

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

DATE: May 26, 1993 TAPES: 165 -166 PLACE: Hearing Room C TIME:
8:00 AM

MEMBERS PRESENT: Senator Ron Cease, Chair Senator Jim Bunn, Vice-Chair
Senator Joyce Cohen Senator Bob Kintigh Senator Bob Shoemaker Senator
Gordon Smith Senator Shirley Gold

STAFF PRESENT: Peter Green, Administrator Chris Warner, Research
Associate Kus Soumie, Clerk MEASURES HEARD: SB 1057 VVRK SB 1120 PPW
THESE MINUTES CONTAIN MATERIALS WHICH PARAPHRASE AND/OR SUMMARIZE
STATEMENTS MADE DURING THIS SESSION. ONLY TEXT ENCLOSED IN QUOTATION
MARKS REPORTS A SPEAKER'S EXACT WORDS. FOR COMPLETE CONTENTS OF THE
PROCEEDINGS PLEASE REFER TO THE TAPES,

TAPE 165 SIDE A 005 CHAIR CEASE CALLS MEETING TO ORDER 8:00 AM WORK
SESSION ON SB 1057 WITNESSES: Brian Gregor, Oregon Department of
Transportation Bob Cortwright, Department of Land Conservation and
Development Brent Curtis, Washington County Planning Manager

023 BRIAN GREGOR, ODOT, offers testimony on SB 1057, and presents
overview of EXHIBIT A (hand engrossed amendments -1). 058 BOB
CORTWRIGHT, DLCD, offers testimony supporting proposed amendments to SB
105 7,

060 BRENT CURTIS, Washington County Planning Manager, President, County
Planning Directors Association, offers testimony supporting SB 1057, and
overview of EXHIBIT A.

080 CHRIS WARNER, Committee Staff, gives testimony on SB 1057, and
overviews

EXHIBIT A. Senate Agriculture and Natural Resources May 26, 1993 Page 2
- section by section overview of amendments - questions from committee
members

MOTION: Chair moves conceptually the - 1 amendments VOTE: Hearing
no opposition ACTION: AMENDMENTS ADOPTED MOTION: Chair moves SB
1057 as amended TO THE FLOOR DO PASS VOTE: 5 - 0 roll call vote (Sen
Gold and Cohen excused) ACTION: SB 1057 as amended TO THE FLOOR DO
PASS

PUBLIC HEARING ON SB 1120

WITNESSES: George Richardson, NW Natural Gas Duane Foley, NW Natural
Gas Jerry Fish, NW Natural Gas Jeanette Holman, Legislative Counsel
Dennis Olmstead, Department of Geology and Mineral Industries Bruce
Hugo, Columbia County Courthouse Curt Copenhagen, Longview Fibre Co.
Rocky Rasley, Nahama Weagan Energy Company Paul Premo, Nahama Weagan
Energy Company John Camron, Portland Attorney representing Nahama Weagan
Energy Robert Burnham, Cavenham Forest Industries Ed Gilbert,
Representing Cavenham Forest Industries

172 GEORGE RICHARDSON, NW Natural Gas, offers testimony on SB 1120,
and presents overview of EXHIBIT B. - acknowledges opposition to
proposed legislation DUANE FOLEY, NW Natural Gas, offers testimony on SB
1120, and presents overview of EXHIBIT B. (presentation to members with
overhead projection)

TAPE 166 SIDE A

005 FOLEY: - continues testimony on SB 1120, and overview of EXHIBIT B. 012 JERRY FISH, NW Natural Gas, offers testimony on SB 1120, and overview of EXHIBIT B. 024 JEANNETTE HOLEMAN, Legislative Counsel, offers testimony on SB 1120, and presents overview of property condemnation related to underground storage facilities. 070 FOLEY: - overview of least cost planning process - continues testimony on SB 1120, and overview of EXHIBIT B.

