BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the matter of:                  )
Application No. 2004-01            )
WIND RIDGE POWER PARTNERS, LLC,    ) Public Comment Hearing
WILD HORSE WIND POWER PROJECT      )    Pages 292 - 355
___________________________________)  

A Public Comment Hearing in the above matter was held in the presence of a court reporter on March 8, 2005, at 7:02 p.m., at the Kittitas County Fairgrounds in the Home Arts Building at 512 North Poplar Street, Ellensburg, Washington, in Olympia, Washington, before Energy Facility Site Evaluation Councilmembers.

* * * * *

JUDGE TOREM: Good evening. We will be on the record. This is a public hearing before the Washington State Energy Facility Site Evaluation Council also known as EFSEC. The purpose of this hearing is to receive public testimony, both oral and written, regarding the proposal to construct and operate the Wild Horse Wind Power Project in Whatcom County, Washington. Whatcom is what it says, and I know this is Kittitas County. I can read, but I am not thinking. Today is Tuesday, March 8, 2005. This hearing is being held in the Home Arts Building at the Kittitas County Fairgrounds at 512 North Poplar Street, Ellensburg, Washington, and we started the hearing tonight at 7:02 p.m.

My name is Adam Torem. I'm an Administrative
Law Judge from the Washington State Office of Administrative Hearings, and I've been appointed by the Council to facilitate proceedings in this matter, and as you've seen me before I will preside over the public comment hearing tonight. Members of the Council, if you'll each individually introduce yourself, we'll start at the far end of the table with Councilmember Sweeney. #40

MR. SWEENEY: Good evening. My name is Tim Sweeney. I'm with the Washington Utilities and Transportation Commission.

MS. TOWNE: I'm Chris Towne representing the Department of Fish and Wildlife.

MR. FRYHLING: I am Richard Fryhling. I am with the Department of Community Trade and Economic Development.

CHAIR LUCE: My name is Jim Luce. I'm Chair of the Washington State Energy Siting Council.

MS. ADELSMAN: I'm Hedia Adelsman. I represent the Department of Ecology.

MS. JOHNSON: I'm Patti Johnson, and I represent the County.

JUDGE TOREM: Seated to the far end is EFSEC staff, Allen Fiksdal, he's their manager, and Irina Makarow, manning the table or wondering around somewhere.

but she will take your comments. Oh, there she is. And seated immediately to my right is Assistant Attorney General Ann Essko. I want to recognize also seated in back of the room John Lane, if he'll stand. He is Counsel for the Environment. Quickly I know many of you are familiar with the project, but I do want to give you a brief history of why the Council is here tonight to receive public comments on this proposed Wild Horse Wind Power Project. By my calendar tomorrow marks exactly one year since on March 9, 2004 the Applicant, Wind Ridge Power Partners, LLC., submitted its application to EFSEC to construct and operate the Wild Horse Wind Power Project.

This is a wind power generation facility. It's proposed to be located here in Kittitas County along the ridge tops of Whiskey Dick Mountain, which is two miles north of Vantage Highway and approximately 11 miles east of the City of Kittitas. The project would consist of up to 158 turbines with a nameplate capacity of up to 312 megawatts. Since the submittal of the Application, the Council has proceeded to review the proposal in the following fashion:

First, EFSEC's State Environmental Policy Act or SEPA official determining that an Environmental Impact Statement or EIS would be prepared. EFSEC initiated the public involvement process by being here and holding a public information and scoping meeting in April of 2004, and a Draft Environmental Impact Statement was prepared and circulated for comments later in the summer in August of 2004. We also held a public comment meeting here in Ellensburg at that time.

A final EIS will be prepared after the conclusion of the adjudicative hearings being held this week here in town and be considered by the Council prior to making its recommendation to the Governor of the State of Washington.

Now in April and June of 2004, the Council also conducted a land use set of hearings and determined in June 2004 that the project was not at that time consistent with local land use plans and zoning ordinances. Since June of 2004, we received a number of updates, and I'm sure many of you have paid attention to the proceedings here in Ellensburg and watched the Applicant and the County work together to resolve land use inconsistencies.

Yesterday the County and the Applicant presented to the Council a certificate of land use consistency, and it consisted of a number of ordinances adopted by the Board of County Commissioners last week and a Development Agreement in support of the conditions that the Applicant and the County negotiated.

