REPORTER'S TRANSCRIPT OF MEETING

On Wednesday, November 2, 2005
At 7:04 p.m.

At Tuscany Suites Hotel
Las Vegas, Nevada

Reported by: Deborah Ann Hines, CCR #473, RPR
Appearances:

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JERRY PELL: I would like to start first by introducing myself and my panel and then tell you a little bit about why we're here and take public comments in the order in which I receive the request.

Typically what we do is ask if there are people here from the government and then people who submitted their requests prior to the meeting and then anybody who would like to speak from the audience.

I'm Dr. Jerry Pell. I'm with the Department of Energy in Washington with the office of Electricity Delivery and Energy Reliability. We call it OE for short. And on my right is Scott Powers with BLM, Bureau of Land Management, Department of Interior. And to his right is Paul Johnson of the U.S. Forest Service and the U.S. Department of Agriculture. And I'll let them talk for themselves in just a minute or two.

First I want to mention why we're here. The United States Department of Energy, Department of the Interior, Bureau of Land Management and the Agriculture, Forest Service, are preparing a Programmatic Environmental Impact Statement, or EIS as we call it, to evaluate environmental and cultural issues associated with the designation of energy

corridors on federal lands in eleven western states. And based upon the information and analyses that result from the programmatic EIS, Bureau of Land Management and the Forest Service intend to amend their respective land use plans by designating a series of energy corridors. And your input through this process is especially important because we're depending on you to help us define the scope of this study, and that's precisely why they're called scoping meetings, since that's exactly what they are.

The basis for preparing the programmatic EIS stems from the Energy Policy Act that the President signed into law on the 8th of August which directs the secretaries of Agriculture, Commerce, Defense, Energy and Interior to designate on their respective authorities corridors on federal lands in the eleven western states for oil, gas and hydrogen pipelines and electricity transmission and distribution facilities. These are the so-called energy corridors.

And designating these corridors has been determined by the agencies as constituting a major federal action under the National Environmental Policy Act, or NEPA as it's known for short, which triggers the preparation of an Environmental Impact
Statement. And in this case it's programmatic in the sense that it will address the overall program being undertaken here rather than project specific level analysis which is done when you know precisely what energy project is being proposed for a specific location.

DOE and BLM are co-lead agencies. Agriculture's Forest Service is participating as a cooperating agency. And let me make sure that I am very clear about how to submit comments. You'll notice on the front we have a website that we refer you to: Corridor EIS dot ANL, as in Argon National Laboratory, dot gov, as in government. We will be updating that website as the meetings -- as the work progresses and as the new material is developed that can be shared with the public.

The proceedings -- the transcripts of these public meetings will be on the website. And we want your comments either through the website or by mail or by facsimile or by e-mail. And the one method I would discourage the most is that you do not -- I discourage you from using regular postal mail to the Department of Energy because all the mail now goes through anthrax screening, and that delays the mail by two weeks and also in many instances has damaged
the mail. So if you're going to submit written
documents, please do so using one of the overnight
services like FedEx or UPS or Emery Air Freight or
similar.

And any comments, no matter how they're
received, will be given equal weight. It really
doesn't matter how the comments are obtained by the
agencies, whether they're obtained orally here or
through an e-mail message or through the web.

Comment period ends officially on
November 28th, but if the work is still in progress
and if we are in a position to consider your
comments, late comments will still be considered to
the extent practicable.

And on that note let me proceed to pass the
mic down to my colleague on my right, Scott Powers of
B.I.M.

SCOTT POWERS: Thank you, Jerry. I don't
have much to say other than I'm the B.I.M project
manager for this project. I work for the Washington
office but I don't have to live there. I live and
work out of Billings, Montana. My contact
information is in the packet that you were handed.

Don't hesitate to send me an e-mail or give
me a call if you have some questions about how this
project pertains to BLM. It's a very complex, massive undertaking that Congress has tasked us to do and to do it within 24 months of enactment of the legislation, so it's a very ambitious schedule.

I encourage you to ask any questions tonight after we finish taking formal testimony. We're keeping track in those questions and we're going to try to build information like that into the website too so, you know, from each type of meeting. Thanks for coming.

PAUL JOHNSON: My name is Paul Johnson. I'm representing U.S. Department of Agriculture, Forest Service. And my job back in Washington is heading up the energy program for the agency dealing with all the aspects of the efficiencies, the renewable, the oil and gas and the right-of-way corridors. And so welcome tonight, and we look forward to hearing all your comments.

