Maryanne. I am with the Forest Service, out of
6 our Washington office. I am in the lands and
7 management program, working there, just recently moved
8 to the DC area, after leaving Colorado after 25 years.
9 So I am still adjusting to DC life out there.
10 I'd like to go over the details of the
11 introduction. I'll be the moderator for this
12 afternoon's meeting. Just to reiterate again, we are
13 dealing with Section 368 of the Energy Policy Act, and
14 that was signed August of this year, and it directed
15 the Secretaries of Agriculture, Commerce, Defense,
16 Energy and Interior to designate energy corridors under
17 our respective authorities on federal land in the 11
18 western states; and that's within the next two years.
19 The key to these designations will occur in
20 our land use management process, and getting those
21 implemented into those land use plans. The agencies
22 determined that designating of the corridors as
23 required by the Act is a major federal action, and so
24 we intend to prepare a Programmatic Environmental
25 Impact Statement to address environmental impacts from
1 the proposed action and a range of reasonable
2 alternatives.
3 Public participation in the West-wide energy
4 corridor study is very important.
5 The notice of intent was published September
6 28 of this year. And I encourage you to take a look at
7 that. And I will show you where the Web site is to that
8 has that information. That's very informative, to help
9 kind of facilitate some of your scoping public comment
10 process there.
11 The intent of the scoping meeting is to
12 solicit public comment for consideration in
13 establishing scope and content for the Programmatic
14 EIS. It involves comments from federal agencies,
15 public interest groups, Native American tribes,
16 business and members of the public.
17 Also, it's to refine the preliminary
18 alternatives that you'll find in that notice of intent.
19 And we are holding meetings in 11 western states –
20 cities. States, too.
21 There are four ways to submit the comments.
22 I can't see it, but the four ways are the electronic
23 comment through our Web site; regular mail. One thing
24 you might want to consider is with the federal agencies
25 having to go through anthrax screening in DC, things
1 look funny and take a long time to come through the
2 regular mail. So if you want to do it by mail, I
3 suggest you do express mail. You can fax it to us or
4 being here today, either by a formal presentation or by
5 filling out a comment card.
6 These comments need to be submitted by
7 November 28 of 2005.
8 Things we're looking for in the comments is
9 outlining what's important to you, identifying
10 compatible uses in the corridors, describing even to
11 like point A to point B in your comments and getting
12 that specific.
13 The handout that's outside is really a good
14 one. It's kind of a spin-off from the Web site. The Web
15 site is – We'll get that up there for you. But it has
16 a lot of good information for what's going on, as we go
17 through all the public meetings and as we go on with
18 this process.
19 The formal comments are going to be recorded
20 into the official record.
21 During the formal presentations we would
22 prefer not to have questions and answers. What we want
23 to do is, after the formal presentations, is turn off
24 the recorder; then we can break for informal
25 discussions with the agencies' representatives that are
1. here.
2. 1. Are there -- Would the agency representatives
3. stand up, some of the local folks, just to show who's
4. here.

5. Great. Thanks. And if you could keep your
6. comments to around ten minutes, and I will kind of keep
7. track of that time for you.
8. I really appreciate you attending this
9. meeting.
10. First I'd like to -- One thing is to please
11. turn off cell phones and pagers. That would be a good
12. thing to do about now. And before I start the order of
13. the presentations, are there any elected officials or
14. tribal representatives who wish to speak?
15. No? Okay. We'll just get going. And I am
16. just going to go with first names because I hate
17. messing up people's last names.
19. Come right up to the podium. And Paul, if
20. you could say your last name, that way I'll know how to
21. say your name right, then.
22. MR. KIELLANDER: Paul Kiellander.

