0302

1 BEFORE THE WASHINGTON

2 UTILITIES AND TRANSPORTATION COMMISSION

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4 In the Matter of the )

Petition of )

5 )

Puget Sound Energy. ) Docket No. UG-151663

6 )

For (i) Approval of a )

7 Special Contract for )

Liquefied Natural Gas Fuel )

8 Service with Totem Ocean )

Trailer Express, Inc. and )

9 (ii) a Declaratory Order )

Approving the Methodology )

10 for Allocation Costs between )

Regulated and Non-regulated )

11 Liquefied Natural Gas )

Services )

12 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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16 6:02 P.M.

OCTOBER 19, 2016

17

18 Washington Utilities and Transportation Commission

1300 South Evergreen Park Drive Southwest

19 Olympia, Washington 98504-7250

20

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0303

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0304

1 OLYMPIA, WASHINGTON; OCTOBER 19, 2016

2 6:02 P.M.

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5 CHAIRMAN DANNER: Good evening. This is

6 Wednesday, October 19th, 2016, and this is a meeting of

7 the Washington Utilities and Transportation Commission,

8 and we're here tonight for a public comment hearing in

9 the matter of the Petition of Puget Sound Energy for an

10 approval of a special contract for liquefied natural gas

11 fuel service with Totem Ocean Trailer Express, Inc. as

12 well as a declaratory order approving the methodology

13 for allocating costs between regulated and non-regulated

14 liquefied natural gas services.

15 This is Docket UG-151663. I am Dave Danner.

16 I am the Chair of the Utilities and Transportation

17 Commission, and I'm joined by my colleagues,

18 Commissioner Ann Rendahl and Commissioner Philip Jones.

19 This docket concerns a proposal by Puget Sound Energy to

20 develop at the Port of Tacoma an LNG facility capable of

21 receiving nearly 21,000 dekatherms per day of natural

22 gas from which it can produce approximately --

23 UNIDENTIFIED SPEAKER: Hello?

24 CHAIRMAN DANNER: -- 250,000 gallons of LNG.

25 The facility will be capable of storing

0305

1 approximately 8 billion gallons of LNG. Puget Sound

2 Energy identifies three functions the facility has

3 planned to perform. The facility would first supply

4 fuel --

5 UNIDENTIFIED SPEAKER: Hello?

6 CHAIRMAN DANNER: All right. So we can hear

7 you. This is a meeting of the UTC, and we are going to

8 ask everybody who is listening in on the telephone to

9 please mute their phone --

10 UNIDENTIFIED SPEAKER: Hello?

11 CHAIRMAN DANNER: -- or we will hang up on

12 you. Thank you.

13 So the Tacoma LNG facility would -- Puget

14 Sound Energy has identified three functions the facility

15 would do. First, is supply fuel to Totem Express

16 Trailer -- Totem Ocean Trailer Express, Inc., which we

17 will refer to tonight as "TOTE," under a contract PSE

18 entered with TOTE on October 27th, 2014.

19 Second, provide fuel for sales to other

20 marine vessels or other purchases.

21 And, third, serve as a peaking resource for

22 Puget Sound Energy's core natural gas customers.

23 The parties filed a settlement stipulation

24 of this case that will resolve issues in this proceeding

25 and provide an opportunity for Puget Sound Energy to go

0306

1 forward with the Tacoma LNG project insofar as the

2 Commission's jurisdictional and regulatory obligations

3 are implicated. The parties now support an alternative

4 form of corporate organization and a business plan very

5 different from that that was originally proposed in this

6 proceeding.

7 Under the settlement stipulation, PSE's

8 parent corporation, Puget Energy, will form or cause to

9 be formed a wholly-owned subsidiary named Puget LNG,

10 LLC. Puget LNG will be a special purpose limited

11 liability company formed solely for the purposes of

12 owning, developing, and financing the Tacoma LNG

13 facility as a tenant-in-common with PSE. Puget LNG will

14 not be subject to the Commission's jurisdiction. Puget

15 LNG's sales of LNG as marine fuel to TOTE and other

16 sales of LNG as transportation fuel will not be

17 regulated by the Commission.

18 The LNG facility would also serve as a

19 peaking resource for PSE's core natural gas customers.

20 PSE's ownership, interest in, and the financial

21 commitments to the Tacoma LNG facility would be subject

22 to Commission's full regulatory authority.

23 The settlement stipulation, for example,

24 expressly reserves questions of prudence and cost

25 recovery in rates for further review and determination

0307

1 by the Commission. The parties to the stipulation

2 expressly reserve their right to take any position they

3 elect to take concerning those matters when they are

4 brought to the Commission at a later date.

5 The corporate structure and business model

6 proposed by the stipulation do not suffer from the

7 jurisdictional challenges present in PSE's original

8 proposal. There is, however, a regulatory barrier to

9 the establishment of this corporate structure and

10 business model that arises from commitments to the

11 proceeding concluded here in 2008, in which the

12 Commission effectively approved the acquisition of PSE

13 by an investment consortium led by MACQUARIE -- the

14 MACQUARIE Group.

15 Among the 63 commitments agreed to by the

16 joint applicants in that proceeding, two are important

17 here. In Commitment 56, the parties agree that Puget

18 Energy will not own or operate any businesses other than

19 PSE. In Commitment 58, the joint applicants agree that

20 the then-current and any future capital expenditure

21 credit facilities of Puget Energy and PSE will, by their

22 terms, limit the use of such funds solely for financing

23 PSE's capital expenditures.

24 The settling parties propose that the

25 Commission amend these commitments to allow the

0308

1 formation of Puget LNG as a subsidiary of Puget Energy

2 and to allow the Company's credit facilities to be used

3 to finance the construction of the Tacoma LNG facility.

4 The settling parties propose additional ring-fencing

5 provisions, that is, provisions that are designed to

6 protect Puget's customers financially under the revised

7 commitments.

8 As one of the witnesses in our evidentiary

9 hearing on Monday summarized the proposal, quote, The

10 settlement stipulation could be viewed as PSE's request

11 for amendments to the Merger Commitments 56 and 58 in

12 exchange for the guarantee from Puget and its parent to

13 hold ratepayers harmless from any losses or liabilities

14 created by non-regulated operations at the Tacoma LNG

15 facility, a reaffirmation of the remaining merger

16 commitments, and the ability to share a peaking

17 facility's cost with an unregulated entity. Commission

18 approval of the settlement stipulation enables PSE to

19 proceed with development of the Tacoma LNG facility.

20 We have received many comments from members

21 of the public, and these will be made part of the record

22 in the proceeding and considered along with the comments

23 we hear tonight and the evidence in the formal hearing

24 record as we make decisions on whether to accept the

25 settlement stipulation, accept it with conditions or

0309

1 reject it.

2 We are joined here tonight by Public

3 Counsel's Office and the Attorney General, and the

4 Public Counsel's Office represents the interests of the

5 public in proceedings before the UTC, and I understand

6 that they have distributed or have made available a fact

7 sheet which they can pick up by the door that outlines

8 the -- summarizes this case accurately.

9 With that, we have a number of people signed

10 up tonight to talk on this. We want to hear everything

11 that everybody has to say, but because of the number of

12 people, we have to make sure that we can get everybody

13 in. That means that we have to cut you off at some

14 point. So at this point, we're going to ask all people

15 speaking tonight, please limit your comments to three

16 minutes so that there's a chance for everyone to be

17 heard. I appreciate everybody coming out tonight and

18 making your views known, and we will consider your

19 comments as we go forward with this proceeding.

20 I am going to take comments from people in

21 the order that they signed up, so I'd like to call up

22 Hartleigh Caine. Hartleigh Caine, come forward.

23 Chris Bolt. Oh, I am sorry. Chris Bolt did

24 not sign up to testify.

25 Jack Knottingham, could you please come

0310

1 forward? Yeah, we have two -- we have a chair on the

2 side there.

3 So Bryant Mullin -- oh, no, Bryant did not

4 ask to --

5 How about Dean McGrath?

6 So why don't you have a seat right here.

7 Come forward in groups of three, and I am going to need

8 to swear you in.

9 So, Mr. McGrath, would you sit right over

10 here?

11 (Hartleigh Caine, Jack Knottingham, and Dean

12 McGrath sworn.)

13 CHAIRMAN DANNER: Thank you. Please be

14 seated.

15 Okay. Ms. Caine, would you like to start?

16 MS. CAINE: Yes, thank you.

17 Good evening. My name is Hartleigh Caine.

18 I'm the Director of Operations for TOTE Maritime Alaska,

19 and I am supportive of --

20 UNIDENTIFIED SPEAKER: Microphone.

21 CHAIRMAN DANNER: I'm sorry, you have to

22 press the red button here. Thank you.

23 MS. CAINE: I think it is working now.

24 CHAIRMAN DANNER: Great.

25 And for the benefit of the court reporter

0311

1 who is here tonight taking notes, I'd ask you to please

2 slow down just a little bit and maybe you could tell us

3 your name and spell your name for her benefit.

4 MS. CAINE: Okay. And I will leave my

5 statement with you as well.

6 So my name is Hartleigh Caine. I'm the

7 Director of Operations for TOTE Maritime Alaska, and I'm

8 supportive of the Commission's commitment to develop an

9 arrangement that will meet the needs of PSE's customers,

10 both residential and commercial.

11 TOTE is not only a shipping company based in

12 Tacoma. Many of our employees live in Tacoma as well as

13 the labor force that loads and discharges our ships

14 every night, which is Local 23. We trust the decision

15 arrived at by the Commission meets the needs of the

16 community as well as those of TOTE.

17 After years of study, TOTE Maritime Alaska

18 has concluded that liquefied natural gas is the most

19 environmentally friendly and safest fuel that's

20 available to meet our fleet. In 2012, we announced that

21 we would be the first shipping company in the U.S. to

22 convert our ships to run on natural gas. In 2014, we

23 signed a contract with Puget Sound Energy to be our LNG

24 supplier when our conversion was complete.

25 Their proposed plant is designed to the

0312

1 highest standards and will be a model for other

2 small-scale liquefaction plants that we believe will be

3 built in major port cities around the world. Natural

4 gas is the cleanest burning of all commercially

5 available fuel options that the maritime industry has.

6 The use of natural gas will result in a significant

7 reduction for TOTE's Orca class vessels of our

8 greenhouse gasses.

9 Preliminary analysis indicates there will be

10 a significant drop in carbon dioxide, sulfur, and

11 particulate matter emissions as well as nitro [sic]

12 oxide. In addition to the environmental and health

13 benefits, LNG has a proven safety record as a

14 transportation and marine fuel. LNG has been

15 transported globally for 40 years without incident.

16 I would also like to take a minute to note

17 that our sister company is currently running the world's

18 first LNG container ships since October, and that is a

19 model of where we are looking at. These vessels use LNG

20 as their primary fuel and have been operating safely

21 since their introduction in October of '15 and the

22 second ship was February of '16. Their workforce and

23 communities currently have those environmental benefits

24 of this innovative marine fuel. Tacoma, the Puget Sound

25 region, and Alaska will also benefit from the use of LNG

0313

1 once we've completed our conversion.

2 We are excited about this opportunity as we

3 begin the conversion to a cleaner, safer, more

4 environmentally-friendly fuel, and we look forward to

5 working with various stakeholders and the community in

6 these coming months and years ahead.

7 Thank you for this opportunity to speak

8 tonight, and unfortunately, it's a ship night for us at

9 TOTE, so we will be leaving, and that doesn't mean that

10 we are not committed to this and to seeing this facility

11 go through, but we need to also be there on the Port.

12 With that said, our chairman asked that I

13 read a small statement from him as he was unable to make

14 it here tonight. And that is for Mark Tabbutt, and he

15 is with Saltchuck.

16 Thank you for this opportunity to offer this

17 statement. Saltchuck would like to express our

18 appreciation and care for the attention that has been

19 taken to ensure that the proposed Tacoma LNG plant

20 government structure is designed in the public's

21 interest, and it will not cause undue burden to PSE or

22 its customers.

23 Saltchuck has four companies operating in

24 the Tacoma area, two of which are primarily used of LNG

25 as a transportation fuel. Our dedication to serve both

0314

1 our customers and the communities is why we've made

2 these significant investments across our companies to

3 move to cleaner, safer fuels. In particular, the use of

4 natural gas to power TOTE's maritime ships and the

5 trucks that use interstate distributors.

6 We support TOTE's choice to partner with a

7 local trusted provider and believe PSE is developing a

8 safe, reliable facility that meets the needs of both

9 TOTE and the community. For years, reliable supply and

10 access to LNG has been a barrier to industry-wide

11 adoption of this fuel. Projects like PSE's facility are

12 critical to ensure investments like those being made by

13 Saltchuck and our companies are successful and

14 sustainable.

15 We thank you for your time and appreciate

16 the help in moving this project forward.

17 CHAIRMAN DANNER: All right. Thank you very

18 much. And what is a "ship night"?

19 MS. CAINE: It just means it's one of the

20 nights our ship is in Port.

21 CHAIRMAN DANNER: All right. Thank you very

22 much.

23 All right. Mr. Knottingham?

24 MR. KNOTTINGHAM: All right. My name is

25 Jack Knottingham.

0315

1 Want me to spell that?

2 THE COURT REPORTER: Yes.

3 MR. KNOTTINGHAM: K-n-o-t-t-i-n-g-h-a-m, and

4 I represent International Brotherhood of Electrical

5 Workers, Local 77, and as a PSE customer, gas customer,

6 I have gas heat, gas hot water and gas range, I am

7 concerned about potential rate increases. As a licensed

8 electrician, I'm interested in creating family-wage

9 jobs, and I support this proposed agreement, and I ask

10 the Commission to approve the tentative agreement.

11 Thank you.

12 CHAIRMAN DANNER: All right. Thank you very

13 much.

14 Mr. McGrath?

15 MR. McGRATH: Hello. My name is Dean

16 McGrath. I am the president --

17 Oh, you need me to spell that? Sorry.

18 D-e-a-n, M-c-G-r-a-t-h.

19 I am the president of ILWU Local 23 in

20 Tacoma. We are responsible for the loading and

21 unloading of the TOTE vessels in the Port. I'd like to

22 speak most on our support for TOTE as we've been

23 long-time partners with them. But also, I wanted to

24 touch upon the point of where -- and I think it hasn't

25 been spoke a lot, where this project stemmed from and

0316

1 what that means to Tacoma in the shipping industry.