JERRY PELL: Thank you. Let me first start by asking whether there are any elected federal, state or local officials with us this evening that would like to speak? Any representatives of Indian tribes that would like to speak? Any representatives of federal, state or local government that would like to speak or be recognized this evening?
Okay. On that note then I will proceed. I have preregistration from Mr. Jim Burris of Pacific Corp. Is he with us this evening?

Okay. That being the case then I only have one other individual who's indicated a desire to speak from our registration outside this evening, Rita Ransom. If I may call Miss Ransom to the podium please. And let me ask you please to spell your name for the benefit of the court reporter and tell us what your affiliation might be.

RITA RANSOM: My name is --

JERRY PELL: From the podium here please so that the recorder can get it, and also let me just mention that we'd like to keep remarks to about five minutes verbal, and anything you want to submit written can be whatever magnitude you wish.

RITA RANSOM: My name is Rita Ransom spelled just like kidnap money, R-a-n-s-o-m. And I'm not affiliated with any organization, I'm a private citizen.

I just have a couple of questions. One question is were the local utility companies in Southern Nevada invited to this scoping meeting or have their comments, opinions, thoughts been solicited separately? Because obviously they have a
different interest than perhaps the general public would.

And the second question I have is what is the timetable, the expected time when the final results, I know there's a name for it but it escapes my memory, after you've gone through the comment period, developed the PEIS, gone through all the necessary reviews and approvals, what is the timetable for issuing a final order?

JERRY PELL: Are you through, Miss Ransom?

RITA RANSOM: Yes. That's it.

JERRY PELL: Sure. By all means, thank you very much. I appreciate your remarks and your questions. Normally I would defer responding, we don't typically respond to testimony, but your question is posed in such a way that it's of such importance I think I should respond. And that is that utilities are being asked for their views identically to the public. There's no special consideration being given. They've received the same notices that everybody else has received, and their testimony is considered at exactly the same degree of importance or concern as anybody else's.

And there are no private channels in the NEPA process for preparation of an environmental
impact study. Everything is very much a public open process, as for example the court reporter being here this evening. There are no provisions for anonymity or secret meetings of any kind. But I do appreciate the question because it afforded me the opportunity to provide the answer.

And as far as timetable is concerned, all I can really tell you at this point at this early stage in the process is that we hope to have a Draft Environmental Impact Statement ready for your consideration sometime in the latter part of the summer of '06.

And I would now like to inquire as to whether anybody else would like to speak, especially those people that arrived. Oh, we do have two more names here, thank you. John Hiatt of the Red River Audubon Society. And, John, as did the previous speaker please spell your name for the court reporter.

JOHN HIATT: John Hiatt, H-i-a-t-t, and that's actually Red Rock Audubon Society. We don't have any rivers here. We wish we did.

Nevada is kind of unique in the country because of the very large amount of public land we have and our wide open spaces. And so when we talk
about designating corridors, of which we already have quite a significant number, we naturally are concerned about where these corridors might go, these new corridors which will significantly affect our open spaces, our wildlife habitat and the way of life or quality of life for people in Nevada.

As you probably are aware, the Sage Grouse almost made the endangered species list, and was really only not put on the endangered species list because of the efforts of the states, particularly the state of Nevada, in coming up with conservation plans that will do something for the Sage Grouse.

Power lines are a very significant hazard to Sage Grouse. Within a couple of miles either side of the power line there will essentially be no Sage Grouse because of the opportunities provided for perch sites for raptors. So power lines do have a very negative impact on Sage Grouse.

They also have a negative impact on many other birds. If you go to any big power line here in town or out in the country, you walk along that power line in spring or fall you'll find dead birds underneath it all the time just because they collide with those wires. They're thick. So these power lines are killing thousands of birds all the time.
Most people are not aware of that because predators pick up those bodies and we don't ever see them, but they're there.

And so the impacts on wildlife and on unfragmented habitat really need to be considered.

I've heard it said that we really need to have a lot more corridors so that we're protected in case terrorists want to do something to it. Well, terrorists can take down power lines and can interrupt power supply whether they're close together or far apart. And for our people so that we are not the victims of terrorists of our own terrorism, we need to minimize corridors, make those corridors as efficient as possible and minimize the impact on the landscape. Thank you.