Back in August of 2004, we issued a notice of adjudicative hearings for this proposal, and we took a request for petitions for intervention from state agencies, tribes, other organizations, and from public citizens. The parties to this proceeding included the Applicant and the Counsel for the Environment, who again I pointed out was John Lane from the Attorney General's Office. We then after reviewing the petitions for intervention granted intervention and party status to the Washington Department of Community Trade and Economic Development, to Kittitas County, to the Economic Development Group of Kittitas County, and to Friends of Wildlife and Wind Power and to Mr. F. Steven Lathrop. Since petitions for Friends of Wildlife and Wind Power and Mr. Lathrop were granted their issues were apparently resolved or seem to have no further need to participate because late last week both of those parties withdrew their participation in the adjudicative hearings that have started this week.

The purpose for tonight's hearing is for the Council to receive your comments regarding the Wild Horse Wind Power Project. The Council is going to accept
written comments tonight if you like. There's sort of a
dark green color or mint green color comment sheet that
Ms. Makarow has available at the table by the entrance.
You can fill those out if you don't feel comfortable
speaking tonight or if you'd like some more time to
consider making a comment. We will accept those through
Friday, March 11, 2005, so long as those are postmarked.
They can also be emailed, and if you want the email
address, check with EFSEC staff. They can provide that to
you. So long as the emails are received on March 11, this
coming Friday, or the written comments are postmarked, we
can accept them and make them part of the record.
The formal adjudicative hearings on this
application began yesterday, and they continued through
tomorrow when they concluded. So there was only a day
and a half of hearings. But in that time there were
nearly two dozen witnesses that were presented both by the
Applicant and by the Economic Development Group and by
Counsel for the Environment. Much of their testimony was
submitted in a deposition format in advance and only
cross-examination occurred during the hearing yesterday
and today. Some of you were in attendance at those times,
but those of you who are here tonight who were planning
on attending later in the week, the hearings concluded
today around noon, so there will not be any further
proceedings this week. This will be the only other
session held in Ellensburg.
In the adjudicative proceeding the Council
has considered all of the evidence submitted into the
record by parties and the public. Those include the
written testimonies I just described on a variety of
topics. They also include the application itself and the
Draft Environmental Impact Statement and the comments
received on that document. After you make your comments
tonight, those will also become part of the record,
whether they're given at the microphone or in writing.
Now the Council's decision is based solely
on evidence that's going to be submitted and presented
during the adjudicative and public comment hearings. So
as you see these members here tonight, it's not
appropriate to ask them questions individually or speak to
them as a public witness about the project.
The Council then will take all the
information they get through the record and make a
recommendation to the Governor to either approve or deny
that request for site certification. If you have
additional questions about the process, certainly people
you can talk to directly are John Lane, Counsel for the
Environment. You can also talk to any of the EFSEC staff
people here tonight. If you need to approach me or
Ms. Essko, you can do that as well. We can direct you to
the best person to answer the substance of your questions.
As I think many of you are aware, tonight's
hearing is being taken by a court reporter. It becomes
part of the Council's adjudicative proceeding and is on
the record. So I ask everyone to be quiet and respectful
when a witness is testifying and make sure that all the
Councilmembers and the public can hear the witness. If
you need to come and go during the hearing as many of you
have been doing, please do so as quietly as you can.
I've got one sign-in sheet, and I know there
are some people signed up on part of the second one, so I
will call the first people on the first one at a time now.
I ask when you come up that you give your comments, state
your full name and spell your last name for the court
reporter, and then please try to speak clearly and
enunciate, so that everyone can hear you.
If you have any written materials, you can
give them to Allen Fiksdal. He will collect those and
make sure they're distributed to the Council.
I think we're ready to hear the oral
comments from those present. Typically I ask you to keep
comments to three to five minutes, but it doesn't seem as
though we are going to have to strictly limit that
tonight. But if you have a particularly lengthy comment,
it would be most helpful, if we could get that in writing
or let us know when you stand up and give your comments
they're going to take a particularly lengthy period of
time, and maybe we can move you to the end, so other
people that want to speak quickly and move can do so
tonight.
It's now about ten minutes after 7:00 or 12
minutes after. The first person I have on the list is
Roger Clerf.
COMMENTS BY ROGER CLERF
My name is Roger Clerf. Last name is
spelled C-l-e-r-f, and I live at 6651 Upper Peuh Point
Road, Cle Elum. I'm speaking on behalf of myself.
My family has owned a good deal of the land
that is included in this project since my father and my
uncle bought it in 1930, and I sold the last of it in
2003. I spent hundreds of hours out in that general area.
I know the land. I know the wildlife. I know the birds.
I know the vegetation. I worked with it in grazing
management and that sort of thing for quite a number of
years.
I urge the committee to approve the
development of this wind farm project. It has many
benefits for our county, our state, and our nation. It
will generate much needed tax revenue for the school
JUDGE TOREM: Thank you, Mr. Clerf.