2 And so what I am referring to, I believe

3 it's MARPOL Annex, VI, but it's an EPA regulation that

4 all the carriers and all the ships are going to have to

5 transfer from their current fuel to a more efficient

6 greener solution and TOTE has been preemptive. I'd also

7 say that they have been the only shipping -- the only

8 shipper in Tacoma that has done anything environmentally

9 conscious. They've transferred much of their on-dock

10 facilities to they're moving toward electric trucks,

11 they've done drainage updates, and in part of that,

12 they've decided to move forward with LNG mostly from

13 what I've -- in discussions with them is calling the

14 European model.

15 My hope is that as this moves forward, it is

16 going to attract and it's going to keep Tacoma

17 competitive that we'll have an alternative -- and you

18 heard it talked about earlier. There is no real

19 alternatives now that anyone's got starting to use other

20 than LNG, and I think it's crucial and important not to

21 just talk about the jobs that come from this project,

22 but the jobs that we have. There's some 5,000 jobs

23 related to our commerce with Alaska, and in securing

24 this project, TOTE will then make a long-term commitment

25 to stay in Tacoma.

0317

1 And to me, not only will it secure them, it

2 will also make any environmentally carriage that want to

3 look for an alternative are then going to consider that

4 Tacoma has that in place and there's not a lot of it

5 around. So we are encouraged to see that TOTE first

6 moved forward to have some environmental stewardship,

7 but also that they are ready to open their facility for

8 other carriers that try to, as they move forward, they

9 are going to work with other carriers and the Port to

10 supply them with a fuel alternative.

11 Thank you.

12 CHAIRMAN DANNER: All right. Thank you very

13 much.

14 Okay. I would now like to ask Mark

15 Martinez, Denise Dyer, and Bruce Kendall to come

16 forward.

17 (Mark Martinez, Denise Dyer, and Bruce

18 Kendall sworn.)

19 MR. MARTINEZ: Is that on now?

20 CHAIRMAN DANNER: We can hear you.

21 MR. MARTINEZ: I can't see the light. It's

22 old age.

23 Thank you, Mr. Chairman, members of the

24 Commission. For the record, my name is Mark Martinez,

25 M-a-r-t-i-n-e-z. I am president of the Washington State

0318

1 Building and Construction Trades Council. Council

2 represents 50,000 skilled trades workers here in the

3 state of Washington. We want to go on record as being

4 in favor of the settlement between PSE and the UTC that

5 creates a wall between the regulated and the

6 non-regulated businesses of the LNG facility protecting

7 PSE's natural gas utility customers from any financial

8 losses from any commercial activity of PSE.

9 We also believe that this project will begin

10 the conversion, as you heard Mr. McGrath talk about, to

11 fueling ships from a dirty coal bunker -- or dirty coal

12 fuel -- or dirty bunker fuel I should say, to cleaner

13 burning natural gas. And quite frankly, the reason I am

14 here is that the sooner that this agreement gets

15 approved, the sooner that I can put 250 members of mine

16 to work in family-wage jobs with good benefits. It's a

17 win-win for everybody down at the Port, and we ask you

18 to approve this agreement.

19 Thank you.

20 CHAIRMAN DANNER: All right. Thank you very

21 much.

22 Ms. Dyer.

23 MS. DYER: Good evening, Mr. Chairman,

24 members of the Commission. My name is Denise Dyer,

25 D-y-e-r. I am the Economic Development Director for

0319

1 Pierce County. I would like to speak in support of the

2 settlement reached by the parties involved in this

3 settlement agreement. It appears to protect our

4 citizens and our businesses who are also natural gas

5 customers from any financial loss. It also helps my

6 citizens in a number of other ways.

7 It paves the way for a new venture and a new

8 employer in my community, which will provide quality

9 construction jobs and long-term jobs at the plant. It

10 helps with our air quality. We all want cleaner air.

11 We just recently climbed out of nonattainment for

12 particulate matter. However, we have a decade of

13 monitoring ahead of us. The LNG plant in Tacoma's Port

14 area will provide a cleaner fuel than what ships use

15 today. It also retains a very important employer in my

16 county as well.

17 TOTE is an environmentally conscious company

18 and is converting its ships to LNG. If they cannot get

19 their fuel in my community, this community-minded

20 company can go where they can get this fuel. Retaining

21 quality employers is critical to our economy and part of

22 the hardest part of my job.

23 Again, I fully support this settlement and I

24 thank you for your consideration.

25 CHAIRMAN DANNER: Thank you very much.

0320

1 Mr. Kendall.

2 MR. KENDALL: Thank you. Good evening. I'm

3 Bruce Kendall, K-e-n-d-a-l-l. I am the president and

4 CEO of the Economic Development Board for Tacoma-Pierce

5 County, a private corporation. We work diligently to

6 recruit and retain businesses that provide family-wage

7 jobs for the people of Pierce County, and we support the

8 approval of the settlement before you today.

9 Puget Sound Energy is essential to our work.

10 It has been providing valuable energy resources and

11 economic opportunities to our community for decades.

12 PSE's liquefied natural gas facility is an important

13 innovation for the Port of Tacoma, the people of Tacoma,

14 and the state of Washington. It will provide a new fuel

15 for maritime vessels that cuts the amount of harmful

16 particulate matter released into the air by more than 90

17 percent. Something I know, and as you've heard here

18 today, the men and women of the Port who work there will

19 appreciate every time they take a deep breath. Ships

20 that use LNG aren't using diesel, which is harmful to

21 marine life when spilled, and LNG cuts greenhouse gas

22 emissions, as you have heard, an essential step towards

23 slowing climate change.

24 This facility is a step toward a cleaner,

25 greener, industrial future while creating jobs in the

0321

1 process. It has the potential to change an entire

2 industry for the better and spark innovation for future

3 energy uses. The Economic Development Board is proud to

4 support this future-focused project.

5 Thank you.

6 CHAIRMAN DANNER: All right. Thank you very

7 much.

8 I would now like to call up -- I have some

9 people who have signed in, but they did not say whether

10 they wanted to speak tonight.

11 Aisima Melchior, did you want to speak?

12 MS. MELCHIOR: No, thank you.

13 CHAIRMAN DANNER: All right. And looks like

14 Joshua Lagosh?

15 MR. LAGOSH: No, that's fine.

16 CHAIRMAN DANNER: Okay. All right. Then

17 Terry Oxley and LaDonna Robertson, did you wish to

18 speak?

19 MS. ROBERTSON: Yes.

20 CHAIRMAN DANNER: All right. And Claudia

21 Riedener?

22 MS. RIEDENER: Yes.

23 CHAIRMAN DANNER: Did I pronounce that

24 correctly? Please come forward.

25 Mr. Oxley, familiar face.

0322

1 MR. OXLEY: Do you hear me?

2 CHAIRMAN DANNER: If the light is on, I

3 think we can hear you.

4 MR. OXLEY: The light is on.

5 CHAIRMAN DANNER: I need to swear the three

6 of you in.

7 (Terry Oxley, LaDonna Robertson, and Claudia

8 Riedener sworn.)

9 CHAIRMAN DANNER: Please be seated.

10 Mr. Oxley, please proceed.

11 MR. OXLEY: Mr. Chairman --

12 CHAIRMAN DANNER: Your microphone is not on.

13 MR. OXLEY: Oh, it's not. There it is.

14 CHAIRMAN DANNER: Yeah, there it is.

15 MR. OXLEY: Okay. Mr. Chairman, members of

16 the Commission, good evening. My name is Terry Oxley,

17 O-x-l-e-y.

18 UNIDENTIFIED SPEAKER: Microphone.

19 CHAIRMAN DANNER: Yeah, you're having

20 a --

21 MR. OXLEY: It comes on and then it goes

22 off.

23 CHAIRMAN DANNER: Doesn't want to hear what

24 you have to say.

25 MR. OXLEY: Is it on? Doesn't want to hear

0323

1 what I am saying.

2 CHAIRMAN DANNER: It's not staying on. Why

3 don't you take Ms. Gafken's mic for a while.

4 MR. OXLEY: All right. This is the usual

5 impact I have on electronics so --

6 Thank you, Mr. Chairman, members of the

7 Commission. Good evening. My name is Terry Oxley. I

8 am a resident of Tumwater, Washington, and a customer of

9 Puget Sound Energy. For the record, I support the PSE

10 proposal for construction and operation of a liquid

11 natural gas facility proposed for the Port of Tacoma.

12 My support for this project is based on two

13 factors. First, the proposal has been thoroughly

14 reviewed by the Commission to assure that the energy

15 customers are insulated from the economic risks

16 intrinsic to an entrepreneurial enterprise of this

17 nature; and second, a belief that this project has the

18 potential to advance the broader use of cleaner LNG for

19 ocean-going vessels and port-support facilities and

20 operations.

21 I understand the Commission has thoroughly

22 investigated the merits of this project and is satisfied

23 that financial risks are appropriately fenced off from

24 PSE customers and their energy rates. This is optimal

25 as fiscal risks belong within the realm of the private

0324

1 sector, and if this enterprise succeeds, we all stand to

2 benefit.

3 As a closing note, I am an avid small boater

4 and a scuba diver, and from this salty perspective, both

5 above and below the waves, I am hopeful that this

6 project will over time mean cleaner oceans and a

7 healthier biosphere.

8 Thank you for this opportunity to address

9 the Commission on this important initiative.

10 Thank you.

11 CHAIRMAN DANNER: All right. Thank you very

12 much. And I just -- I do want to just clarify that the

13 Commission itself has made no determinations in this,

14 and we will take our -- our -- this matter under

15 advisement after the hearing. Commission Staff has

16 approved the settlement. So just wanted to clarify.

17 MR. OXLEY: It's a contingency.

18 CHAIRMAN DANNER: All right.

19 MR. OXLEY: Thank you.

20 CHAIRMAN DANNER: All right.

21 Ms. Robertson.

22 MS. ROBERTSON: Hello. I'm LaDonna

23 Robertson. I don't know if this mic is on.

24 CHAIRMAN DANNER: Press the button.

25 MS. ROBERTSON: I'm pressing.

0325

1 CHAIRMAN DANNER: There you go. We can hear

2 you.

3 MS. ROBERTSON: Is it okay now?

4 CHAIRMAN DANNER: Say hello.

5 MS. ROBERTSON: Hello?

6 CHAIRMAN DANNER: There we go.

7 MS. ROBERTSON: Okay. Initially, these are

8 questions that I would like to put out to PSE. Again, I

9 am LaDonna, L-a, capital D-o-n-n-a, Robertson of Tacoma.

10 These are questions that I think the -- there are many

11 of us who want answers to, but initially, PSE made a

12 claim as part of a pie chart that 7 percent of the LNG

13 would be used for peak shaving. PSE claims now that 6.3

14 days of peak shaving while all along they've said two to

15 three days every few years. I would like to know what

16 is meant by an average 6.3 days of peak shaving each

17 year. How does PSE arrive at this figure when Gig

18 Harbor can handle peak shaving?

19 PSE supposedly has the largest Northwest

20 underground vault. Electricity and gas used decreased

21 due to efficiency. Why would there be a need when we

22 have enough gas to last us for the next 50 years. There

23 is never -- there is never a reported gas shortage.

24 Also, due to climate change, temperatures are increasing

25 and there's less and less need for peak gas.

0326

1 Another question is what does liability

2 insurance cover? Sounds like the $30 million liability

3 coverage is way too small. Who is going to pay the

4 excess coverage in case of an accident? Exactly what

5 costs or expenses will go to the ratepayers and what

6 will those amounts look like? What will the rate

7 increase be for a resident or customers in all of this

8 proposal?

9 In case of pollution, which there is

10 particulate in the air from the LNG plant, what will be

11 our health care costs? What will be the increase to

12 health care costs because of the particulate and the

13 carcinogens per year? What will a new fire station

14 operation cost for the general budget or local burn

15 units? These are all questions we need to have covered.

16 Finally, what will be the costs to the

17 shipping industry due to extra caution taken because of

18 TOTE LNG bunkering? These are some questions that have

19 been on our minds, so I would like to have some kind of

20 answer from PSE for this coverage.

21 CHAIRMAN DANNER: All right. Thank you. So

22 we are -- I would direct you to people from PSE who

23 are -- who are here tonight and maybe can talk to you

24 about some of your questions. We are -- we are here to

25 listen tonight, so any questions directed at us are

0327

1 going to be deemed rhetorical questions.

2 MS. ROBERTSON: Right.

3 CHAIRMAN DANNER: And so, like I say, we're

4 just here to listen.

5 MS. ROBERTSON: Okay.

6 CHAIRMAN DANNER: So thank you very much.

7 MS. ROBERTSON: Thank you.

8 CHAIRMAN DANNER: Ms. Riedener?

9 MS. RIEDENER: Commissioners, we appreciate

10 that you're willing to have this public meeting tonight

11 and that you're willing to listen to our statements. My

12 name is Claudia Riedener, R-i-e-d-e-n-e-r. I am a

13 Tacoma resident, and I am also a PSE customer.

14 Yesterday, Tacoma Public Utilities announced that

15 electricity costs will rise 5.9 percent next year and

16 another 5.9 percent the following year. Why is that?

17 That is because efficiencies have lowered the use of

18 electricity and therefore, the maintenance costs are

19 still equally high and they have to recoup those costs.

20 Now, if we look at that and we realize that

21 efficiencies are happening more and more, I do not

22 understand why this facility can be called a peak

23 shaving facility. I understand that TOTE is willing to

24 convert their ships, and, of course, I understand that

25 Puget Sound Energy wants to sell their gas. What I do

0328

1 not understand is why it's being called a peak shaving

2 facility, why the ratepayers would have to have the cost

3 of their -- near half of the building of the facility.

4 When we look at all the other costs that are

5 already occurring to the citizens of Tacoma, residents

6 nearby the facility, their home value according to real

7 estate estimates will plunge about 10 percent nearby a

8 dangerous facility like that. Homeowner insurance rates

9 will increase. Like we heard earlier, health care costs

10 will be a factor because of the 20 -- over 20 tons --

11 excuse me, over 40 tons of carcinogens that will be

12 pumping into our air.

