

REMARKS ABBREVIATED IN
VERBAL PRESENTATION

1/13/15

Remarks to PSC on Jan. 13, 2015:

Good Afternoon. My name is Rob Mathers; my work address is 5880 NW St Helens Road, Portland.

I'm a member of the Portland Freight Committee, a member of the Working Waterfront Coalition, and a development director for Kinder Morgan, a mid-stream energy company providing pipeline, terminalling & product-handling services.

KM owns an interest-in or operates ~80,000 miles of pipelines and 180 terminals in North America. The biggest "volume-movers" are natural gas, liquid-fuels and bulk commodities. The company typically does not own what's handled through the pipelines & terminals; rather, facilities & services are provided to shippers & customers who must have their products moved to locations where they're needed, when they're needed, in "fit-for-purpose" condition.

The primary focal-points of our operations are safety, compliance and reliability. While the infrastructure is generally long-lived, it requires constant monitoring & maintenance. Around-the-clock operations are the norm. Employees are skilled & well-trained, and they're compensated accordingly. Thinking-ahead, safe-conduct and operational-integrity are ingrained & reinforced in the company's culture.

Most aspects of the mid-stream energy business are highly-regulated. "Pipelines", be they international, interstate or intrastate, are usually long-haul, underground systems operated as "common-carriers". This means they're available for use by any shipper who has the need and can meet the requirements contained in published tariffs. Most pipelines are "single-purpose", but petroleum-products' pipelines are often used to transport multiple grades of fuels. "Terminals", on the other hand, while sometimes associated with pipelines, are individual, multi-modal, storage & transfer facilities with their own operational characteristics, customer bases and contract terms.

In Oregon and SW Washington, KM has two waterfront terminals on the Willamette River; an inland terminal in Eugene; two common-carrier pipelines;

and several bulk operations in the ports of Portland, Vancouver and Longview. Other pipelines and terminals exist in the area. The various pipelines, terminals, connecting lines, marine-docks, rail facilities, truck unloading & loading racks, pumps, filters, transfer-lines, emission-controls, emergency & spill-response equipment, etc., comprise a highly-sophisticated, inter-connected "energy cluster" that's, practically-speaking, impossible to replicate. This **critical infrastructure**, situated mainly in Willbridge & Linnton, is used to handle more than 90% of the liquid fuels^{*} consumed in Oregon. ** INCLUDING RENEWABLE FUELS SUCH AS BIODIESEL*

My company has no direct interest in the propane project. My purpose in coming before the Commission today, primarily on behalf of the Working Waterfront Coalition, is twofold:

First, to support amendment of the E-zone at T-6 to permit propane to be transported thru the E-zone by means other than rail or truck. At issue appears to be a "pipeline", though it's really a "dock-line" or "transfer-line" that will be used to effect movements from storage tanks to the ship dock. Dock or transfer lines are components of a marine terminal, which is really the facility being discussed here. By the way, you don't want direct transfers from rail or truck to ship for a variety of safety, environmental and logistics' reasons. You do want secure, **fixed piping** from storage tanks to the dock. The code restricting transport thru the E-zone to rail or truck is highly-curious...one that was most certainly unintended or not fully understood by city code-writers back in the day.

Second, I urge the Commission and representatives of the city to support harbor businesses & developments like the propane terminal that generate a variety of important, tangible, benefits to the economy & community. Development and operation of this terminal is a great opportunity for Portland, the state of Oregon, and the region. With careful planning, review & implementation, this undertaking will prove to be remarkably-balanced, one that's wholly-consistent with the goals & objectives set-forth in the unfolding Comprehensive Plan.

Thank you for your time & consideration.