

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

OLYMPIA, WASHINGTON; OCTOBER 19, 2016 6:02 P.M. --o0o--

In the Matter of the Petition of Puget Sound Energy. ) Docket No. UG-151663 For (i) Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc. and (ii) a Declaratory Order Approving the Methodology for Allocation Costs between Regulated and Non-regulated Liquefied Natural Gas Services )

PUBLIC COMMENT HEARING, VOLUME VI PAGES 302-404

6:02 P.M. OCTOBER 19, 2016

Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive Southwest Olympia, Washington 98504-7250

REPORTED BY: TAYLER RUSSELL, CCR# 3358

Buell Realtime Reporting, LLC 1325 Fourth Avenue, Suite 1840 Seattle, Washington 98101 206.287.9066 - Seattle 360.534.9066 - Olympia 800.846.6989 - National www.buellrealtime.com

CHAIRMAN DANNER: Good evening. This is Wednesday, October 19th, 2016, and this is a meeting of the Washington Utilities and Transportation Commission, and we're here tonight for a public comment hearing in the matter of the Petition of Puget Sound Energy for an approval of a special contract for liquefied natural gas fuel service with Totem Ocean Trailer Express, Inc. as well as a declaratory order approving the methodology for allocating costs between regulated and non-regulated liquefied natural gas services.

This is Docket UG-151663. I am Dave Danner. I am the Chair of the Utilities and Transportation Commission, and I'm joined by my colleagues, Commissioner Ann Rendahl and Commissioner Philip Jones. This docket concerns a proposal by Puget Sound Energy to develop at the Port of Tacoma an LNG facility capable of receiving nearly 21,000 dekatherms per day of natural gas from which it can produce approximately --

UNIDENTIFIED SPEAKER: Hello?

CHAIRMAN DANNER: -- 250,000 gallons of LNG. The facility will be capable of storing

APPEARANCES COMMISSIONERS: CHAIRMAN DAVID W. DANNER, COMMISSIONER ANN F. RENDAHL, COMMISSIONER PHILIP B. JONES

FOR COMMISSION STAFF: BRETT P. SHEARER, JEFF ROBERSON, Assistant Attorney General PO Box 40128 Olympia, Washington 98504 360.664.1187 brets@atg.wa.gov jroberso@utc.wa.gov

FOR PUBLIC COUNSEL: LISA W. GAFKEN, Assistant Attorney General Public Counsel Section 800 Fifth Avenue Suite 2000 TB-14 Seattle, Washington 98104 206.464.6595 lisa.gafken@atg.wa.gov

\* \* \* \*

approximately 8 billion gallons of LNG. Puget Sound Energy identifies three functions the facility has planned to perform. The facility would first supply fuel --

UNIDENTIFIED SPEAKER: Hello?

CHAIRMAN DANNER: All right. So we can hear you. This is a meeting of the UTC, and we are going to ask everybody who is listening in on the telephone to please mute their phone --

UNIDENTIFIED SPEAKER: Hello?

CHAIRMAN DANNER: -- or we will hang up on you. Thank you.

So the Tacoma LNG facility would -- Puget Sound Energy has identified three functions the facility would do. First, is supply fuel to Totem Express Trailer -- Totem Ocean Trailer Express, Inc., which we will refer to tonight as "TOTE," under a contract PSE entered with TOTE on October 27th, 2014.

Second, provide fuel for sales to other marine vessels or other purchases.

And, third, serve as a peaking resource for Puget Sound Energy's core natural gas customers.

The parties filed a settlement stipulation of this case that will resolve issues in this proceeding and provide an opportunity for Puget Sound Energy to go

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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

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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

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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

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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

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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

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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

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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

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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

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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.

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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

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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.

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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

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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

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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.

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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

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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.

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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

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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

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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.

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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.

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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

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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

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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

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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.

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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

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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

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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.



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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

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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.

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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.

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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.

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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.

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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"

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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

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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

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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

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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

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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

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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

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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.

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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

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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

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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

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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

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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 resolutely 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

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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

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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

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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

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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,

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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

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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

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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.

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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

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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

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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

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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.



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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.

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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

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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

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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

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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

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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

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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

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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.

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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

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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

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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

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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

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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 responsible 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.

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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

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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.

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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?

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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,

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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?

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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

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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 Konrad? 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?

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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 playground

25 where my children go each day is continually checked for

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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

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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 equivalent 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

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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,

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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

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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

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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.

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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

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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

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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

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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.)  
 21  
 22  
 23  
 24  
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C E R T I F I C A T E

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 2  
 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.  
 10  
 11  
 12 Tayler Russell, CCR  
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