I hear minutes contain material which paraphrase and/or summarize statements made during discussion. Original text enclosed in quotation marks report speaker's exact words. For complete contents of the proceedings, please refer to the tapes Senate Agriculture and Natural Resources May 26, 1993 Page 3

- overviews operating procedures, advantages and risks of producing gas in Oregon - DOGAMI should evaluate production and storage capacities for storage facilities - summary of proposed legislation and condemnation authority

210 FOLEY: - continues testimony on SB 1120, and overview of EXHIBIT B.

250 FISH: - answers questions from committee members

284 FOLEY: Overview of proposed amendments (EXHIBIT B) - page 3 of amendments overviewed with question from Sen Bunn and Sen Shoemaker

400 DENNIS OLMSTEAD, DOGAMI, offers testimony on SB 1120, and overviews EXHIBIT B.

TAPE 166 SIDE B

005 OLMSTEAD: - continues testimony on SB 1120 and answers questions from Sen Bunn. 060 BRUCE HUGO, Columbia County Courthouse, offers testimony on SB 1120, and presents overview of EXHIBIT C. - overview of the property and mineral rights in Columbia County - questions from Sen Shoemaker on public and private interests 212 CURT COPENHAGEN, Longview Fibre Co, offers testimony opposing SB 1120, overview of EXHIBIT D, and answers questions from committee members. - SB 1120 appears to create monopolies SEN KINTIGH: Do you currently have any storage leases? COPENHAGEN: Yes, over 100,000 acres in Columbia County. 313 ROCKY RASLEY, Nahama Weagan Energy Company, offers testimony on SB 1120, and presents overview of EXHIBIT E. 326 PAUL PREMO, Executive Consultant and Natural Gas Specialist for Resource Management International, offers testimony on SB 1120, and presents overview of EXHIBIT E. 335 JOHN CAMRON, Portland Attorney in Energy Law, offers testimony opposing SB 1120, and presents overview of EXHIBIT E. RASLEY: - answers questions from committee members and overview of EXHIBIT E

TAPE 166 SIDE B

005 RASLEY: - continues testimony on SB 1120, and overview of EXHIBIT E. Senate Agriculture and Natural Resources May 26, 1993 Page 4

054 CAMRON: Overview of progress of Gas and Electric interests in the context of deregulation. - this bill is seen by us as a retrenchment in monopoly - we do not want to see condemnation used as a tool against the county - reference to Bruce Hugo's testimony and compensable use of gas

production

102 CHAIR CEASE: This is the first time this committee has heard this bill and the members should discuss when to bring the bill back.

109 SEN SHOEMAKER: I would like to hear from North West Natural Gas on the allegations put forward.

119 RASLEY: We are concerned this bill will put us at a disadvantage on the national market. The free market system is working and request this bill not go forward.

134 CHAIR CEASE: On Friday the committee will hear SB 1016, however SB 1131 will be heard on Friday and give North West Natural Gas the opportunity to be heard. 150 ROBERT BURNHAM, Real Estate Manager for Hansen Natural Resources Co. (formally Crown Zellerbach), offers testimony opposing SB 1120, and presents overview of proposed legislation. - discussion with interested parties implies intent to form a monopoly - property owners would be intimately affected with proposed legislation - we fail to see need for this type of bill that would be used in land condemnation - interest of county property owners in the county are at risk - laying gas lines, leases etc, are major issues and should be open for negotiation - gas monopoly is not in the interests of NW rate payers

249 ED GILBERT, Legal Council to Hansen Natural Resources, offers testimony opposing SB 1120. - ongoing negotiations with entities attempting to take leases for underground storage - problems with special rules for importation of natural gas - regarding amendments; this is very unusual to find evaluation provided by state agency will bind the court looking at the evaluation for the property owner - private experts should be heard and listened to by court considering appropriate values

200 SEN SHOEMAKER: Declares conflict of interest.

WORK SESSION ON SB 1057

MOTION: Sen Gold asks to vote on SB 1057 VOTE: Hearing no objection Sen Gold votes AYE ACTION: Sen Gold's AYE vote entered into the record

309 CHAIR CEASE ADJOURNS MEETING AT 10:00 AM

These minutes contain materials which paraphrase and/or summarize datemenb made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. Senate Agriculture and Natural Resources M y 26, 1993 Page 5

EXHIBIT LOG: A - Hand Engrossed Amendments to SB 1057 - staff- 8 pages B - Testimony on SB 1120 - Richardson et al - 18 pages C - Testimony on SB 1120 - Hugo - 3 pages D - Testimony on SB 1120 - Copenhagen - 2 pages E - Testimony on SB 1120 - Rasley - 2 pages Submitted by: Reviewed by: Kus Soumie Peter Green Assistant Administrator

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