Next is Keith Johnson.

COMMENTS BY KEITH JOHNSON
My name is Keith Johnson, J-o-h-n-s-o-n. I reside at 3050 Airport Road in Cle Elum, and I'm representing the Kittitas Audubon Society as President of the Kittitas Audubon Society making our comment to EFSEC on the proposed Wind Farm Project.

Although Kittitas Audubon Society is opposed to wind farms in the Kittitas Valley for the simple fact they will cause even more avian mortalities than the reasons we humans already present them with, it is most likely the Wild Horse Project will be built. Kittitas Audubon Society makes these suggestions to EFSEC in hopes that this project will be harmless to birds, bats, and habitat as technology and the controlling agencies can possibly make it.

One item is micrositing of turbines to minimize impact to wildlife is crucial. For example, Turbine J-4 as located on the site layout map is extremely close to the Government Springs, and during post construction will most likely be the detriment to birds reestablishing habitat to this spring.

Beginning post-construction mortality monitoring should be accomplished by a professional group and be done on a two week or less period. It is beneficial to all to make sure the mortality issue is done on a current basis until the scavenger rate is established. We must understand the mortality impacts as it is illegal to kill federally protected birds and bats or the impact of population and not take measures to manage their mortalities. A post-construction Technical Advisory Committee or TAC must be a permanent committee with every member having a vote in the environmental management of the wind farm.

And last, an aggressive weed control program must be implemented to ensure native habitat is restored.

Thank you for taking my comments.

JUDGE TOREM: Thank you. Next, we have Janet Nelson.

COMMENTS BY JANET NELSON
My name is Janet Nelson, and I live at 271 Lake Kachess, at Lake Kachess, and I'm here representing Kittitas Audubon also. I have four pages that we mailed to your mailbox over here, and I will just kind of gloss over what's here.

Our main concerns with this project and the other projects too are lack of both two-year baseline bird studies and bat studies. These have been done at other projects such as the Stateline project in Walla Walla.

Also lack of night studies for birds. This was done at Stateline, and it was done during a period just before they were starting construction and over a period up to construction of that wind farm, and I've included a copy of the results of that. It was in that that they came to the conclusion saying the information on nocturnal bird migration characteristics from the first year of our study allowed a utility company to make decisions on the placement of wind turbines management in development of the Stateline Energy Facility. So these night studies show where the migratory birds are, and that's never been done in this Valley at all, and it would be very appropriate to have that done.

Cumulative impacts. There are more and more of these wind farms going in everyday, and you combine the impacts of thousands. Someplace I read that they're bordering on millions I think wind farms that I read globally, and combining all of those wind farms with these winds farms, as well as the thousands that will be built in the future are a major concern.

Audubon Washington published the state of the birds last year which showed a third of our 315 species of common birds are in trouble. We need to protect the air space for birds and bats. Hawk migration is another issue that hasn't really been addressed. There are concerns by biologists here in this valley for hawk migration.