13 And then lastly, I want to speak to the

14 environment. As you all know, gas is produced via

15 fracking. And fracking, for example, the indigenous

16 people of Canada, 70 percent already don't have clean

17 drinking water. And then besides, we've heard already

18 here tonight that it will reduce greenhouse gases. In

19 fact, that's not the case at all. It will reduce CO2 by

20 30 percent. Mind you, there will be still 70 percent

21 CO2 produced and CO2 is essentially less harmful, if you

22 can believe it, than methane. The EPA estimates that

23 methane is at least 25 times, not percent, 25 times

24 worse as a greenhouse gas.

25 So I believe that it's foolish to believe we

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1 can frack our way into the future. It's foolish to

2 believe that we can continue burning gas. Global

3 warming is one of the biggest dangers that's facing

4 humanity. And frankly, by the Port and PSE and TOTE,

5 focussing exclusively on another 50 years of fossil

6 fuels, it will not leave us the capacity to think

7 outside of the box.

8 For example, in Germany, they are running

9 trains on hydrogen. They are running trucks on

10 electricity, there's other ways of doing it.

11 Thank you.

12 CHAIRMAN DANNER: All right. Thank you.

13 Before you go, did you finish? Did you have more to

14 say?

15 MS. RIEDENER: I had a couple more thoughts.

16 CHAIRMAN DANNER: Okay. Why don't you go

17 ahead and share those.

18 MS. RIEDENER: Sorry.

19 CHAIRMAN DANNER: While you're gathering

20 those, I wanted to ask you, did you say that you're here

21 representing RCT or RLT? Can you tell me what that is?

22 MS. RIEDENER: Sure. We are a group of

23 community volunteers. We are loosely organized and it's

24 neighbors, it's chemists, professors, teachers,

25 environmentalists, and we are called the RedLine Tacoma

0330

1 and we are interested in halting fossil fuel expansion

2 in our city and even upstream.

3 And I would like to also add at this point

4 that last week, there was a Washington State Tribal

5 Council and all 27 tribal nations, original people of

6 our state, have voted to not be in favor of Tacoma LNG.

7 Some of the risks are that the location is very near a

8 Superfund site and the dangers of construction and the

9 pressures of the tank and the weight of the construction

10 might flush toxins into -- into the water and create a

11 fish kill, and salmon are in danger.

12 So that's, I believe, why the tribes are

13 also opposed to future fossil fuel development. And I

14 believe as we look around this room, we don't see youth

15 represented. We don't see the environment represented

16 very much, and we definitely don't see the tribes

17 represented, and those are important partners in walking

18 into the future together.

19 Thank you.

20 CHAIRMAN DANNER: All right. Thank you very

21 much.

22 So I would like to call up Nanette Reetz.

23 And, Amy Siltanen, did you want to testify?

24 You said possibly.

25 MS. SILTANEN: Sure.

0331

1 CHAIRMAN DANNER: All right. Come forward.

2 And Rochele Gardner, the same. You said

3 possibly, do you want to come forward?

4 All right. And Kristina Brown?

5 MS. BROWN: Yes.

6 CHAIRMAN DANNER: Will you come forward?

7 Please stand.

8 (Nanette Reetz, Amy Siltanen, and Kristina

9 Brown sworn.)

10 CHAIRMAN DANNER: Please be seated.

11 All right. Ms. Reetz.

12 MS. REETZ: I didn't know I was going to be

13 up so soon. Can you hear me?

14 CHAIRMAN DANNER: Yes.

15 MS. REETZ: Okay. Thank you.

16 Thank you for allowing this public comment

17 period. I actually don't have comments prepared, so I

18 am just going to speak a little bit to things that I

19 have done myself with a chemical engineer. He's done a

20 lot of research. He's a Northeast Tacoma resident.

21 He's a tired -- retired -- he's tired, actually, from

22 all of this. He is a retired chemical engineer, and

23 he's well qualified to give written testimony on this

24 subject. And we met with the fire chief, Chief Duggan,

25 in Tacoma, and we're very concerned about the safety of

0332

1 this project.

2 And I know we are here to address the

3 financial issue, but the safety issue is a financial

4 issue. I live in Northeast Tacoma and I can tell you,

5 my neighborhood is very concerned, as well as Federal

6 Way, of an accident. Not only for obviously for health

7 reasons and our safety personally, but our property

8 values. There's -- I don't even know if there's a burn

9 unit in the Tacoma area. That's a concern. That's what

10 this will cause, if you look into what would happen if

11 there was a vapor cloud, a plume, that would escape the

12 plant because of any type of a leak.

13 All the information -- I am not going to

14 speak on the technical side of it because I'm not

15 qualified, but we have reports that we can furnish to

16 you, and I think you need to look at the financial --

17 the financial consequences to our community and who will

18 rebuild it, because $30 million in liability insurance

19 will not even touch it.

20 It's also a health concern and to speak

21 against the Economic Development Board that -- the

22 members that spoke here, I'm sorry, but they are wrong.

23 We did just get in compliance with air quality, but

24 those docks -- the ships, when they're docked here, will

25 be connected to shore power, and they won't be burning

0333

1 LNG. And where the dangerous emissions will come from

2 is when the frack gas comes in and it's cleaned at the

3 facility and there will be 40 tons of emissions,

4 carcinogenic pollutants, into our air yearly. And we

5 have documents that are supported by Wilma Subra, who is

6 a scientist and well qualified to give testimony on this

7 also. She's done a plan for the Tacoma area and I will

8 submit that to you also.

9 So my concerns are, I would like to just

10 simply state quickly, that I'm opposed to this as a

11 ratepayer and consumer of Puget Sound Energy, and I'm

12 asking Washington Utilities and Transportation

13 Commission to reject PSE's proposal.

14 Thank you.

15 CHAIRMAN DANNER: All right. Thank you very

16 much. I would like to clarify, I believe we are taking

17 written comments, so if people who can't be here tonight

18 have something that they want to put in writing or

19 anything that you want to submit to us --

20 MS. REETZ: Okay.

21 CHAIRMAN DANNER: -- we will be taking those

22 comments until September 28th.

23 Ms. Gafken, is that correct?

24 October 28th, excuse me.

25 MS. GAFKEN: We're past that.

0334

1 CHAIRMAN DANNER: Sorry.

2 MS. GAFKEN: So the written comments need to

3 come in by the close of business tomorrow, October 20th,

4 and I just want to comment, exhibits will be filed by

5 the 28th.

6 CHAIRMAN DANNER: That is right. So we need

7 to get those in as soon as possible by close of business

8 tomorrow.

9 MS. REETZ: Okay. So 5 p.m. tomorrow night?

10 CHAIRMAN DANNER: Thank you.

11 MS. REETZ: Okay. Thank you.

12 CHAIRMAN DANNER: Okay. Ms. Siltanen.

13 MS. SILTANEN: No light but there's noise.

14 My name is Amy Siltanen, S-i-l-t-a-n-e-n, and I'd just

15 like to say that I'm in agreement with Nanette and all

16 those speaking on behalf RedLine Tacoma. I'm a resident

17 on the border of Federal Way and Northeast Tacoma as

18 well as a business owner. And so I would just like to

19 say I am in agreement with those speaking on behalf of

20 RedLine Tacoma and what Nanette just shared.

21 Thank you.

22 CHAIRMAN DANNER: All right. Thank you very

23 much.

24 Ms. Brown.

25 MS. BROWN: My name is Kristina Brown, and I

0335

1 spell it K-r-i-s-t-i-n-a, B-r-o-w-n, and I am here as a

2 resident of Northeast Tacoma and a ratepayer, and I

3 would like to say that I am opposed, and I'm asking the

4 Commission to please reject the proposal. I think it's

5 wrong to break the ring-fencing of the utility

6 agreement. Utilities have a monopoly for a reason.

7 They are there to serve the people. They are not there

8 to be making profits. They are not a private

9 entrepreneurial business, and I think it's appropriate

10 that they be regulated and controlled.

11 My concern with this particular plant is

12 that there is quite a lot of reserve in Chehalis, there

13 is reserve in Utah, there is reserve in Gig Harbor.

14 From my understanding of the peak shaving, peak shaving

15 is not a clear science. They are trying to make

16 projections like all businesses must do, but it is a

17 speculative issue, and we are being asked to shoulder,

18 as my understanding, 43 percent of the cost of this

19 plant. And my question is why do we even need another

20 peak shaver? To me, this appears to be a convenient --

21 I don't know what to call it, project in order for the

22 MACQUARIE Group to enter into the retail LNG sales; that

23 is, to TOTE and to other residential customers. If they

24 want to do that, they should just form another company

25 entirely separate that has nothing to do with PSE.

0336

1 I -- as a rate payer, I am concerned that

2 this is going to drive the cost of my rates way up

3 because I don't -- I do not understand the need for

4 another peak shaving facility.

5 Number two, I don't believe PSE has ever

6 engaged in a liquefaction plant like this. I'm a little

7 concerned of cost overruns. We've already seen the

8 increase in the projection of how much it is going to

9 cost to build it. Again, the ratepayer has to assume a

10 certain percentage of this. You know, it just keeps

11 escalating. Where is the limit? Who is going to decide

12 what is a fair rate for PSE to be able to charge me?

13 I'm also concerned with indirect costs that

14 come with this plant at the bottom of Northeast Tacoma.

15 There will be significant pollution emitted by the

16 liquefaction plant itself. That could have an effect on

17 both, you've heard it before tonight, property values,

18 perhaps health costs. It also could future down the

19 line, inhibit the recruitment of other kinds of

20 industries to come into Tacoma.

21 These are all indirect costs, but to me they

22 are a financial cost and therefore, I wanted to bring it

23 before the Utilities and Transportation Commission

24 because I think you are looking at financials. I am

25 looking at the indirect cost and the future of Tacoma.

0337

1 What kind of industries are we going to be able to bring

2 in when we have a facility that is almost the size of

3 the Tacoma Dome in the tide flats. You know, I feel it

4 may lock us into very heavy industry, which is something

5 Tacoma has worked very hard to overcome the Asarco --

6 you know, we've had Asarco, we've had Kaiser and other

7 industries that have caused tremendous pollution and

8 have really set us back quite a bit.

9 We are working very hard to become a

10 beautiful, healthy city, and so I am concerned about our

11 future if we do this. And that, again, will be a cost

12 to Tacoma. Not just Northeast Tacoma, all of Tacoma,

13 but -- so I really -- I think that's enough.

14 CHAIRMAN DANNER: All right.

15 MS. BROWN: Thank you.

16 CHAIRMAN DANNER: Thank you very much.

17 Thank you all.

18 All right. Richard Lovering, Dorothy

19 Walker, and Carol Colleran. Please come forward.

20 (Richard Lovering, Dorothy Walker, and Carol

21 Colleran sworn.)

22 CHAIRMAN DANNER: Please be seated.

23 All right. Mr. Lovering.

24 MR. LOVERING: Hi. Can you hear me?

25 CHAIRMAN DANNER: Nope. Try it again.

0338

1 MR. LOVERING: Can you hear me now?

2 CHAIRMAN DANNER: Yes.

3 MR. LOVERING: Thank you.

4 COMMISSIONER RENDAHL: If you pull it close,

5 it works even better.

6 MR. LOVERING: Commissioners, thank you very

7 much for hearing us out on this. This is a momentous

8 project for those of us in Tacoma, particularly because

9 essentially, it represents a large bomb in the middle of

10 Tacoma in full sight of the glass museum, of the art

11 museum, and what traditionally has been downtown Tacoma

12 along Pacific Avenue. I think to say that the storage

13 is pretty close to 100 percent of the cost shouldered by

14 PSE, is really to pull a fig leaf over the whole thing.

15 What this represents, I believe, more or

16 less, is for a large investor to have a gas station for

17 liquefied natural gas on the West Coast, and it doesn't

18 necessarily ascribe all itself with TOTE, it's just

19 going to grow from here. I think questions that ought

20 to be asked are why, why build this? I think for

21 profits. Why build it in the center of Tacoma, which is

22 a preposterous location for it in terms of safety for

23 the Tacoma residents.

24 But why build it in Tacoma? Well, because

25 Tacoma traditionally has been the toilet of Puget Sound.

0339

1 Send it to Tacoma, says Seattle, and I am sure you

2 wouldn't like it in Olympia, a lovely city. And so we

3 are saddled with this thing, and it goes through

4 committee by committee with people taking it off and

5 just saying, well, it seems right. There is a fellow

6 who is a grillionaire [sic] in Australia who evidently

7 got the bucks to build it or rather enough bucks so that

8 he can persuade the authorities to make the ratepayers

9 build it, which is something along the lines with making

10 Christ carry his own cross up Calvary or making

11 political prisoners in -- in fascist pain dig their own

12 graves.

13 This is -- if you give the -- so far the --

14 the people who project building this tank have refused

15 to make public the safety statistics on it, the risk,

16 because they say this will attract terrorists. And so

17 essentially, you have a situation where if you gave a

18 dozen 12-year-old boys the situation of a large

19 explosive tank sitting in the middle of a populated

20 area, they could come up with a hundred different

21 scenarios but which they could blow it up themselves.

22 In an age of drones and sniper rifles with

23 tracer bullets and so forth, and if you add on top of

24 that railcars and tankers, maritime tankers coming in to

25 refuel, you get two for the price of one. So the "whys"

0340

1 are really not the issue of this committee. It's are

2 you going to allow these people to essentially shove all

3 this risk onto the people of Tacoma and the ratepayers,

4 and I would strongly, strongly urge you not to do that.

5 I think that that's a choice made with conscience.

6 Now, the 1980s brought to us the issue of

7 global warming. Global warming in terms of natural gas

8 is upstream, it's not downstream. I agree with TOTE,

9 once they get it in their ships, it will burn clean.

10 It's a lovely fuel once it's there in the tank and being

11 used right away. The hazards, as Claudia mentioned, are

12 upstream when it's fracked, which is why all the

13 brouhaha in North Dakota right now. It's essentially a

14 disaster. It's a disaster when it's pulled out of the

15 ground because it destroys water tables. It's a

16 disaster when it is connected to the pipes because it

17 escapes into the air where it's anywhere from 25 to 85

18 times as pernicious as CO2 in which authority you ask,

19 and runs the danger on pipelines of explosion or just

20 simple release along the course of it. Plus the

21 terrorism aspect.