23. Well, I guess it's my intent to keep my
24. comments extraordinarily brief. So if I even approach
25. ten minutes, please give me the hook. And I'd also

26. ID01

27. 1. demand is the distance between loads and resources.
28. The West, and the Northwest in particular,
29. are characterized by massive distances between fuel
30. resources for generators and population centers. The
31. solution in the past 15 years was to build natural
32. gas-fired generators close to load. But today reliance
33. on gas-fired generators located close to load centers
34. has basically lost its luster as those natural gas
35. prices have soared, to the point that it may not make
36. fiscal sense anymore.
37. Transmission is essential in our future
38. resource planning, because without adequate
39. transmission, the dots between generation and loads
40. simply cannot be connected.
41. So I don't want to suggest that transmission
42. is the only alternative to ensure the continuation of
43. adequate and reliable electricity service in Idaho and
44. the Northwest. We need to continue to encourage
45. electric utilities to consider as wide a range of
46. alternatives as possible for serving future loads,
47. including demand-side management, conservation and
48. energy efficiency.
49. But the cold reality at the end of the day is
50. that these measures will only temporarily postpone the
51. inevitable; and new and upgraded transmission lines
52. will be needed.
1 energy corridors on federal lands, simply because it’s
2 another federal agency and part of DOE, would be
3 inappropriate and should not even be considered.
4 So now let me shift my comments to some of
5 the potential benefits of establishing transmission
6 corridors on federal lands. Most notably, doing so
7 could provide for the facilitation of investment and
8 risk mitigation. Yes; I’d like to say at this point
9 everything fits most necessarily under the heading, "The
10 Intuitively Obvious."
11 It should come as no surprise that major
12 transmission projects have investment risk. These
13 projects have long lead times; five to ten years from
14 inception to completion. The cost per mile in the West
15 can range from a half million to two million dollars,
16 depending on terrain, land use, and permitting. And of
17 course those costs are even higher in and around urban
18 areas.
19 It’s also not surprising that there is a
20 reluctance on the part of lenders to loan without
21 certainty of project completion and cost recovery. So
22 without some standardization and certainty regarding
23 federal transmission corridors, there is the potential
24 for piecemeal, one-transmission-owner projects that
25 serve a very limited geographic area, resulting in
26 projects that do very little to resolve region-wide
27 transmission problems.
28 So clearly, federal transmission corridor
29 destination can help mitigate project risk, facilitate
30 investment, and it can encourage regional solutions.
31 The designation of such corridors would provide
32 certainty of federal land availability for new
33 projects. Established corridors would be less costly
34 than having to negotiate corridors by agency. This
35 would give developers and
36 transmission owners the ability to propose more
37 efficient transmission projects using federal corridors
38 to solve regional needs. Such designations would
39 encourage multiple investors in multistate transmission
40 projects crossing federal and nonfederal lands.
41 As a regulator in a state with regulated
42 utilities, I also would like to touch on the impact to
43 ratepayers. The costs of transmission are borne by
44 ratepayers through regulated costs over the life of the
45 project. Designation of both existing and new energy
46 corridors on federal lands could streamline the
47 permitting process and construction time and
48 accordingly, lower costs to consumers.
49 Additionally, federal agencies should
50 consider standardization and consistency of their
51 siting/permitting processes and of fee structures for
52 land use for these projects in order to provide greater
53 cost certainty to ratepayers. By standardizing the fee
54 structures and the process, it would also eliminate the
55 perception of unfair treatment and unrealistic
56 expectations that exist today.
57 Based on the point I just articulated,
58 I believe that environmental issues need to be more
59 clearly defined. More cost certainty needs to be
60 associated with those. With that I would conclude my
61 remarks.
62 MS. KURTINATIS: Thank you for your
63 comments, Paul.
64 Next we have Jim Jensen, Power Engineers
65 Incorporated.
66 MR. JENSEN: Thank you. I am going to be
67 making comments today for three separate entities; so
68 I think the three sets of comments, I guess. The first is for
69 Northwestern Energy. Northwestern Energy appreciates
70 the Department of Energy, Department of Agriculture and
71 Department of Interior efforts in designating energy
72 corridors on federal lands in the 11 western states.
73 Northwestern serves more than 617,000
74 customers in Montana, South Dakota, and Nebraska.
75 Currently, we own, operate and maintain approximately
76 7,000 miles of electric transmission and approximately
77 2,200 miles of natural gas transmission in Montana
78 alone.
79 In addition to the oral comments I am
80 giving you today, Northwestern Energy will submit
81 written remarks as well.
82 Northwestern’s need for an expanded
83 transmission grid includes the currently projected
84 resource development in the region of over 2200
85 megawatts in Northwestern’s Generation Interconnection
86 Queue alone. The existing transmission system is
87 congested and will not accommodate these needs.
88 Northwestern is anticipating trying to
89 construct a project from Montana into southern Idaho,
90 from western Montana into southern Idaho; and that’s
91 why these comments are being made here today in Boise.
92 Northwestern requests that the agencies
93 consider the following during the development of the
94 Programmatic EIS. Corridors should be developed in
95 consideration of compatible uses.
96 There should be reliability considerations of
97 the Western Electric Coordinating Council; that is, the
98 utilities cannot put all their eggs in one basket
99 without risking system reliability. In other words,
100 multiple transmission lines adjacent to one another in
101
a single corridor is a recipe for disaster.
Corridors should have sufficient width to support multiple facilities.
Corridor designations should be flexible and dynamic enough to recognize changing conditions. For example, system needs and requirements may change over time. The Act anticipates ongoing, high-level coordination between federal land management agencies; so we are assuming that this would be done.
Corridors should match where land ownership and land jurisdictions change; for example, at state borders, BLM and Forest Service boundaries, federal and state ownership, and private ownership boundaries.
The process should coordinate corridor designation with state regulations; for example, in Montana, the Montana Major Facility Siting Act and other related laws. The Act also identifies conflicting constraints in adjoined private lands. It is for example, the specific land uses, agriculture, lands, conservation easements, visual impact issues, so forth.
The agencies should help develop through this process a streamlined permitting process for facilities located within a designated corridor.