Our major concern for this project is the fact that it goes directly against virtually all the existing wind power guidelines which emphasize the avoidance of placing a wind farm in areas of degraded habitat. We are concerned for the survival of sage grouse and other sage dependent species. The springs are especially important areas because this is where there's very little water, and this is where the wildlife are, the birds and the elk and deer and potentially sage grouse. So they're important, and we would like to get micrositing over what's here.
<table>
<thead>
<tr>
<th>Page 305</th>
<th>Page 306</th>
</tr>
</thead>
</table>
| done around the springs up there. For these reasons Kittitas Audubon is opposing the Wild Horse Wind Project. We therefore recommend that EFSEC adopt the no-action alternative for the Wild Horse Wind Farm and not recommend the project to the Governor. In the event that the Wild Horse Project is built we have a list of things we want to suggest based primarily on the Audubon Washington guidelines, the ABC, that is American Bird Conservancy Guidelines and from Mike Danning who is a biologist member of the Blue Mountain Audubon and a member of the Stateline TAC. We discussed this with him. Limit the size and number of turbines. Do the nocturnal migratory bird studies because it's not too late. It's possible I think to do both bird and bat studies at the same time. Micrositing the towers. Give the Technical Advisory Committee the power to recommend the moving, decommissioning, or shutting down in response to negative impacts on the wildlife. Our State Department of Fish and Wildlife Guidelines say not to recommend that, but without that power the TAC really doesn't have the teeth that it needs to have to mitigate for detrimental impacts. Provide a mechanism to give the TAC the ability to seek review of a mitigation that it recommends but the developer will not accept. Either the county planner or EFSEC should have that power. It needs both those recommendations. The TAC needs to give each member voting rights, and it should exist for the life of the project. There is some other recommendations, and they're all in writing. Thank you very much. JUDGE TOREM: Ms. Nelson, can you make sure that the list that you referred of these other things from the Blue Mountain Audubon and some other folks are attached to or are submitted in writing? MS. NELSON: They're part of the letter, the second half. JUDGE TOREM: I wasn't clear if they were additional documents you referred to. MS. NELSON: No, the Stateline study is in there and the state of the birds leaflets that were published last year. They're all in there together. JUDGE TOREM: All right. Thank you very much. Next we have James Whitmire. COMMENTS BY JAMES WHITMIRE James Whitmire, W-h-i-t-m-i-r-e, 27630 Vantage Highway. I represent myself and my neighbor, Christy Whitmire, who lives across the street. I submitted evidence the last time we had these things that Beacon Hill Road is a private Road, and I want to keep that into consideration. We're obviously in favor of the wind farm, but we would like to look at both her property lines and my property lines are about within a thousand feet of the entrance to the wind farm, and we would hope to minimize traffic, to keep down trespass issues, etc., etc. And that's basically it. But I wanted to let you guys know that from day one Zilkha has worked with us, and I get emotional. I shouldn't be doing that. But all of Andrew, Chris, Jennifer, and Mr. Davies went above and beyond to address our concerns, talked to us, worked with us, and we're really appreciative of that fact. Thank you. JUDGE TOREM: Thank you, sir. Next I have Anthony Jantzer. COMMENTS BY ANTHONY JANTZER I'm Anthony Jantzer manager of the Cascade Irrigation District. Jantzer is J-a-n-t-z-e-r. I'm here representing the irrigation district and the Board of Directors of the district. In our January board meeting, the Board of Directors of Cascade Irrigation District unanimously voted to support this project which is pretty much unprecedented for our district. We represent 12,500 acres within this valley and approximately 1,300 customers. We are in support of this project for several reasons. In 1970, there was a landslide that took our gravity feed system, and in 1974, we installed a lift station to replace that gravity feed system which consists of 2,400 horse power. We run generally from mid April until mid October. We on an annual basis use 4.5 and 6.5 million kilowatt hours of electricity making us one of the larger customers in the valley for electricity. We buy our power from Puget Sound Energy, and since power to us is our biggest single budget item, it takes up between a quarter and a third of our annual budget for power. We watch the power market very closely. We have on occasion gone to the open market looking at lines and my property lines are about within a thousand feet of the entrance to the wind farm, and we would hope to minimize traffic, to keep down trespass issues, etc., etc. And that's basically it. But I wanted to let you guys know that from day one Zilkha has worked with us, and I get emotional. I shouldn't be doing that. But all of Andrew, Chris, Jennifer, and Mr. Davies went above and beyond to address our concerns, talked to us, worked with us, and we're really appreciative of that fact. Thank you. JUDGE TOREM: Thank you, sir. Next I have Anthony Jantzer. COMMENTS BY ANTHONY JANTZER I'm Anthony Jantzer manager of the Cascade Irrigation District. Jantzer is J-a-n-t-z-e-r. I'm here representing the irrigation district and the Board of Directors of the district. In our January board meeting, the Board of Directors of Cascade Irrigation District unanimously voted to support this project which is pretty much unprecedented for our district. We represent 12,500 acres within this valley and approximately 1,300 customers. We are in support of this project for several reasons. In 1970, there was a landslide that took our gravity feed system, and in 1974, we installed a lift station to replace that gravity feed system which consists of 2,400 horse power. We run generally from mid April until mid October. We on an annual basis use 4.5 and 6.5 million kilowatt hours of electricity making us one of the larger customers in the valley for electricity. We buy our power from Puget Sound Energy, and since power to us is our biggest single budget item, it takes up between a quarter and a third of our annual budget for power. We watch the power market very closely. We have on occasion gone to the open market looking at power and those kinds of things and have tried to influence Puget's rates for us. If you look on Rate 35 for Puget Sound Energy, that would be Cascade Irrigation District. So power to us is very vital. It makes a big difference to all of our farmers in our district which affects our entire county. We have some of the best farm land in the district. We have a lot of pressure on us also to conserve water. Anytime you conserve water that generally takes more power. We have three pump stations, one lead lift station that uses the major amount of power.