22 And then finally, you get to Tacoma where,

23 once again, this is a preposterous place to put such a

24 liability. It makes us risking becoming the poopal of

25 the state of Washington. We don't want to be known for

0341

1 that.

2 So thank you. I've spoken enough. I think

3 I have told you how I really feel.

4 CHAIRMAN DANNER: All right. Thank you very

5 much.

6 Ms. Walker.

7 MS. WALKER: Is this on?

8 CHAIRMAN DANNER: Yes.

9 MS. WALKER: Good evening, Commissioners.

10 My name is Dorothy Walker. I am a resident of Pierce

11 County and of the earth. I would like to challenge the

12 underlying assumption that's driving this agreement.

13 That is, that there's a need for a peak shaving facility

14 and that it is in the public interest. I do not believe

15 that PSE has demonstrated that there are customers who

16 have gone without heat six days of the year.

17 I have to conclude, then, that any need

18 would be driven by anticipated area population growth.

19 Growth in energy needs of areas should be met by ever

20 more plentiful, cheap, renewable energy. We should

21 continue to encourage the change to heat pumps, solar

22 installations, and other clean, not fossil fuel,

23 solutions. PSE would like to sell more gas. PSE will

24 not tell you to turn down your thermostat.

25 Second, creating infrastructure that would

0342

1 increase demand for dirty fossil fuel is not in the

2 public interest. PSE is not selling clean natural gas.

3 PSE is selling dirty fossil fuel. The gas is to be

4 fracked and transported by pipelines, as we've just

5 heard, prone to leaking from Alberta. It is at least as

6 contributory to greenhouse gases as coal. Methane,

7 which is basically what natural gas is, contributes to

8 greenhouse gases.

9 Now, I am using the figure of 86 times CO2,

10 and that figures over a 20-year period, which is the

11 difference between the 20-year -- the 20 times figure

12 you heard before that's over a hundred-year period.

13 Well, we don't have a hundred years so -- it's 86

14 times -- it contributes to greenhouse gases 86 times the

15 rate of CO2 over a 20-year period.

16 Jim Hogan of PSE testified before the

17 Shorelines Hearings Board that emission reductions in

18 the two TOTE vessels did not represent a significant

19 reduction of emissions in the Puget Sound region.

20 I have some concerns with the agreement

21 itself. I would strongly urge you not to remove the

22 ring-fencing protections agreed to by Puget Energy when

23 they were allowed to purchase PSE. The amendments to

24 Commitments 56 and 58 allow what the commitments were

25 designed to prevent, allowing Puget Energy to form

0343

1 another corporation and to use its credit in its behalf.

2 Puget LNG will pay for its share of development costs

3 with PSE credit. PSE will pay for its share with

4 increases to its ratepayers.

5 The underlying logic for the ownership share

6 of percentages should be available to the public. PSE's

7 share for peak -- for the peak shaving storage facility

8 is 79 percent, yet the LNG used for peak shaving would

9 be in the neighborhood of 7 percent. This seems really

10 high unless, of course, PSE has plans we are not privy

11 to for the rest of the capacity.

12 In Attachment D, the Common Ownership Share

13 calculation is based on PSE and Puget LNG ownership

14 shares, and it is 43 and 57 percent respectively.

15 Setting aside the fact that this seems to be a contrived

16 way to allocate operating costs and liabilities since

17 there is no transparency in the allocations of the

18 capital expenditures, tell me what you want the Common

19 Ownership Share figure to be and I can manipulate those

20 figures to give you exactly what you want.

21 In conclusion, my reading of the agreement

22 tells me that the protections afforded are for Puget

23 Energy and PSE. PSE's losses will be passed on to its

24 ratepayers. Ratepayers are protected from liabilities

25 from Puget LNG, LLC but the community most certainly is

0344

1 not. In the case of bankruptcy or God forbid a

2 catastrophic failure or accident, the Port of Tacoma and

3 the City of Tacoma, that is the taxpayers, would be left

4 to pick up the pieces, clean up the mess, and try to

5 make residents who suffered property damages, death, or

6 injury whole again. Puget LNG could just walk away.

7 Thank you for hearing my comments.

8 CHAIRMAN DANNER: All right. Thank you very

9 much.

10 Ms. Colleran.

11 MS. COLLERAN: Thank you, Commissioners, for

12 calling this meeting and listening to all of us. My

13 name is Carol Colleran, C-o-l-l-e-r-a-n, and I'm a

14 resident of Lakewood, Washington and a user of natural

15 gas. But my -- my main comment revolves around trust,

16 that how do you trust a company that made an agreement

17 and three years later comes back and says, well, we want

18 to change this agreement. I -- I -- I'm just astounded

19 that anybody would even enter into negotiations on that

20 basis.

21 My experience of Puget Sound Energy is that

22 my gas supply is reliable, and I appreciate it when my

23 electricity is gone and I can still have hot water and

24 cook my food. But my experience in other aspects of

25 Puget Sound Energy, in addition to this going back on

0345

1 their agreement after three years, is from top to

2 bottom, they're disorganized and disrespectful, and it

3 goes from being disorganized in their office. I am

4 involved in some retail commercial properties that they

5 can't even get the billings straight. They -- I mean,

6 it's taken like four years and hours and hours and hours

7 on the telephone with their business office. How are

8 they ever going to get something as complicated as what

9 they are proposing with these percentages and this

10 ownership and that ownership in this scenario that is

11 before you.

12 And the disrespectfulness comes down --

13 right down to the workers on roads that are doing the

14 utility lines. They are -- it's infuriatingly

15 disrespectful to the people that use those roads. It's

16 like we own these roads is their attitude, and sorry we

17 didn't put up any signs, but now you have to turn around

18 and go another way. And it's, you know, it's just total

19 disrespect, and I think that that is top to bottom in

20 that company.

21 Just as a -- just in regard to the safety,

22 aside from what I've mainly addressed and nobody has

23 mentioned it, but when we talk about the bomb and the

24 tide flats, we also need to be cognizant of the 1500

25 undocumented people that are behind bars in the

0346

1 Northwest Detention Center down in the tide flats, which

2 is maybe -- maybe approximately two miles or a mile and

3 a half from where this site is. And the safety

4 precautions at this time for them in an emergency is to

5 shelter in place. There is a plan for the employees to

6 escape, but the people that are there behind bars are

7 just shelter in place in a -- in an emergency, and I

8 think that is inhumane.

9 Thank you very much.

10 CHAIRMAN DANNER: All right. Thank you very

11 much.

12 All right. I would like to call up -- thank

13 you all. I'd like to call up Rhonda Hunter, Todd

14 Iverson, and Mel Berglund. Please come forward.

15 Rhonda Hunter, are you in the room?

16 All right, then. Ann Vance -- I can't

17 read -- oh, I'm sorry, is Rhonda Hunter coming forward?

18 MS. HUNTER: Yeah.

19 CHAIRMAN DANNER: All right. So Ann Vance,

20 I cannot read your last name. I will let you tell me.

21 So please sit -- or stand over there,

22 please.

23 (Rhonda Hunter, Todd Iverson, Mel Berglund,

24 and Ann Locsin sworn.)

25 CHAIRMAN DANNER: Please be seated.

0347

1 Mr. Iverson, let's start with you.

2 MR. IVERSON: Oh, okay. Okay. My name is

3 Todd Iverson. I am here on behalf of the International

4 Longshore Warehouse Union, Local 23 in the Port of

5 Tacoma. I'd like to thank the Commissioners for being

6 here tonight. I know there is something important on TV

7 that we could all be watching, but I will just say, Cubs

8 are up 4-nothing.

9 I am here to represent the 1500 longshore

10 workers of the Port of Tacoma that last week voted

11 unanimously to support the proposed LNG facility. This

12 project does two things. It protects our economy and

13 jobs, and it helps the environment we work and live in.

14 Port of Tacoma is the economic engine that fuels Pierce

15 County. Right now, over 100 longshore workers are

16 loading and unloading the TOTE vessel that goes every

17 Wednesday and Friday night to Alaska. Those vessels and

18 there's ships at the other terminal of the Port, provide

19 80 percent of the cargo bound for Alaska. It's a vital

20 key for not just Pierce County but for all of Alaska.

21 If TOTE leaves because they have to -- they

22 decide to make this development and then they go to

23 another port, it's hundreds of jobs for us, but it's

24 also literally thousands of jobs in Pierce County with

25 all the warehouses, trucking jobs, and everything else

0348

1 that would -- provides the vehicles to TOTE that we load

2 and unload and go from there.

3 The future of our Port is influx. The

4 shipping industry is changing rapidly, and a lot of it

5 is just out of environmental needs. LNG is looking like

6 a very viable fuel for the future. A gentleman earlier

7 talked about this being a gas station. That's our

8 argument too. That if we have a facility that can fuel

9 the ships, they will come to Tacoma and they will be

10 happy to go to Tacoma. Tacoma is what we call a

11 discretionary port because the Pacific Northwest, as big

12 as it seems and as bad as traffic was, most of our cargo

13 actually leaves the Port. It gets on a rail or gets on

14 a truck and moves east, mostly the Midwest. We need

15 something to attract customers to come to Tacoma,

16 shipping lines. This is another tool for the Port of

17 Tacoma to use.

18 The other issue that's come up is the

19 environment reason. We are in favor of this for

20 environmental reasons because right now, LNG is probably

21 the best alternative fuel. One point sales were the

22 best alternative fuel, but the industry has changed and

23 right now it's bunker fuel. That is a dirty fuel that

24 our workers breathe. Our workers also live in these

25 neighborhoods, and that goes up into -- my kids are

0349

1 breathing that air.

2 So we -- we don't want to lose the jobs, but

3 at the same time, we want the cleanest alternatives

4 there is. 20 years from now, we might be arguing

5 something else and believe me, ILWU 23 will probably

6 vote unanimously to use solar-powered ships or whatever

7 the technology is, but right now, that is where the

8 technology is we support. We are partners with TOTE on

9 many fronts but definitely on this because TOTE is

10 taking the opportunity to say this is the best thing

11 that they can do with their ships that they spent

12 billions of dollars building. I literally think it was

13 half a billion dollars -- sorry, I said billion, but

14 half a billion to build these two ships, and that is

15 what they take to Alaska and back and forth every week.

16 So just in conclusion, thank you on behalf

17 of ILWU Local 23 and the 1500 workers that work at the

18 Port of Tacoma. We urge you guys to support this

19 agreement, carry it forward, and give us the opportunity

20 to help Pierce County and our Port grow.

21 Thank you.

22 CHAIRMAN DANNER: Thank you very much.

23 Mr. Berglund.

24 MR. BERGLUND: My name is Mel Berglund. I

25 am from Dash Point near Northeast Tacoma. I am a

0350

1 concerned citizen and quickly becoming an activist, and

2 I would like to discuss for just a little bit the LNG

3 plant is not really in the best public interest for our

4 community. And when we talk about public interest, are

5 we talking about the public around the world, are we

6 talking about the public in the United States, or is it

7 talking about the public in our community, the community

8 where this would actually sit?

9 I have done a fair amount of research and

10 basically the only reason I can find that this would be

11 placed there is that it is a profit for its

12 international owners, and it's a for-profit business for

13 them, and they're not taking into consideration the

14 community where it would be placed.

15 As it's been mentioned, it would be a

16 convenience for TOTE. We don't deny that, but I have

17 done a lot of travel in my days, and when I leave the

18 house, I don't need a gas station in my front yard. I

19 can fill up anywhere on the trip, and there are other

20 locations where this gas station could be placed between

21 here and Alaska. Those locations are looked at. I am

22 not sure how they decided they needed a gas station in

23 their front yard, in our front yard, but it is not the

24 only location where this could be.

25 It's not in the best public interest due to

0351

1 the fact that the companies that are trying to do this

2 have shown that there is a lack of listening on their

3 part and then there have been lies and then there's been

4 litigation. And each of these three things concerns me,

5 and it has alerted me to the fact that it is not in my

6 best interest, it's not in my community's best interest.

7 The lack of listening has to do with --

8 we've already spoken as a community concerning fossil

9 fuels on the Hylebos and we resolvedly said no to

10 methanol, and LNG is getting the same answer from our

11 community.

12 We have looked at the literature that PSE

13 has provided concerning this facility and they say that

14 it's safe. One of the pieces of literature that they

15 have provided said that there has been no accidents, no

16 fatal accidents in the history of LNG. And this is a

17 blatant lie, and when a company has to lie to its

18 community, you wonder, is this really in our best

19 interest?

20 And finally, for the litigation aspect, they

21 have gone to court to prevent us, the community, that

22 are going to house and home this thing, to find out what

23 our actual risks are. And then when the courts told

24 them that they had to give us access to the documents,

25 they told us we had to sign a nondisclosure so that if

0352

1 we were to read the documents, basically it's a gag on

2 us, that we can no longer speak about it. How is that

3 in our best interest?

4 I have done enough research on this to find

5 out that the United States Government considers a

6 facility like this to be a target for terrorism.

7 Terrorists organizations actually have published

8 information calling it a soft target, an easy target,

9 and we don't want something in our community where every

10 day we have to wonder are we a target today, are we a

11 target?

12 We are a bedroom community and most of the

13 people, they go off to work and their kids go to school.

14 There is an elementary school just literally right next

15 to this thing if you take a look at a map. Who wants to

16 think about that sort of stuff? It's not in their best

17 interest because of pollution. There is physical

18 pollution, there's visual pollution, and there's sound

19 pollution. All of these things really speak against

20 this being in the best interest of our little community.

21 The Tacoma harbor has been getting cleaned

22 up over the last generation. If you look at the

23 waterway, Tacoma has done a beautiful thing on that

24 side. If you look at the Hylebos, it's still one of the

25 most polluted areas in America and what they are

0353

1 recommending now is to go ahead and just put additional

2 dirty fossil fuel on top of this. It will never be

3 cleaned up if this is the direction they are going. And

4 the highest and best use for that property, for that

5 waterfront, will never be realized. It is never going

6 to provide the type of jobs that that land could

7 provide. This is prime waterfront on Commencement Bay,

8 and I did some research on brownfields and when

9 brownfields are redeveloped, 30 acres should generate

10 over 400 jobs. They are talking 18 jobs. This is not

11 the future of our community. I don't see how it's in

12 our best interest.