Corridors — Assuming corridors will be selected that will minimize environmental impacts.
And last, it is important that agencies not anticipate that every suggested corridor will actually be used.
Northwestern has provided me a map to leave with you. And so I will do that. And the map illustrates the needs that are that they have, that are both Montana and Idaho; and those are Townsen-Dillon-Midpoint, Midpoint being a major substation in southern Idaho; Townsen-Mill Creek-Dillon-Midpoint; or Garrison-Mill Creek-Dillon Midpoint. That concludes my remarks for Northwestern.
Second set of remarks are for Wind Hunter, LLC. Wind Hunter, LLC, is a wind energy asset development company whose strategy it is to acquire, own, develop and operate wind energy projects on a worldwide basis. To date, Wind Hunter has acquired wind energy projects in Montana, Texas, New Mexico, Nevada and California, and is currently in various stages of development for approximately ten individual wind projects.
There is a compelling need for the present and future economic well-being of this country as well.
1 Corridors need to meet the needs of both local and regional interests. The siting and permitting process has been a significant impediment to building new transmission lines. For example, this is cited in the National Transmission Grid Study. The predominance of public lands in the West requires that energy infrastructure use these lands. Competing interests on and for public lands necessitates that energy, a critical national resource, be included in and accounted for in the agency planning processes.

11 Idaho Power would like to applaud the agencies’ efforts and the tremendous amount of time and resources that are being dedicated to meeting this need, as addressed in the Energy Policy Act. Idaho Power will provide detailed written comments on the perceived needs for corridors, to meet Idaho Power’s service territory in the western region. We will also provide comments on the definition and management of a corridor, and we will evaluate the preliminary alternatives proposed in the notice of intent as published in the Federal Register. Thank you very much.

Ms. KURTINATIS: Thank you, Bret.

Is there anyone else who has come in recently who’d like to speak but hasn’t signed up yet?

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1 We appreciate your interest in the project.

2 We value your comments, and we look forward to your continued involvement as we proceed with our analysis.

3 Now I would like to introduce you to Julia Souder, who’s the project manager from Department of Energy; and she will take it from here and introduce the rest of the panel.

4 Thank you.

5 MS. SOLDER: Thank you, K. Lynn.

6 Good evening, everyone. Thank you very much for being here. My name is Julia Souder, Western Regional Coordinator for Office of Electricity Delivery and Energy Reliability at the Department of Energy. We want to say this is very important, and we are happy to hear your comments. So thank you again for being here.

16 MS. WEIDAND: My name is Bill Weidand. I am a senior realty specialist with BLM at our Washington office. My primary responsibilities include rights of way, and I have been involved with a couple of other corridor planning projects. So I look forward to this one and any comments that we get tonight.

22 MS. KURTINATIS: Good evening, folks.

Welcome to our evening session here. My name is Maryanne Kurtinatis. I am with the US Forest Service in Washington, DC, and I am part of the lands and energy planning team.