FLYGARE & ASSOCIATES, INC. 1-800-574-0414
We have two other pumping stations that we run plus a little metal I.D. pump station for fish screens. We use quite a bit of power in a lot of different areas. When we built our lift station in 1974, power was a surplus in Washington State and the Northwest, and that's why we went to that versus repairing our old gravity system that was destroyed by the landslide. It seemed more economical and more viable because the ground is so unstable we would have to move our flume.

As you are well aware the surplus of power in the Northwest has evaporated, and we will be using more power in the future. If we do not support projects like this that allow us to produce more power or electricity, the mele so to speak for the power that is there going to get worse. Our power prices will climb. Right now we still enjoy a good price for our power, but as time goes on and more people need to use it, and we make it more difficult for individuals to build power plants which is in the norm. Every year it seems like it gets harder and harder to produce new generating facility, and there is more pressure on old facilities to close or to upgrade to increase costs. Plus costs are passed on to all of us.

We believe that this generation unit is very important. As previously stated Washington State depends greatly on hydro power. As the irrigation district we are keenly aware of that. Also it's using a lot of water, and those kinds of things. As you're well aware this is a drought year, so it really makes a lot of sense to us to diversify such as wind farms and stuff, so hydro power can be modeled with wind power. So that you can fill in gaps and stuff, and you can use other types like propane or natural gas type units and things to model with that wind power to make it very viable and very cost efficient.

If power prices continue to rise at the rate they have been, which we assume they will, and if we do not allow these kinds of things to happen it will increase more rapidly. It will make it much more difficult for organizations like mine to conserve water. And as you're also very well aware of it's not only power to mention type body but so is water, and that's really brought to the forefront this year in our drought situation.

We ask our farmers within our district to save water. How do they save water? Generally it's sprinklers and things like that. It takes a lot of energy, but it costs them a lot because we won't allow companies like Puget to build and operate new facilities. That power cost is going to go up, and we will not be able to conserve water. We will not be able to have growth and those kinds of things that we need.

For those reasons and many other reasons the Cascade Irrigation District is in full support of Puget Sound Energy. We've worked with Puget Sound Energy very closely since 1973. As one of their biggest customers on this side of the mountains we have full faith in them that they will manage this facility, if they purchase it, which I believe they will in a very environmentally and business, friendly type of a thing. We would urge you to not only approve this project but to keep in mind the extra burdens of costs that will be placed upon this project because those costs will be passed on to us, and we will end up paying them and so will our farmers.

So we would like you to keep in mind our farmers and our individual users when you're thinking about this project and the different requirements to be placed on it. That you keep -- we realize that we need to be environmentally friendly, but we need to weigh those decisions on the cost of those and the benefits, and we would ask you to weigh those very carefully. Thank you very much.

JUDGE TOREM: Thank you, Mr. Johnson. Next is Helen Wise.