13 Then I listened in this past week to the

14 discussion that was held here by this group and the

15 question came up concerning resale. It's very possible

16 that this is being built simply for the purpose of doing

17 a flip, and then somebody else is going to have it, and

18 there's going to be very little oversight, very little

19 voice in that. And ultimately, I am sure it has already

20 been discussed, the risks of accidents, daily there will

21 be risks of accidents.

22 And then finally, bankruptcy. At some

23 point, this facility will be shut down, and if you take

24 a look at the history of one of these in Staten Island

25 in New York, it blew up. 40 workers were killed and

0354

1 it's been sitting abandoned since 1973. We don't want

2 that on our waterfront. How is this in our best

3 interest?

4 Thank you.

5 CHAIRMAN DANNER: Thank you very much.

6 All right. Ms. Vance -- and I'm sorry, I

7 can't --

8 MS. LOCSIN: That's okay. My name is Ann

9 Locsin, L-o-c-s-i-n.

10 CHAIRMAN DANNER: L-o-c?

11 MS. LOCSIN: S-i-n. Yeah, so my name is Ann

12 Locsin, and I live very near the proposed LNG factory.

13 I'm also a PSE natural gas customer and ratepayer. My

14 community is outraged by this proposed petrochemical

15 project, and I'm here to implore you to stop this

16 monstrosity from being built in our neighborhood.

17 Although I could list a thousand reasons this is a bad

18 idea, I was told for tonight's forum to please limit my

19 comments to the financial aspects of the project so I am

20 trying to do that.

21 One, our neighborhood met with two

22 representatives from PSE several months ago. I referred

23 to my notes and at that time, they said 2 to 3 percent

24 of the capacity would be used for peak shaving. My

25 understanding is that peak shaving is the only possible

0355

1 legitimate benefit to ratepayers in this project. I

2 want to point out that now PSE has inflated that number

3 to be used for peak shaving in an effort to get us, the

4 ratepayers, to pay for half of the construction costs.

5 Paying half of 310 million for something we don't want

6 or need in the first place does not sound like a very

7 good deal.

8 I have lived here for 35 years, and I have

9 never run out of natural gas. PSE already has locations

10 to store natural gas for those three cold days per year.

11 Please do not burden ratepayers with this exorbitant

12 expense. If PSE wants to move forward, they should do

13 so at their own expense 100 percent.

14 Two, how do we account for the financial

15 ramifications of global warming? I make the personal

16 commitment to not invest in fossil fuel companies, yet

17 you are forcing me to do so with this deal. We should

18 not be building additional capacities for fossil fuel

19 projects. Fossil fuels are the number one cause for

20 climate change, and our investments should be made in

21 alternative energy solutions.

22 We are at a tipping point in America. We do

23 not need additional capacity of natural gas.

24 Consumption should be going down in the future, not up.

25 If PSE wants to sell their LNG on the private market,

0356

1 then they should do so as a 100 percent private venture.

2 Do not make us pay for the construction of their

3 money-making time bomb.

4 Number three, David Gomez, your UTC analyst

5 was quoted as saying, The project's benefit for the

6 public includes the development of vacant port land and

7 the potential for air pollution improvement by making

8 LNG available as a local fuel source. He said, As far

9 as I can see, there is a lot of public interest.

10 I am here to set Mr. Gomez straight. As a

11 stakeholder who lives directly above this vacant port

12 land, we adamantly do not want this dangerous enterprise

13 near our homes and families. Additionally, this LNG

14 factory has its own emissions which would be polluting

15 our lungs 24 hours a day, seven days per week. This

16 project is most definitely not in the public interest.

17 Number four, when we met with PSE, we asked

18 them why they had to build a tank the size of the Tacoma

19 Dome. They used the analogy of a Big Gulp versus a

20 Super Big Gulp. For five cents more, they could build

21 the Super Big Gulp. So why not? That's quote/unquote

22 what they said to me. You are allowing them to move

23 forward with capacity that is not accounted for. They

24 really have no buyers beyond TOTE for their LNG as it

25 stands today. There is way too much opportunity for

0357

1 manipulation here based on the unknown uses or lack of

2 uses for this capacity.

3 I am being told that you would not determine

4 the viability of the project until after it's built.

5 What business spends $310 million and then evaluates if

6 it's a good idea after the fact?

7 Number five, it is highly unusual to put an

8 LNG factory so near a residential community. Have you

9 been to Northeast Tacoma and viewed the site? It is a

10 stone's throw from large residential neighborhoods.

11 This separate company that is proposed is an LLC. In

12 the event of a catastrophic event, they cannot possibly

13 account for the significant risks this community is

14 exposed to. Before you make your decision, please come

15 up and view this project from the residents' point of

16 view. I personally would be happy to take you on a

17 tour.

18 And lastly, I want to review the financial

19 ramifications of your decision to individual homeowners

20 near this site. If you build this, we will move. We

21 are being told that this polarizing plant would affect

22 our real estate values at least 10 percent. That's

23 $50,000 that you are taking out of my pocket. Add on

24 top of that the cost of paying Realtor commissions and

25 the moving van and the cost to buy another house, the

0358

1 estimated impact per family is $100,000. In my

2 neighborhood alone, the cost would exceed $1.8 million.

3 That does not even account for the ethical question of

4 selling our homes to other unsuspecting ratepayers.

5 In conclusion, we traveled all the way here

6 from Tacoma, braving horrible traffic and missing our

7 evening activities to let you know how strongly we feel

8 about this issue in Northeast Tacoma. If you have the

9 public interest at heart, you will not approve this

10 deal, which is very bad for the citizens of Washington.

11 Thank you.

12 CHAIRMAN DANNER: Thank you. Okay. Thank

13 all three of you.

14 Again, I have a little trouble reading the

15 handwriting here. Liz Biviano, did I get that right?

16 Okay. Please come forward.

17 William Kupinse, and Javier Figueroa.

18 Mr. Figueroa, are you here?

19 MR. FIGUEROA: Yes.

20 CHAIRMAN DANNER: All right. Could the

21 three of you please stand and raise your right hand.

22 (Liz Biviano, William Kupinse, and Javier

23 Figueroa sworn.)

24 CHAIRMAN DANNER: Ms. Biviano, did I get

25 your name right?

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1 MS. BIVIANO: Yes.

2 CHAIRMAN DANNER: Okay. Good.

3 MS. BIVIANO: Dear Chairman, members of the

4 Commission, my name is Elizabeth Biviano, and I am a

5 Tacoma resident and also a PSE ratepayer. I recently

6 moved to Tacoma, and I'm very concerned about this

7 project. The fact that this is located -- and I know

8 there is the safety issues and there's financial and you

9 guys are more concerned with the financial aspect in the

10 public's interest, but I must say they tie together.

11 The safety issues, the fact this is being

12 located within three miles of 25,000 people is

13 absolutely ridiculous. We have daycares in that zone,

14 we have churches, community groups, and I would discount

15 some of the earlier comments about local unions being

16 for this. Yes, the unions may be for this, but we have

17 spoken to so many longshoremen that are scared to death

18 of this thing and know the risks of this thing, and it's

19 not just the people in this room and the people that

20 have given you the information and letters. There's

21 also thousands of people that are watching in Washington

22 State. It's making the local news, it will make the

23 national news, everyone is watching.

24 We have spoken at many council meetings.

25 Your job is to protect us. Your job is to protect the

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1 interest of your citizens and protect my family and

2 protect a private company from making money off of our

3 hard-earned money. There is already three dozen

4 residents that will move from this area. My home is my

5 equity, is my savings and for all of this, it's for 18

6 jobs. And the construction is for 250 people, but

7 that's temporary. That's temporary, for 200

8 construction jobs, then it's gone. There is so much

9 more that we can utilize that -- that land for and that

10 space.

11 So I am asking you, I urge the Commission to

12 protect the nearly two million Washington State utility

13 customers from PSE's speculative, risky, business

14 venture. Keep the original merging stipulations intact

15 and reject Puget Sound Energy's proposal and also know

16 that we are college professors, engineers, doctors,

17 lawyers, longshoremen, blue collar workers, everybody.

18 Not just in Northeast Tacoma, but around the whole area

19 and in Seattle. They are watching this, paying

20 attention and wanting the Attorney General's Office to

21 do the right thing and for you guys to do the right

22 thing.

23 Thank you so much for listening to me.

24 CHAIRMAN DANNER: All right. Thank you very

25 much.

0361

1 MR. KUPINSE: I just turned it off. There

2 we go.

3 Thank you for the opportunity to make a

4 public comment. My name is William Kupinse, that's

5 spelled K-u-p-i-n-s-e, and I am a PSE residential

6 customer. I came down here from Tacoma at the end of a

7 busy day to speak. That's how important the issue of

8 PSE's LNG proposal is to me. I teach English for a

9 living, so I'm used to working with language, but in

10 following the twists and turns of PSE's LNG proposal,

11 I've come to understand that words I thought I knew have

12 a very different meaning in this context, and I would

13 like to share what I have learned with you to hope to

14 clarify a complex issue.

15 So when PSE says "peak shaving," that is a

16 scheme to convince state regulators to allow ratepayer

17 funds to subsidize a private business venture. PSE

18 already has ample gas reserves in its Jackson Prairie

19 storage facility. Where additional capacity required,

20 there are many much more modest options that PSE could

21 pursue to meet the additional demand on a handful of

22 days per year that the temperatures are low and demand

23 is high.

24 When PSE says "environmentally conscious,"

25 that means harmful to the environment, both locally and

0362

1 on a broader scale. Fracked natural gas is a greenhouse

2 gas 25 times more potent, as we've heard, over a century

3 than CO2, and it leaks during extraction and transport.

4 This is why the Sierra Club no longer supports natural

5 gas as a bridge fuel. More than 40 tons of volatile

6 organic compounds and other carcinogens would also be

7 released into the Tacoma environment annually during the

8 liquefac -- liquefaction process, excuse me, forcing

9 residents to absorb increased health care costs for

10 cancer, asthma, and other respiratory diseases.

11 Synergy is PSE's disingenuous argument to

12 convince regulators to allow to mingle a speculative

13 commercial enterprise for which it has one customer with

14 the public service of providing gas for heating and

15 cooking for almost two million customers so that

16 residential ratepayers can subsidize that business until

17 the year 2066. Merger commitments, these are apparently

18 nonbinding agreements if they can be modified at the

19 request of large corporations such as PSE.

20 And finally, an act of God means potential

21 bankruptcy for the City of Tacoma and financial

22 hardships for its citizens. We are being asked to

23 assume the financial risk of this ill-advised and

24 unnecessary scheme. I understand that the insurance

25 coverage for the LNG facility would be capped at $35

0363

1 million, an amount that could easily be exceeded by a

2 disaster sparked by an earthquake, tsunami, or lahar.

3 I know that this is not the forum to discuss

4 safety issues. I am discussing financial liability that

5 could exceed insurance coverage, including the fact that

6 damage or accidents initiated by third-party contractors

7 would not be covered. As a Washington State resident

8 and PSE customer, I can state unequivocally that PSE's

9 proposal is not in the public interest. I ask the UTC

10 to exercise its regular authority and deny any

11 settlement that would alter or amend in any way the

12 terms under which the MACQUARIE Group purchased PSE in

13 2008.

14 Thank you.

15 CHAIRMAN DANNER: Thank you.

16 Mr. Figueroa.

17 MR. FIGUEROA: Javier Figueroa, Javier,

18 J-a-v-i-e-r, Figueroa, F-i-g-u-e-r-o-a. I reside in the

19 city of University Place, I am the mayor for the city

20 and thank you, Mr. Chair and Commissioners for giving us

21 this opportunity to comment on the project to -- and I

22 am in support of the Puget Sound Energy petition and the

23 settlement that has been agreed upon by five players

24 and, of course, Puget Sound Energy by your own

25 Commission Staff. And I can assure you that those Staff

0364

1 has thoroughly vetted every word in there to ensure that

2 it's in the public's interest. And the Public Counsel,

3 Public Counsel who is a unit of the Washington State

4 Attorney who represents residential and small business

5 consumers, and on behalf of customers before the UTC in

6 courts regarding utility rates, mergers, business

7 practices, service quality, energy efficiency, and

8 policy matters, I say it -- and among other players.

9 I say that because it is important to

10 understand when you're talking about reviewing and

11 understanding such a complex project, it requires a lot

12 of time, a lot of discussion, a lot of hours, and very

13 few of the public can actually go through that with the

14 right people to be able to bounce off each other what is

15 being said and what is its consequences of the

16 stipulation in the agreement.

17 I trust that these people are near being

18 experts in the area of reviewing such complex documents.

19 And the credibility, it's all about credibility on those

20 and I feel that that is there. I, as a mayor for the

21 city of 32,000, when people say, Well, I'm not speaking

22 on behalf of my community, I can assure you that I, as

23 an elected official, that I do.

24 UNIDENTIFIED SPEAKER: No.

25 MR. FIGUEROA: A very close --

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1 CHAIRMAN DANNER: All right. So people in

2 the audience, please hold your remarks to yourselves.

3 Be respectful of people who are expressing views that

4 you may or may not agree with. If you can't control

5 yourself, I would ask you to please step out, but please

6 let Mr. Figueroa finish.

7 MR. FIGUEROA: Thank you, Chair.

8 I can assure you as a small city like

9 University Place, a mayor and councilmember, is very

10 close to the community, very close to the constituents,

11 and how rates are passed on to my community is very

12 important, and that's the whole issue about tonight.

13 And I believe in the -- this scan which is probably as

14 much as anyone else has done here, and the review that I

15 have done, not as thorough as the parties, that the

16 protection and again, the Puget Sound Energy ratepayers

17 which is a lot of our -- my constituents that use PSE,

18 will be held harmless from the liabilities and financial

19 losses of any non- regulated activity.

20 I believe that that has -- has been vetted

21 and that that is true. And I believe that it is in the

22 best interest that, for my constituents, understanding

23 that I am supporting this and this has been discussed

24 with the council as of two days ago to discuss about

25 supporting this and drawn up a resolution to support.

0366

1 The primary reason for that is because we are concerned

2 about protecting our constituents when it comes to any

3 rate increase, and we feel that this is one that -- that

4 they will be protected and furthermore, not just

5 protected from any increase, from any liabilities and

6 financial losses, but there will be millions saved of

7 infrastructure because of this project that as this

8 Puget Sound population growth, which is going to happen,

9 that is a fact.