JERRY PELL: Thank you very much, Mr. Hiatt. We appreciate your thoughts. They're not dissimilar from comments we've heard in previous locals, and we will certainly consider them during the course of preparing the PEIS.

I should mention, by the way, just for the record, I hope I mentioned it earlier, but we're looking at not just electricity but we're also looking at oil, gas and hydrogen pipelines and the entire spectrum of energy corridors.
I have another speaker here that has requested to speak, Don Malisani of Vista Corporation. Did I pronounce that correctly?

DON MALISANI: Yes, you did.

JERRY PELL: Thank you. If you'd be kind enough to just clarify the spelling for our court reporter.

DON MALISANI: Sure. My name is Don Malisani. I'm the manager of the real estate department for Vista Corp. Malisani is M-a-l-i-s-a-n-i.

Vista Corporation is a natural gas and electric utility, more distribution orientated. We do have generation and transmission facilities and look at this opportunity to establish new corridors as being something of need, great need to the country and see this as being a timely measure. Very concerned that, you know, we do meet the federal process and identify corridors and locate them in the best spots to protect wildlife and whatnot.

So with that said, there's many corridors that exist, and it's our hope that all those are identified. The western utility group has supplied maps of existing corridors and priority corridors. Hopefully those will be considered.
We're finding that there's a lot of need to tie into systems in Canada and look at that as being a source of energy, both gas and electricity. And so some of those may not be identified yet, but hopefully will come out of this process.

Hopefully there will be some flexibility in the program to allow for new corridors in the future. And so with that said, we would look forward to receiving maps and whatever you have identifying the corridors that are under consideration. Thank you.

JERRY PELL: Thank you. And by the same token we look forward to any written material or maps or what have you from you that you may wish us to consider.

I have another gentleman here that would like to speak. If I may ask you to tell us who you are and spell your name for the court reporter please.

STEVE HALL: My name is Steve Hall. I'm with Western Renewable Energy. Spelling of my name is S-t-e-v-e, H-a-l-l.

I work in distributed generation. I have a small energy plant myself. I burn wood generally from beetle kill or forest fires. We do watershed work for evasive species. And we're confident that
distributed generation is a good fit in these energy corridors. We can serve rural communities at a really substantial manner.

We've put a lot of time and effort into this. We're looking at waste energy so that we can increase the needs for rural communities to create jobs and of course maybe reduce the waste going to our landfills and things like that.

With the current corridors that we have, siting some utilities with them and having other pipelines with those energy corridors, we think that's a good idea and maybe we would need less corridors because we located those utilities together.

We're thankful that the DOE and the U.S.D.A. are working together. We're part of the national fire plan. That's how a lot of this distributed generation is working and we appreciate the efforts that U.S.D.A. and the DOE are providing for distributed generation and we appreciate the fact that you're working together.

We often thought that the DOE, since they're in charge of our energy needs, and the U.S.D.A. maybe has too much wood to deal with that it was a logical step that we all work together towards the common
good of everybody out there. And in that we think we've improved the landscape for the naturalists, the conservationists, and recognize that people need electricity to be able to work, and how do we go about that in the smartest ways we can. And I appreciate your efforts. Thank you.

JERRY PELL: Thank you very much, Mr. Hall.

I should mention that, you know, the agencies do work together outside of requirements from legislation. We typically work together, this three group of Bureau of Land Management, Forest Service, DOE have been known to work together on a fairly routine basis on energy projects that are all federal, and so it's really not an exception by any means.

Yes, sir?

BOB HENNKEN: I thought you were going to ask for the next speaker.

JERRY PELL: Yes, I certainly am. Would you like to speak?

BOB HENNKEN: Yes.

JERRY PELL: Thank you.

BOB HENNKEN: Thank you. Good evening.

I'm Bob Hennken, H-e-n-n-k-e-n-s. Like Steve I'm out of Arizona. We're very interested in the concept of corridor. It seems to be the least invasive for
our natural resources for our 700 million acres of
good. I want my grandkids, my kids haven't figured
out how to make any yet, but when they do I promise
same wildlife and species that I see.

But I also understand and have, in fact,
worked on a similar corridor to connect the city of
Druzhba, Kazakhstan to Urumchi, China and the PRC.
And what we found was when you work with nothing,
nothing was there, it was just country, the only
asset that we really had was the railroad corridors.
And if we followed the corridors with the rail with
the checkerboard that's already in place, seems to me
you'd be very noninvasive.