COMMENTS BY HELEN WISE

My name is Helen Wise, W-i-s-e. I live at 1106 East Third Avenue in Ellensburg. I speak for myself and for the community as a whole. I have testified a number of times on behalf of wind power facilities, and I will not go into that again this evening. You can look it up if you want.

But you have expertise in various fields. You know that there's an urgent need for additional electrical power in our state and in our nation. You have studied the Wild Horse Wind Power proposal carefully and heard much from many who have testified before you. Now you have the support of the Kittitas County Commissioners as demonstrated in the documents that you have been reviewing. These documents are the result of working together of many groups and individuals. The County Commissioners, the County Planning Commission, the County Public Works Department, the County Deputy Prosecutor, the Applicant, of course, and the perspective buyer. And through all of these hearings that we have had in our county process there have been opportunities for comments from the public.

I for one am proud of what they have accomplished. I urge you to accept the documents which I understand you did already, but I am glad you did and keep on working toward the building of the wind farm and Wild Horse Wind Power. Thank you.

JUDGE TOREM: Thank you, Ms. Wise. Next I have Chet Morrison.
disappointing from my standpoint, but enlightening nonetheless was that neither side in testifying before the County Commissioners could come up with what the Commissioners felt was reliable information about what impacts on property values might actually occur here, and the reason was nobody had anything to measure it against.

There's no place of residential density as close as this. There's no place where vacant land values, a large parcel, I'm talking 20 acres plus where they're that high. We have come to find that $10,000 an acre in 20-acre parcels is becoming commonplace here. There's no place where the potential for growth is as great as here, and I would point, and in fact I'll give you my only copy, but it's a little dog-eared, the January 7 through 14, 13 of this year edition of the Puget Sound Business Journal, and it gave its annual Washington outlook survey. Kittitas County was not only mentioned as being one of the fourth fastest growing counties in the state, it was prominently mentioned in three separate articles and in the lead editorial as an attractive place likely for growth.

If one needs any confirmation about what kind of impacts we're talking about, in a very recent public hearing before the County Commissioners on the enXco project, which you may be familiar with, it's also looking at there's only 12 of them. Eight miles is how far the project is or project boundary is from Kittitas. This valley is quite compact. You've been here several times and hopefully you've visited on other occasions than just attending these hearings. But the valley is about 20 miles running northeast or northwest, southeast and about ten miles wide.

So Wild Horse is all about location. The visual impacts, the vibration, the noise, and the property values are the prime impacts that we're concerned about. Wild Horse has justified its application because of this remoteness, but we can easily understand that it's really not very remote at all. Even with one mile to a project boundary, even as their application recites that it's a mile and a half to the closest residence, recall that it sits however on a series of hills that leaves no topography between those visible towers to shield them from the balance of the valley. This isn't just an impression either. This is reality.

In the environmental documents and the Applicant's experts acknowledge these facts. They acknowledge these impacts, but again justify them again because of the perceived isolation. The real problem here is that there is simply no wind farm located in an area comparable to this valley. And what was enlightening, much closer than that. I was surprised that it was over a mile when I actually measured that out, it seemed they were much closer than that. I was surprised that it was over a mile because of the scale, but that's the distance from the boundary of the project and closest town as proposed.

Now it's eight miles from downtown Seattle to East Gate, and we've all driven west on I-90 and looked at the skyline there at East Gate, and it's pretty impressive. But keep in mind the tallest buildings you're
pending, the proponents finally argued that approving the
enXco project would slow down this growth. That's their
justification. Yet we are urged that the Wild Horse
Project won't have any of these impacts on land values.

What about the precedent the first approved
project is going to set? What about the cumulative
impacts of something of this scale? How far away is
enough since it's not just distance; it's also site lines?
Can a 10 or 20 percent decline in land values be reliably
measured by anybody in advance or estimated? But in a
valley where the assessed valuation already exceeds two
billion dollars what kind of numbers are we talking about?
That's a lot of risk. What kind of chilling effect does
the first wind power project in this compact area have on
the future growth and attractiveness of this area? Will
there be anything that one can rely on as property owners
as I am or that can be said to a perspective purchaser,
one wanting to relocate a business here primarily because
of aesthetics, good proximity to big markets in Seattle?
How do we allay their fears that their area is not next?
Because what's off limits? Now the appeal periods will
have long expired before the true impacts are felt. What
effective recourse at that point will a landowner have?
Most importantly who should bear these risks?