10 And -- and the statistics are there that

11 Puget Sound will grow by several hundred thousand

12 dollars and several hundred thousand people in the next

13 decade or two that there will be more need. And as the

14 needs grows, just like the reasons we spend money on

15 highways and Bertha and other and Sound Transit is

16 because we understand that we have to look into the

17 future. This allows for savings of millions that can

18 occur now and -- and -- and provide that -- that future

19 vision.

20 CHAIRMAN DANNER: All right. Thank you.

21 MR. FIGUEROA: Thank you.

22 CHAIRMAN DANNER: So -- yeah --

23 MR. FIGUEROA: I was done. Thank you.

24 CHAIRMAN DANNER: You're over your time.

25 Thank you.

0367

1 Okay. So thank you to all three of you.

2 I would like to call up -- again, let's see,

3 Tracy Wiegman, David Schroedel -- Schroedel, and Roxy

4 Murray.

5 (Tracy Wiegman, David Schroedel, and Roxy

6 Murray sworn.)

7 CHAIRMAN DANNER: All right. Ms. Wiegman.

8 MS. WIEGMAN: Hello, can you hear me?

9 CHAIRMAN DANNER: Yes.

10 MS. WIEGMAN: It's Tracy, T-r-a-c-y,

11 Wiegman, W-i-e-g. You know, just to comment on that

12 last -- the last comments, looking into the future does

13 not include, in my belief, this LNG plant. Looking into

14 the future and cost would be wise to look towards

15 renewable kinds of energy. So -- but what I really

16 wanted to talk about is the lines from fracking and all

17 the costs and when it gets to the tide flats and our

18 area.

19 There just came out a report today -- well,

20 I don't know exactly when it came out, but I saw it

21 today, reminding us that we are way overdue for a

22 catastrophic earthquake, which will happen. It is not a

23 question of whether or not if, it's a question of when.

24 But we're way overdue. You know, they say average 250

25 years, and it's been over 300 since we've had an

0368

1 earthquake at an 8 to 9. magnitude, and the tide flats,

2 you know, is a perfect location for a catastrophe.

3 And so, you know, financially putting us

4 there, is a lose-lose situation. There is no -- there

5 is no win really for anybody. Even for the company.

6 Except, you know, whatever their scam is, which my

7 little brain cannot comprehend what that scam would be

8 totally. I can imagine. But I work in the tide flats.

9 I am a longshoreman, and I disagree with that -- the,

10 you know, the 100 percent vote for this.

11 You know, I -- I come from Local 23. I am

12 now Local 98, which is a foreman's local, but I've been

13 in the tide flats for 31 years working as a

14 longshoreman, and I talk to longshoremen every day and

15 it's definitely not 100 percent. In fact, most of the

16 longshoremen I talk to, the rank and file, the body of

17 the longshoremen, which if it did come to a vote, I

18 think this magnitude of this facility should come to a

19 ballot vote, not just who shows up at the meeting

20 because we know that, you know, a small percentage shows

21 up at the meeting. So that's my opinion on that one,

22 but when I talk to rank and file, that's not true.

23 So there is a lot of misinformation on this

24 whole project and because of all the misinformation and

25 the lies, this needs to have so much more scrutiny, so

0369

1 much more public hearings, true public hearings bringing

2 in scientists from around the world that are saying and

3 looking at us going are you freaking kidding me? You

4 guys are going to put it there? Scientists from around

5 the world know this is not a good idea, and we need to

6 move away from this kind of idiocy.

7 Okay. We need to wake up as a population,

8 as the people of the world and realize and let's be

9 innovative here in our beautiful, beautiful Pacific

10 Northwest. Come on, people. Seven generations ahead.

11 Let's think, really. Please. I beg you. Do not

12 approve this. This is a dead-end road.

13 Thank you.

14 CHAIRMAN DANNER: Thank you.

15 Mr. Schroedel.

16 MR. SCHROEDEL: Good, a red light. My name

17 is David Schroedel. I'm the vice president for Policy

18 and Entrepreneurship at the Tacoma-Pierce County

19 Chamber. We have about 1700 member businesses of all

20 different sizes and sectors. Listening to the testimony

21 today, it sounds like you have the weight of the world

22 on this decision. It's really a decision about a plant

23 in an industrial area that's been an industrial area for

24 decades, if not over a century.

25 My role at Tacoma-Pierce County Chamber is

0370

1 to help keep an eye on various regulatory changes,

2 including those impacting the environment and utility

3 rates. Looking at the utility rates, we support the

4 proposed agreement. We believe that based on review by

5 your own Staff and the Attorney General's Office that

6 are for tax ratepayers, it's our understanding that it

7 may save potentially millions of dollars over the life

8 of the agreement.

9 I will also note that with regard to your

10 own memo that's out there, it specifically highlights

11 that PSE ratepayers will be held harmless from the

12 liabilities and financial losses of any non-regulated

13 activity of the Tacoma LNG facility.

14 CHAIRMAN DANNER: You're referring to the

15 Public Counsel memo that was distributed today?

16 MR. SCHROEDEL: Yes.

17 CHAIRMAN DANNER: That is not from the

18 Commission. That is from Public Counsel.

19 MR. SCHROEDEL: I apologize, from the

20 Attorney General's Office. Thank you.

21 On the environmental front, LNG has been

22 safely used for over 40 years. By converting their

23 ships from bunker fuel, TOTE will be reducing their

24 particulate emission, something specifically important

25 to Tacoma-Pierce County businesses. We've been

0371

1 recently impacted by the nonattainment Clean Air issue

2 and we just recently got out from underneath that. We

3 don't want to go back there, and moving away from new,

4 additional particulate matter is a big plus on that

5 front.

6 When our longshoremen were speaking about

7 our relationship with Alaska, I was reminded of a trip I

8 was just on up there with several people from the Puget

9 Sound area, Seattle, Tacoma, Bellingham, Port Angeles,

10 and beyond. We were talking about our trade with Alaska

11 and some of the key trade routes we've got up there.

12 One of the things that a part of the

13 delegation had an opportunity to do was tour an LNG

14 facility much larger than the facility currently being

15 proposed in Tacoma. It was interesting on the tour, our

16 hosts up there, ConocoPhillips, a much larger company

17 than Puget Sound Energy, actually showed the inability

18 to light LNG by putting a match in LNG, and it doesn't

19 light. It has to evaporate before it can catch. And I

20 thought it was a great example that I wish we could have

21 down here to show that this nonflammable nonexplosive

22 material is not the risk that it sometimes is being made

23 out to be.

24 After having a better understanding of the

25 LNG facility, I am confident that the Utilities and

0372

1 Transportation Commission's own Staff as well as those

2 through the Tacoma Fire Department and Pierce County

3 emergency services are going to review it adequately to

4 ensure that there won't be a catastrophe. With 40 years

5 of clean, safe alternative to bunker fuel, I'm confident

6 LNG is an appropriate fuel. With the Staff-reviewed

7 settlement, I'm also confident in financial protections

8 for ratepayers.

9 Thank you.

10 CHAIRMAN DANNER: Thank you very much.

11 Ms. Murray.

12 MS. MURRAY: Testing, okay. That's loud.

13 My name is Roxy Murray, R-o-x-y, M-u-r-r-a-y, like Bill

14 Murray. I was actually coming here prepared to yell

15 because our City Council is worthless and they're --

16 they are just worthless, they're disgusting. But from

17 what I am seeing, you guys are engaging with us and that

18 like -- it makes me emotional because we don't get that

19 where we are -- they start playing Angry Birds on their

20 cellphone when we start talking about LNG, so I am going

21 to try to do this without being emotional. You're

22 responding really well, and I really appreciate that a

23 lot.

24 So I am a Tacoma resident and homeowner and

25 taxpayer, and I also have friends and family that live

0373

1 in University Place and they are not for this. He does

2 not speak for everybody in University Place. I'm

3 surprised that no one has talked about the 17 violations

4 that Puget Sound Energy was found to be responsible for

5 when they blew up the Greenwood neighborhood in Seattle.

6 I also wanted to just repeat what was said.

7 Puget Sound Energy claims that natural gas has less

8 emissions than carbon dioxide. This is grossly

9 inaccurate. The primary fuel component is methane --

10 or of the natural gas. EPA says it's 25 times but in

11 reality, it's more around 86. We really need to stop

12 making long-term capital investments on new fossil fuel

13 projects that lock in dangerous emission levels for

14 decades.

15 Step one for getting out of the hole, stop

16 digging. This is the last place on earth to settle for

17 that false choice between jobs and the environment.

18 Jobs come and go. We only have one planet, and Tacoma

19 will not be a sacrifice zone for what Puget Sound Energy

20 and the Port call economic progress.

21 Thank you.

22 CHAIRMAN DANNER: Thank you very much.

23 Next three, Susan Ryan, please come forward.

24 And there are some people signed up and didn't say

25 whether they wanted to speak or not.

0374

1 Melissa Hubbard, did you want to come

2 forward? All right.

3 And Maryl whose last name starts with a K.

4 MS. KIMMERLING: Yeah.

5 CHAIRMAN DANNER: Please come forward.

6 I see a hand up, but you have already

7 spoken.

8 UNIDENTIFIED SPEAKER: As a point of order

9 and as a matter of public record, I am entitled by --

10 people keep -- are using my organization. I have had

11 two people now speak on behalf of my organization. It's

12 public record. We have a bottom-up democracy. It was

13 voted on. I am the spokesman. This has gone through

14 our union. I would ask that if you hear anyone --

15 CHAIRMAN DANNER: So let's, first of all --

16 UNIDENTIFIED SPEAKER: (Inaudible.)

17 UNIDENTIFIED SPEAKER: No, no, no, ILWU

18 Local 23 --

19 CHAIRMAN DANNER: All right. So --

20 UNIDENTIFIED SPEAKER: -- that was the

21 thing --

22 CHAIRMAN DANNER: I'm sorry, I'm speaking

23 right now, so please don't speak when I am speaking.

24 All right. So what I would ask you to do if you feel

25 there is something that has been misstated today, that

0375

1 you correct it in writing and submit it by close of

2 business tomorrow. It will be made part of the record.

3 We can't have a give-and-take tonight or we will be here

4 until 5:00 in the morning, and I have other plans.

5 So just respectfully, I understand that you

6 may have disagreements with what was being said. We are

7 trying to get as many voices heard tonight and, again,

8 if anybody disagrees with anything and feels the need to

9 correct the record, do so in writing and we will be

10 taking comments and we will take them by email, we can

11 take them by mail, any way you want to get them to us,

12 and we will make them part of the record, okay?

13 So let us start with Ms. Ryan.

14 MS. RYAN: Thank you.

15 COMMISSIONER RENDAHL: Swear them in.

16 CHAIRMAN DANNER: Oh, yes, we have to swear

17 you in, okay. So wait a minute, we are missing one

18 person. Please, all three of you please stand.

19 (Susan Ryan, Melissa Hubbard, and Marilyn

20 Kimmerling sworn.)

21 CHAIRMAN DANNER: All right. Be seated.

22 Go ahead, Ms. Ryan.

23 MS. RYAN: My name is Susan Ryan. That's

24 S-u-s-a-n, R-y-a-n. Excuse me. I am here this evening,

25 and I thank you for this opportunity. I recently

0376

1 learned of it and I am from Tacoma. I live in the north

2 end of Tacoma, been there for 24 years, PSE customer 19

3 years. Never run into any issues with shortages or

4 heard of any. I didn't realize that PSE was not

5 locally-owned until this LNG came up.

6 I know a couple years ago when this

7 situation started to present itself, we had a couple of

8 our City Council people that wrote letters of support,

9 but I believe in one of those letters, even the

10 councilmen didn't know that the company was no longer

11 locally-owned, which for me is kind of a concern with

12 the size of this project.

13 As many people here have said already, I am

14 volunteering my time to come down here. I am

15 representing the people that -- my neighbors and

16 everybody that don't like the idea of this, but they are

17 too busy. You know, they don't have the time to put

18 into this. So there are a few people that come down to

19 represent them.

20 Others like, you know, Mr. Iverson or

21 Mr. Kendall or Ms. Dyer or the gentleman from the

22 Chamber, I understand why they are here. It's their

23 job. It's their bottom-line and how their performance

24 is measured to support this. But you here are to

25 represent -- I hope you're to represent those that are

0377

1 not the voice here, that do not have a chamber behind

2 them and company with histories.

3 I do not support the project. I don't

4 understand quite why we are venturing into -- into this.

5 I would like to think that we are looking more towards

6 the future. To me, this really seems like we're going

7 backwards. It -- I, you know, understand maybe a couple

8 years ago, it was believed to be a cleaner source, but

9 like others had said, you know, when you go upstream, we

10 know now that this is not a direction to go. We know

11 that fracking is not good. We have Interstate I-5 so

12 close to this, and with the congestion we are seeing

13 now, and if we start using this as some sort of gas

14 station, which is undoubtedly probably what the intent

15 is even though we're not hearing what the full

16 disclosure is.

17 The impacts of accidents, the impacts of the

18 earthquakes. We know that area, that liquefaction down

19 there, we have oil tankers down there. The culmination

20 of all these together is there's some sort of

21 catastrophic emergency or a minor emergency. It doesn't

22 make sense. I mean, the people that live right up the

23 hill from there in Northeast Tacoma, I mean, I feel for

24 them. I am on the other side, but just when I have to

25 drive through the Port to get to Northeast, there are

0378

1 certain days like on Wednesdays where you have --

2 there's a certain smell in the air. There's a strong --

3 there's a strong stinging in your nostrils sometimes

4 because somebody is releasing something out there, and

5 it is really obvious when you come down the hill that

6 you can smell that.

7 The liability issue for PSE, it feels like

8 we have seen this movie before. You know, this is a

9 large corporation internationally known that knows how

10 to shift responsibility onto others unfortunately. But,

11 again, that's what their job is. They have their

12 stakeholders that they want to be responsibile for. The

13 Staff that have reviewed this, I am sure they are very

14 talented, and they are very skilled and they are doing

15 their best. But my fear is that there will be some

16 loophole somewhere in there, there's something that will

17 be missed. And if there's a problem or something

18 changes, we in Tacoma are going to be left with it.