We also not only had pipelines, gas pipeline
from the Tingies field in Kazakhstan to the big
refinery in Urumchi, China, but also it had the
rails, and subsequently they're building a commercial
corridor for the highways and also an interstate
along these things as well as a communication system
all in one basic corridor that is very noninvasive in
my viewpoint.
It was the least invasive but also the most productive relative to one very important commodity, which was security. And when you're dealing in less than stable parts of the world, it's one of the things that you always have to, in fact, think about.

And I think when the FBI warned me, I worked with technologies basically and advised the federal laboratories on technologies, we were briefed by the FBI. They said that just in the state of Arizona we have 2200 miles of power grid, and they were concerned that it could be taken out with Molotov cocktails basically between 2:00 and 4:00 in the morning with nothing but people in pickup trucks.

It's not high tech at all, but it's very efficient because our fires are just destroying too much of our asset. Our nation's assets are not based on gold, they're based on our ports, they're based on our ability to, in fact, have cash flow and our ability to maintain the population.

It's very important that we understand that the efforts of the DOE and DOA, the rest of the people in the national bureaucracy are very much interested in what's not only happening today with cost of fuels, etc., it's very important that we know that we've got something for the future.
I had one technical question. This has to do with ultra low sulfur in the oil componentry, if that's going to, in fact, be addressed because we're having some difficulties now trying to get pipelines to carry the ultra low sulfur diesel product if they carry jet fuels as well. And that is a little more technical than probably you guys care about, but it's very important. We may have to have a separate pipeline for that. Thank you.

JERRY PELL: Thank you very much,

Mr. Hennkens. If you would do me a favor please, when we adjourn if you'd be kind enough to meet with Debbie, our court reporter, and give her spellings of some of these names in Kazakhstan and China I'd appreciate it, because I certainly didn't catch the spelling.

Who else do we have here that would like to speak this evening? Nobody else would like to speak? We have no other comments from the public? Going once. Nobody? Okay. Going twice.

SPEAKER: Can we ask more questions?

JERRY PELL: We'll go off the record. We'll be glad to chat with you and answer questions off the record once I get through the formal part of the evening.
If there are no other requests to speak, I will consider the formal portion of this meeting with the transcript portion as adjourned. Thank you. I would like to ask, by the way, is there anybody here from a federal agency that would like to stand up and be recognized?


JERRY PELL: Super. Department of Defense is one of the five agencies that's working together on this project, as is the Department of Commerce. Yes, sir?

SPEAKER: Bonneville Power Administration out of Portland, Oregon.

JERRY PELL: Especially glad to see you here, sir. Bonneville Power is one of the Department of Energy's independent power producers. We're glad to have you with us. These are organizations we will be working with in the course of preparing the document. Okay, on that note -- yes?

SPEAKER: I'm with the Bureau of Land Management, Nevada state office.

JERRY PELL: Super.

SPEAKER: Reno.

JERRY PELL: Thank you very much. Is that
it then? Okay. I'm going to call this formal portion of the meeting concluded. Thank our court reporter, thank you all for joining us. It's been a pleasure having you this evening. I think Scott would like to say something.

SCOTT POWERS: I was going to answer your initial question about the time frames of when this is going to be implemented. The legislation states that we'll have our affected land use plans on both Forest Service and BLM have to be amended by record. And the process to do that is the Record of Decision that will come from the Programmatic EIS. And we have to have those plan amendments in place implementing legislation within two years of passage of the legislation, so by August 7th, 2007.

JERRY PELL: So we can open it up to questions now or if there's not any further group we'll be glad to hang around for a while and do one-on-ones.

(Thereupon the proceedings were concluded at 7:29 p.m.)

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Laurie Webb & Associates 517 S. 9th Street Las Vegas, NV. 89101 1-800-982-3299
CERTIFICATE OF REPORTER

STATE OF NEVADA

SS:

COUNTY OF CLARK.

I, Deborah Ann Hines, certified shorthand reporter, do hereby certify that I took down in shorthand (Stenotype) all of the proceedings had in the before-entitled matter at the time and place indicated; and that thereafter said shorthand notes were transcribed into typewriting at and under my direction and supervision and the foregoing transcript constitutes a full, true and accurate record of the proceedings had.

IN WITNESS WHEREOF, I have hereunto affixed my hand this 16th day of November, 2005.

[Signature]

Deborah Ann Hines, CCR #473, RPR