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1 Secretaries of the Energy, Agriculture and the Interior to designate corridors for oil, gas and hydrogen pipelines and electric transmission and distribution facilities on federal lands in the 11 contiguous western states.

The Act further directs the Secretaries to incorporate the designated corridors into the relevant agency land use plans and resource management plans or equivalent plans and to perform any environmental review that may be required to complete the designation of the corridors.

For that purpose, the Department of Energy, BLM and the Forest Service are preparing a West-wide Energy Corridor Programmatic Environmental Impact Statement. The West-wide Energy Corridor Programmatic Environmental Impact Statement will evaluate the programmatic issues associated with energy corridor designation, as well as the amendment of individual land use plans on BLM and Forest Service-administered lands in the West, excluding Alaska.

Designation of energy corridors through land use plan amendments on Forest Service and BLM lands will facilitate processing of energy-related right-of-way applications and associated site-specific analysis.
You can fax it to us, or just being here today by either presenting a formal presentation or filling out the comment cards there on the back table out in the hallway. What we are looking for in the comments is just outlining what’s important to you, identifying compatible uses, also maybe describing from point A to point B of a specific corridor area. With the handouts also is a one-page -- It’s kind of a takeoff from the Web site; very good information about what’s going on with this background information that we just went over, and just some of the scoping processes that we’re in now. The formal comments that will be given tonight will be recorded in the official record. During the formal presentations we prefer not to have questions and answers; but once we turn off the recorder, then we can kind of -- we can take a break, and we will have an informal discussion with the agency representatives. And at this time -- cause we probably have some new folks. Those folks with the Forest Service and the BLM, if you can care to stand up, and that way we can -- in case there’s specific questions for the locals. Great. Appreciate that. Thank you. I guess we’ll keep to ten minutes for ID04

comments, although that’s probably not a big deal for here, this evening, as far as that goes. Really appreciate you all attending the meeting tonight. Please turn off cell phones and pagers. This would be a good time to do that now. And I guess we will get started on the formal presentations now. Are there any elected officials or tribal representatives that wish to speak? Okay. Well, then, I will go right into having Gene Bray come up with Western Watersheds Project. And you could use the podium here for presentation

MR. BRAY: I thought we were going to start off with a dissertation by the agencies as to what was going to go on, and then we would respond to that. I haven’t heard anything that gives me a hell of a lot to comment on yet.

MS. KURTINAITIS: Have you had an opportunity to read the notice of intent, Gene?

MR. BRAY: No. I just got here, got the package.

MS. KURTINAITIS: The whole idea with the scoping was to hear from folks; and as we go through these cities, there’s some -- people sign up, just give
1 going on. So up to this point, that's about all I can
2 tell you about what I think you might say or what might
3 come out in those deliberations over the next two
4 years.
5 Any questions?
6 MS. KURTINATIS: Thank you, Gene.
7 Is there anyone else who'd like to give a
8 formal presentation?
9 MR. BRAY: If you can count that one formal.
10 MS. KURTINATIS: All right. Then why don't
11 we take a break as far as turn off the recorder, and we
12 can break out to have some informal discussions, if you
13 have questions and answers at this point. And then we
14 will see if anyone else comes in a little bit later,
15 and have a second round. If there are any formal
16 presentations from anyone else who shows up a little
17 later, maybe in 15 minutes. About 25 to eight we'll
18 come back and we'll see if we have anyone else who'd
19 like to give a formal presentation.
20 (Whereupon a recess was had, and the hearing
21 was concluded at 8:45 p.m.)
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REPORTER'S CERTIFICATE

STATE OF IDAHO

) ss.

COUNTY OF ADA

I, Debra Burnham, Certified Shorthand Reporter and Notary Public in and for the State of Idaho, do hereby certify:

That this hearing was taken down by me in shorthand at the time and place therein named and thereafter reduced to typewriting under my direction, and that the foregoing transcript contains a full, true and verbatim record of said hearing.

I further certify that I have no interest in the event of the action.

WITNESS my hand and seal this 3rd day of November, 2005.

Debra Burnham
CSR, RPR and Notary Public in and for the State of Idaho.

My Commission Expires: 6-30-06