19 And Tacoma just always seems to be, you

20 know, Tacoma. I guess that's why our population hasn't

21 grown, which maybe in some ways is a good thing. But

22 there's, you know, there again, I feel like we are

23 taking -- we're the ones that have to take this because

24 some of the people here, they don't live in Tacoma that

25 are saying are for this.

0379

1 So that's what I have to say. I think there

2 is a huge financial burden that would be put on Tacoma,

3 and I just feel it is not the direction we should be

4 going.

5 Thank you.

6 CHAIRMAN DANNER: All right. Thank you,

7 Ms. Ryan.

8 All right. Ms. Hubbard.

9 MS. HUBBARD: Hi. My name is Melissa

10 Hubbard. Can you hear me?

11 CHAIRMAN DANNER: Yes.

12 MS. HUBBARD: Okay. Every -- or unlike

13 every single one of the pro LNG speakers, I wasn't paid

14 to be here. I came here on my own. As you well know,

15 back in 2008 to win permission to purchase the utility

16 company, Puget Sound Energy's owner said to state and

17 federal regulators that they would not own or operate

18 another business besides the utility company. That

19 agreement should bar PSE and their subsidiary company

20 from making and selling LNG.

21 It is your job to enforce that agreement and

22 to protect PSE ratepayers from any and all liabilities

23 having to do with a new business venture. This new

24 settlement does not go far enough. We would still be

25 burdened with nearly half of all of the cost and

0380

1 liability associated with the facility that frankly, we

2 don't even need. All along, PSE has said that the peak

3 shaving needs are for two to three cold days every

4 couple of years. PSE is now claiming 6.3 days of peak

5 shaving. PSE is under oath -- is also under oath

6 stating that it is possible to simply pump -- pump gas

7 in for peak distribution.

8 So again, why are we going to shoulder 10

9 percent of the manufacturing costs year-round and 90

10 percent of the storage costs for two to three days or

11 6.3 days, whichever one they are stating today. If the

12 owners of PSE wanted to get into the LNG business, why

13 didn't they open a completely separate parent company

14 for -- for that.

15 I also wanted to speak to a couple of things

16 that people have said today. Yes, Tacoma was built on

17 industry, heavy industry. We do have that history, but

18 that history poisoned my yard. They have to come in and

19 test my yard for lead. I think Roxy bought a house that

20 her yard was also poisoned. We're trying to get away

21 from all of that. You know, it's time to move forward

22 into the future, and I want for my grandchildren the

23 same thing that I would assume that my grandchildren are

24 going to want for their grandchildren, and that's a safe

25 and healthy, you know, planet to live on.

0381

1 How can we ratepayers save millions of

2 dollars on infrastructure for a plant that we don't need

3 and we don't want. That doesn't make any sense. While

4 we're closing down libraries, we will need to spend

5 $500,000 a year to open down the closed fire station,

6 No. 15, that's down there in the tide flats that will

7 have to be opened because of this LNG facility. And we

8 still don't even have the money to keep it running once

9 it is up and going for another 25 to 50 years depending

10 on the lease option for this particular facility.

11 And as far as this being good for the

12 environment down there, as people have stated earlier,

13 methane is 25 times greater over a -- or 25 times

14 greater greenhouse gas than carbon dioxide over a

15 100-year time span and 86 times greater over a 20-year

16 time span. So as far as cleaning up the atmosphere,

17 it's wrong.

18 Anyhow, and then they say that we're going

19 to save all of this money on their rates, on our rates

20 with having this facility. We've had a flood of gas

21 here in the United States and up in Canada for quite a

22 few years now because of the fracking, and I have yet to

23 see my PSE bill go down at all. And also, if it's so

24 clean as some of the paid speakers have said, why is PSE

25 suing the Department of Ecology over the Clean Air Act?

0382

1 PSE's pretty full of using litigation and lies to make

2 their case. I'm urging that the UTC to reject the

3 entire proposal. It doesn't make sense that our rates

4 should be attached to this venture investment risk.

5 That's all.

6 CHAIRMAN DANNER: All right. Thank you very

7 much.

8 And so once again, I was not able to read

9 your --

10 MS. KIMMERLING: Sorry about that. Marilyn

11 Kimmerling, can you hear me?

12 CHAIRMAN DANNER: Can you spell that for me?

13 MS. KIMMERLING: M-a-r-i-l-y-n,

14 K-i-m-m-e-r-l-i-n-g, and I have a little arthritis in my

15 hand, so I'm sorry you can't read that.

16 CHAIRMAN DANNER: Oh, trust me, I have seen

17 worse.

18 MS. KIMMERLING: So first of all, imagine me

19 in red. And I live in North Tacoma, and I have lived in

20 Tacoma for many, many years. I am against this LNG

21 monstrosity. I know that I'm supposed to speak about

22 just financial issues and -- what was it? Regulatory

23 and financial concerns but --

24 CHAIRMAN DANNER: Go ahead. I'm sorry.

25 MS. KIMMERLING: Okay. But the problem is,

0383

1 things cannot always be separated out in that way.

2 Things are connected. And so I am going to try to

3 connect the pieces as I speak. A lot of these issues

4 have been covered, but I think you need to hear many

5 people expressing the same concerns, both financial and

6 regulatory, so I am going to add my voice to that.

7 First of all, Tacoma is not a sacrifice

8 zone. That is what we have been declared for a long

9 time. That costs us, but I will get back to the issue

10 here. Safety has an economic value. $30 million in

11 insurance is laughable. LLC, limited liability

12 corporation. If the $30 million cannot cover the cost

13 of the damage which, of course, it could not do in a

14 major event, who then bears the liability for the

15 repairs? Please keep that in mind as you consider this

16 boondoggle.

17 We have spent millions of dollars in Tacoma

18 trying to bury our reputation as the Tacoma aroma, home

19 of Hooker Chemical, a Superfund cleanup site that we

20 have worked very hard to clean up and provide a decent

21 waterfront area that will attract people to come and

22 live and work. And now they want to put in, first, the

23 methanol plant, thank God that's gone now. Now this LNG

24 storage facility. Is that the best use of this

25 waterfront land?

0384

1 You have heard over and over again people in

2 Northeast Tacoma talk about how their property values

3 will decrease. That's a fact. I live in North Tacoma.

4 I, at my own expense, replaced every bit of the soil on

5 my property so that I could raise fruits and vegetables

6 for my sons when they were still young. Now I am being

7 told that if this goes in, automatically my property

8 value goes down. But you know what, that's just money.

9 What about the people sheltered in 1623 East

10 J Street, the Northwest Detention Center who, when this

11 thing blows, and there are -- there are reports all over

12 the United States, all over Canada, all over the world

13 of disasters, gas explosion disasters, they will be,

14 quote, sheltered in place. That's immoral. Where do

15 you put a financial value on doing the right thing.

16 Let me see what else we have here.

17 CHAIRMAN DANNER: Okay. Quickly.

18 MS. KIMMERLING: Quickly? Okay. Methane is

19 way more toxic and creates way more global -- climate

20 change than carbon dioxide. This is a hoax. I don't

21 have Puget Sound Energy now, but I did when I was in

22 Auburn, and my experience with that company was

23 horrific. I would come home as a single, working mother

24 in school with two small children and with no notice,

25 they would cut me off. I don't trust their intent

0385

1 whatsoever. They have not been open about revealing the

2 details of this plan, claiming it's a national security

3 risk, that it could be attacked by terrorists. I don't

4 want a terrorist target in my city. That's all.

5 CHAIRMAN DANNER: Thank you very much.

6 Karen Konrath? I can't --

7 MS. KONRAD: Konrad.

8 CHAIRMAN DANNER: Okay.

9 MS. KONRAD: K-o-n-r-a-d.

10 CHAIRMAN DANNER: All right. Please come

11 forward.

12 And Sara Wood and Lisa Eyre, would you

13 please come forward. Choose a seat, but don't sit.

14 (Karen Konrad, Sara Wood, and Lisa Eyre

15 sworn.)

16 CHAIRMAN DANNER: All right. Please be

17 seated.

18 Before you begin, I wanted to clarify

19 something. I had called -- Ann Locsin came up and

20 talked earlier, and I had called out a name that was

21 actually Ann --

22 MS. WOOD: Vance.

23 CHAIRMAN DANNER: -- Vance.

24 MS. WOOD: Yeah, it's the same person.

25 CHAIRMAN DANNER: It's the same person?

0386

1 MS. WOOD: Yeah.

2 CHAIRMAN DANNER: Who signed up twice with

3 two different names? Okay.

4 MS. WOOD: Somebody signed her up and then

5 she signed herself up.

6 CHAIRMAN DANNER: Oh, okay. I just wanted

7 to make sure we are not missing anybody. That's why I

8 wanted to ask.

9 Okay. So let's go forward with Ms. Konrad.

10 MS. KONRAD: Okay. I'm right here.

11 CHAIRMAN DANNER: There you are.

12 MS. KONRAD: Thank you very much for giving

13 us this opportunity. I live in DuPont, Washington. I

14 work in the edge of Northeast Tacoma and Federal Way. I

15 am part of RedLine Tacoma, and I'm a citizen of the

16 earth. I have two points that I would like to add to

17 these most amazing commentaries spoken from both RedLine

18 Tacoma and others who are against this proposal.

19 The first one I think is the one closest to

20 my heart, but it wasn't the one I signed up to do. I am

21 here to represent the voiceless, the ones who are really

22 not represented in this room. My school, I am a

23 schoolteacher, my school overlooks the area where the

24 plume and this explosion would hit first. The playfield

25 where my children go each day is continually checked for

0387

1 arsenic levels still from the old ASARCO plant.

2 The -- you know, when we're looking at cost

3 analysis, you have to think of the benefits against the

4 negative aspects of something. And I think, yes, this

5 may benefit a few for a short period of time, but the

6 negative impacts are far too great to support having

7 such an endeavor. I understand about jobs and all of

8 that, but questions that I ask my own second grade

9 students, is this absolutely needed? Is this for the

10 highest good? They get that. I ask them who will

11 benefit from this. Does this support our community in

12 ways that promote safety, health, and security? I ask

13 them, what are the negative impacts? Who will this hurt

14 the most, and in my case, it will be my students. That

15 is something that I am not willing to tolerate.

16 So for all of you who spoke on those issues

17 so eloquently, and I do want to turn around and applaud

18 you because it was amazing, and I bless you for your

19 research and your patience and your time and your care.

20 The second thing that I would like to

21 address is something that happened yesterday on the

22 news. The Obama Administration declared the Puget Sound

23 area, our region, our waterways, as a significantly

24 substantial national waterway. That gives it special

25 status in the United States as a protected site, and

0388

1 with that comes many opportunities to improve the health

2 and the overall, shall I say, economic prosperity of the

3 region.

4 First of all, this was a joint effort

5 through the Army Corps of Engineers, the Tribes, the EPA

6 and the State of Washington. The EPA alone just at the

7 very beginning stage of this is going to allocate $124

8 million for habitat restoration in the Puget Sound

9 region. The Army Corps of Engineers is going to

10 contribute $100 million and the federal government is

11 going to contribute $451 million in addition to another

12 $20 million in our region. This equivalents to $600

13 million. $600 million to improve the health of these

14 waters, and it has been a Superfund site, but it is

15 getting better.

16 We raise salmon in our school and the kids

17 watch this whole process, and the salmon are released

18 into the Puget Sound because they are able to survive

19 there now. If you just walk around, you can see things

20 are thriving again. It's gone from a Superfund site to

21 a living laboratory for my class. And think of all the

22 work that's been done on the waterways. You can walk

23 along and these are the things that give a city its

24 heart and its soul. My students don't look at profit

25 margins, they look at salmon going into the estuary when

0389

1 they release them. These are the things that matter.

2 And so I ask you in your wisdom and in your

3 heart to do what is best for the citizens and really be

4 mindful of what is for the highest good. And I ask all

5 of those folks who are in support of this to think what

6 happens if your child was outside at recess and this

7 plant blew, how would that feel?

8 Thank you.

9 CHAIRMAN DANNER: All right. Thank you.

10 Ms. Wood.

11 MS. WOOD: Yes, Sara Wood, and I am just a

12 resident and a homemaker. I raise my three kids in

13 Northeast Tacoma and we are not directly above where the

14 LNG site will be, but kind of up and to the south, I

15 guess. I just wanted to second what Ann Locsin said and

16 just say, you know, this impact financially on my family

17 is we are most likely moving because of this, and that

18 just breaks my heart because I raised my kids and my

19 kids want to come back to their house and bring their

20 kids and have Christmas and everything else, and they

21 won't have that now. So that's it.

22 Thank you.

23 CHAIRMAN DANNER: Thank you.

24 Ms. Eyre.

25 MS. EYRE: Hi, yes, my name is Lisa Eyre,

0390

1 and I have been a resident of Northeast Tacoma for 15

2 years, and I have raised three kids as well. And I am

3 just going to keep this really simple, and I am going to

4 reiterate what Ann Locsin testified earlier as well. We

5 are just here to ask you to have the public interest at

6 heart and will not to allow Puget Sound Energy to fund

7 any portion of construction costs with ratepayer money.

8 Thank you.

9 CHAIRMAN DANNER: All right. Thank you very

10 much.

11 Bobbi Abegglen, let's see, actually, that

12 takes us up to -- the last person signed up to testify

13 is Phil Brooke. So, Mr. Brooke, would you come forward.

14 And, Bobbi Abegglen, please come forward.

15 I have one more, Jeff Brown. Mr. Brown?

16 All right. Thank you very much.

17 (Bobbi Abegglen, Phil Brooke, and Jeff

18 Brown sworn.)

19 CHAIRMAN DANNER: All right. Please be

20 seated. I lost my place here for a second.

21 Ms. Abegglen, do you want to start?

22 MS. ABEGGLEN: I think you mean me. My name

23 is Barbara Abegglen --

24 CHAIRMAN DANNER: Oh, I'm sorry.

25 MS. ABEGGLEN: -- A-b-e-g-g-l-e-n. My

0391

1 nickname is Bobbi.

2 CHAIRMAN DANNER: Okay. A-l-b-e --

3 MS. ABEGGLEN: A-b-e-g-g-l-e-n.

4 CHAIRMAN DANNER: Okay. That's not what I

5 have.

6 MS. ABEGGLEN: And you know what, it's not

7 the first time I have had to spell it either.

8 My husband and I are senior citizens. We

9 retired to Northeast Tacoma 17 years ago. We, like many

10 of our friends and neighbors, are not necessarily

11 against LNG per se. The Port of Tacoma has been there

12 for perhaps millions of years, long before there were

13 hospitals, schools, beautiful downtown Tacoma area and

14 neighborhoods with thousands of citizens paying taxes

15 and your salaries. Granted the Port is part of a deep

16 water port and perfect for industrial area. Light

17 industrial, not more chemically-induced history, but it

18 is a perfect place -- but is it a perfect place for an

19 LNG plant? We think not. Not at the expense of our

20 health and our lives.

21 As you notice, senior citizens over 65 and

22 small children are susceptible for respiratory problems,

23 and more air pollution is in the direction we are

24 heading. The time has come for LNG perhaps. It's a

25 wave of the future. It is cleaner than the -- for the

0392

1 environment, and granted PSE in the studies claim that a

2 spill would be contained within the parameter of the

3 facilities and it is not flammable. How about the

4 exhaust when they convert LNG back to natural gas for

5 the five or six days a year when we have, quote,

6 freezing weather?

7 Majority of the population, be it

8 residential, hospitals, shopping, schools are within a

9 one-mile radius of the facility. Welfare was not a

10 consideration when planning the LNG facility so close to

11 human habitation. The concern was focused on the

12 bottom-line, i.e., dollars. Having the plant the

13 recommended three miles away would be much more

14 beneficial and perhaps less expensive to build and

15 certainly more beneficial to human beings. You will be

16 having ships and barges in the area to pick up LNG. Why

17 can't they barge in LNG from an off-site facility?

18 As a senior citizen on a fixed income, and

19 many of you will be facing this situation yourselves one

20 of these days, we cannot afford to pay the expense of a

21 catastrophe in the event that it does happen.

22 Thank you.

23 CHAIRMAN DANNER: All right. Thank you very

24 much.

25 Mr. Brooke.

0393

1 MR. BROOKE: I live near the proposed

2 facility, and I was not paid to be here tonight. I am

3 opposed to this deal that's a $100 million dollar

4 giveaway, impairing the safety and property values of

5 those living within its radius. In Monday's hearing,

6 Commissioners expressed concerns this agreement allows

7 PSE to sell the LNG refinery to an Enron-like

8 corporation. Having watched PSE's behavior and tactics

9 up close over the last several months, I have come to

10 the conclusion PSE is already an Enron-like corporation.

11 PSE's owner, an overly-leveraged investment

12 bank, nearly brought down a healthy Australian economy.

13 Last year, PSE blew up an entire Seattle block with

14 their reckless disregard for prior citations and fines.

15 As a risk management professional, the largest property

16 claim I've ever had to handle involved badly neglected

17 PSE infrastructure.

18 PSE has cancelled each and every public

19 meeting where this project could come under the

20 slightest amount of scrutiny while running a

21 sophisticated PR campaign of dishonest push polls,

22 lobbying and advertising, while sending a small army of

23 lawyers to court -- to court to keep critical safety and

24 financial data secret, a patently unfair tactic to the

25 public. PSE has a single purpose with these tactics, to

0394

1 ease your conscience just enough into believing there

2 may be some benefit to paying for and siting this LNG

3 refinery in the center of our urban area of Tacoma,

4 making it a sacrifice zone when the best science and

5 experience tells us there is not a benefit.

6 No discussion of liability, a main topic

7 addressed in the proposed settlement, can occur without

8 a discussion of safety. Indeed, it's in the first

9 sentence of your mission statement, yet PSE has

10 convinced you to set aside all discussion of safety for

11 a refinery with a lethal zone reaching into our schools,

12 churches, homes, and workplaces.

13 There exists a wide canyon between safe

14 siting and marine transport of LNG and current

15 regulations or lack of. You absolutely must consider

16 this gap as you consider whether ratepayers are fully

17 protected. Industry-authored regs allow PSE to model

18 what are referred to as design spills, which allow them

19 to exit the reality of actual LNG risk, limiting

20 theoretical impacts to a parcel and allowing PSE to get

21 their permits.

22 The proposed settlement apportions nearly

23 half the costs and liability to ratepayers, even though

24 peaking events could amount to, well, 0 percent in a

25 warming planet where energy conservation is rapidly

0395

1 deploying. It would be as if Donald Trump approached

2 you to fund 50 percent of the cost of a new power plant

3 even though you may never benefit from a single

4 electron.

5 Ratepayers are absolutely not protected. In

6 this proposed settlement, when liability is not sole and

7 exclusive, the preset allocation formula will be relied

8 upon regardless of the nature of the incident. You

9 know, reality is very different in a courtroom. Lawyers

10 can easily argue an incident touched theoretical peak

11 storage held on the books saddling both taxpayers and

12 ratepayers with massive amounts of liability. Taxpayers

13 are left similarly exposed in the Port of Tacoma's

14 defective ground lease, which holds taxpayers liable for

15 many, many very common scenarios and acts of God.

16 This venture isn't about peak shaving or

17 cleaning up dirty bunker fuels. If you dig a little,

18 you will find PSE has plenty of peak storage. There is

19 no environmental benefit. Locally, particulates can be

20 addressed through the use of clean electric shore power,

21 slow steaming, mobile scrubbers, incentives and new

22 technologies without importing the massive risk

23 associated with a large scale LNG refinery. TOTE, which

24 just cancelled their current LNG conversion effort,

25 actually rolled out a pretty brilliant LNG fuel cell

0396

1 technology in Florida earlier this year, which doesn't

2 require PSE's dangerous refinery, and it actually seemed

3 to perform fairly well in Hurricane Matthew.

4 Please learn more about LNG siting best

5 practices and efficiencies in current regulations.

6 Please assert your authority as a Commission. Please

7 deny this proposed settlement in order to protect

8 ratepayers and citizens.

9 Thank you very much.

10 CHAIRMAN DANNER: Thank you very much.

11 Mr. Brown, it looks like unless there is

12 somebody else who intends to speak tonight who hasn't

13 yet spoken, it looks like you're going to have the last

14 words so why don't you go ahead.

15 MR. BROWN: Okay. Thank you. Yeah, my name

16 is Jeff Brown. I am a resident of Lakewood, Washington,

17 and I don't represent anyone but myself here today. But

18 I would like to start by thanking you for allowing me to

19 speak and hopefully be less than -- mine is going to be

20 short.

21 I would like to start by saying I support

22 the approval of the settlement as it is consistent with

23 the greater public interest and will not harm the PSE or

24 its customers. I am an architect, and I've been in the

25 community for -- I've been practicing for 39 years and

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1 have a business in Tacoma, had business in Tacoma for

2 over 30 years. And in addition, I have been a planning

3 commissioner for a local city in Pierce County, and I'm

4 also planning commissioner currently in a location I

5 will not name in the county because I don't represent

6 that commission.

7 But as such, I have spent a great deal of

8 time in my profession as an architect and as a

9 commissioner dealing with the public's health, safety,

10 and welfare. And I work with codes on a daily basis and

11 understand that these codes that I work with basically

12 compel me as a professional to oftentimes design -- in

13 fact, almost all the time, design what I design, almost

14 four times what is required for, in my opinion, the safe

15 practice of providing a building for a client.

16 So there's a lot of redundancies in what I

17 do for safety and for health. As a commissioner, I am

18 involved -- I have been involved with land all over the

19 county and a local city that had to do with the

20 appropriate placement of businesses and how to regulate

21 it and what we -- in comprehensive plans or whatever it

22 is, how it has guided us. And as a commissioner, I have

23 had to really, you know, say what does it say, what can

24 they do.

25 In this particular case, I am not a

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1 commissioner in Tacoma so I will divulge that. The

2 location of this facility is right. Is right only

3 because it's zoned for this, it is a -- it is an

4 activity that does support the activity of the Port,

5 particularly shipping as a fuel. I -- you know, I can't

6 comment as to whether it is a good fuel or a bad fuel,

7 but I do -- I do think that it is a safer fuel than what

8 they have and also put -- would have a lesser effect on

9 the environment.

10 I think that the -- the -- the financial

11 viability of this is -- is good. I think it goes way

12 beyond 26 employees, as what I've heard testimony today.

13 It has to do with the industries that compete or that --

14 that our Port competes for many different customers. As

15 we joined with the City of Seattle, we are -- we try to

16 draw those customers. This kind of a facility attracts

17 business to our area. It's not just the facility

18 itself, it's the business we attract through other

19 shipping.

20 So I think it is a very good, very

21 progressive idea. And as to the safety, I just believe

22 that this Commission and other jurisdictions that have

23 to do with the regulatory oversight of this facility, I

24 have to believe that we are doing this -- they are doing

25 this facility in such a way that we have many, many

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1 redundancies in taking care of what's here, including

2 probably something would shut it down in the event of an

3 earthquake, I would have to presume, but I don't know.

4 So in conclusion, I applaud this progressive

5 effort and feel as though there's -- there's been a very

6 effective vetting and with that said, I'd like to thank

7 you and I will close now.

8 Thank you.

9 CHAIRMAN DANNER: All right. Thank you very

10 much.

11 Is there anyone here who has not had an

12 opportunity to speak tonight who would like to speak

13 now? Is there anyone on the bridgeline who has phoned

14 in who hasn't had an opportunity to speak who would like

15 to speak tonight?

16 MS. MORGAN: I would.

17 CHAIRMAN DANNER: All right. And can you

18 identify yourself for the record, please.

19 MS. MORGAN: My name is Sara Morgan, and I

20 live and work in Tacoma. Washington State is the

21 Evergreen State, and we are not about projects like

22 this. Our salmon numbers are already down. I heard

23 there were like five -- five Chinook salmon that came up

24 the Puyallup River, and we know that liquid natural gas

25 utilities in other areas of the world have affected

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1 salmon runs.

2 Puget Sound Energy has been negligent in

3 Greenwood. Their negligence caused that big explosion

4 and, you know, if that -- if that plant is built here

5 and it goes off, I won't need the phone to call in

6 because you will hear it all the way in Olympia,

7 ka-boom. So next time you drive by the Tacoma Dome and

8 look up, you're going to realize the magnitude of this

9 tank. Imagine if the Tacoma Dome exploded. So please

10 do not allow this facility to be built in Tacoma. There

11 is not going to be any jobs on a dead planet.

12 Thank you.

13 CHAIRMAN DANNER: All right. Thank you very

14 much.

15 Is there anyone else on the bridgeline who

16 hasn't yet spoken who would like an opportunity to do

17 so?

18 MS. McCARTY: My name is Yvonne McCarty. I

19 would like to speak.

20 CHAIRMAN DANNER: Yes, all right.

21 Ms. McCarty.

22 MS. McCARTY: Hi. I --

23 CHAIRMAN DANNER: Oh, wait. Before you do

24 that, can we get the spelling of your name?

25 MS. McCARTY: Yeah. My name is spelled

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1 Y-v-o-n-n-e, my last name is spelled M-c-C-a-r-t-y. I

2 live approximately a mile away from the location where

3 this plant is going to be built. I serve on the

4 Northeast Tacoma Neighborhood Council. I have on and

5 off for 15 years. I represent a large number of people

6 who can't be here for various reasons. Again, I would

7 like to reiterate, I am doing this on my own time. I

8 have spent hours and hours researching LNG and the

9 related issues surrounding this project away from my

10 family, away from my job. I am very personally vested

11 in this.

12 I don't -- I don't have a statement, I just

13 want to make sure that you -- that you, you know, ask

14 for you not to support this settlement agreement. There

15 is no way that we should be paying 43 percent as a PSE

16 customer, 43 percent of the capital and operational cost

17 of this facility. There is no proof that this facility

18 is even needed for peak shaving.

19 It puts undue risk onto our community. It

20 financially impacts my family and all of the families

21 that live around me in the Northeast Tacoma neighborhood

22 area. Our property values will go down. I have the

23 financial means to get up and move, but many of the

24 people that live around me do not. They are

25 underrepresented. They are going to be financially

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1 impacted beyond belief by the allowing of this project

2 to move forward.

3 I have lived here all my life. I am fourth

4 generation, my children are fifth generation. We are

5 trying to preserve and go in the right direction with --

6 with Tacoma and for Tacoma. Not back to the Tacoma that

7 I grew up in in the '80s, which was a dangerous place to

8 live, unhealthy air to breathe.

9 So I really, you know, want to close with

10 please do not support this. This is undue burden on

11 this community of Tacoma, undue burden on its citizens.

12 Please protect us from this project.

13 Thank you.

14 CHAIRMAN DANNER: All right. Thank you.

15 For Ms. Morgan and Ms. McCarty, I was remiss

16 in not swearing you in, which is always a little awkward

17 over the phone. So let me just ask you if what you

18 said -- do you swear or affirm that you -- what you said

19 is the truth, the whole truth, and nothing but the

20 truth?

21 MS. McCARTY: I do, but I have to object

22 that in a public testimony like this that we are asked

23 to swear in. I think that is kind of ridiculous.

24 CHAIRMAN DANNER: All right. That's -- I

25 will leave you to your opinion.

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1 Ms. Morgan?

2 She is off the line now. Is there anyone

3 else who has -- who wishes to speak tonight who is on

4 the bridgeline? All right.

5 Then that concludes the public comment

6 hearing for tonight. The Commission is going to take

7 these comments and the record as a whole that has been

8 developed in this case and will take this matter under

9 advisement. We will issue an order in due course.

10 Again, for folks who want to participate,

11 who haven't done so yet, we are taking public comments

12 through the close of business tomorrow. And so if you

13 have comments that you want to submit, please do so.

14 And I'm sorry that I cut you off earlier,

15 sir, it's just that we can't do the give-and-take and

16 please feel welcome to submit anything that you think is

17 necessary to correct the record.

18 All right. So with that, we are adjourned

19 tonight. Thank you, everybody, for coming.

20 (Hearing adjourned at 8:25 p.m.)

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1 C E R T I F I C A T E

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3 STATE OF WASHINGTON

4 COUNTY OF THURSTON

5

6 I, Tayler Russell, a Certified Shorthand Reporter

7 in and for the State of Washington, do hereby certify

8 that the foregoing transcript is true and accurate to

9 the best of my knowledge, skill and ability.

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Tayler Russell, CCR

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