Your charge is pretty clear in the statute,

and you know it well. I'm going to recite a portion of
RCW 80.50.010 because I think it's particularly
enlightening. In dealing with the policy, and I quote,
It's the policy of the State of Washington to recognize
the pressing need for increased energy facilities to
ensure through available and reasonable methods -- and
here's the part I want to emphasize. -- that the location
and operation of such facilities will produce minimal
adverse effects on the environment.

I go on. It is the intent to seek courses
of action that will balance the increasing demands for
energy facility location and operation in conjunction with
broad interests of the public.

Such action will be based on these premises,
and there are five. But one of those five I want to read,
and it's the second one. To preserve and protect the
quality of the environment, to enhance the public's
opportunity to enjoy the aesthetic, the recreational
benefits of air, water, land resources, to promote air
cleanliness, and to pursue beneficial changes in the
environment. What should you do?

Well, first, I reluctantly believe that this
project will likely be approved in some form, but if we
are going to be subjected to this experiment, and I call
it an experiment not because there aren't other wind
farms, but because there is no other comparable location.
This will be an experiment. Make no mistake about it.

What do I think you should do? The
Applicant has justified this project several ways. First,
and it was testified to earlier this evening by someone
else, the supposed owner/operator at some point is PSE.
That's a reputable, well thought of company. But make it
a condition.

Second, it justified its application because
no tower was located closer than one mile from the project
boundary. Make it so. There is no residence closer than
a mile and a half from any tower location. Make it so.
However, the real protection and mitigation impacts and
the allocation of risk, and by the way I can't
overemphasize that it is the Applicant that has to bear
this risk. Restrict the highest part of any tower, blade,
apparatus of any kind to be no higher and east of the
ridge line. In other words, put it out of site of the rim
of the valley. According to the Applicant's materials
that I have looked at and I believe prior testimony, it
only removes approximately 30 towers. We know from other
projects that the economics are much lower than that;
meaning that doesn't make it uneconomic.

Now in spite of prior impressions, and I
can't overemphasize this, I do believe you take your
charge here seriously. I think you're willing to provide
the balance that the statute imposes in these kinds of
situations. This is a massive project, and the community
needs to be given an opportunity to safety gauge the true
impacts. Wind has blown a long time in this valley, and
it's going to blow for a long time after we're all gone.
If all the good is true, and all the impacts are as
minimal as we have been led to believe, then there is
really no fear of long range. But if that's not true, and
if those impacts are much greater, then at least they've
been somewhat controlled. Please strike that balance.
Thank you.

JUDGE TOREM: Thank you, Mr. Lathrop. If
you want to make copies of those Puget Sound Business
Journal articles that are applicable rather than the whole
paper, I think the Council would appreciate that as long
as they're postmarked by Friday.

MR. LATHROP: I would be happy to do that.
Thank you very much.

JUDGE TOREM: We have two additional
speakers signed up. Ms. Makarov, do you have anyone else?
I think she does. Desmond Knudson.

COMMENTS BY DESMOND KNUDSON
Desmond Knudson. Last name spelled
K-n-u-d-s-o-n. Good evening and hello to all of you
again. I would like to say first and foremost to all of you thank you, and thank you for coming over here to have these meetings. It means a lot. Not only to the opponents but for us proponents also.

Now all parties that wish to stay involved in this process, which they are still involved, and some that have settled, they have moved on, but you’re still hearing the sky is falling from these individuals. This is private property, and it is a lot of property that we would like to remain in the position it’s in and the condition it's in. This is a small footprint that this project will put on this land and keep all of the area usable for the habitat not to be destroyed by quad runners, by dogs, cats, by people, by people burning their trash, by people throwing out their trash. This will be a sanction for the wildlife and the people that get permission to go on it. This is private property, not the state's property.

Remember that Mr. Lathrop, Mr. Kruse and Friends of Wildlife and Wind Power and Kittitas County have settled. They've come to terms I believe is the term best used. Think about that in your deliberations. It comes to you guys to review all the information you receive. I personally know as involved as you have been you will do that. After you review the merits of this project, it is your turn to send it on to the Governor of this great state, your recommendation, and what I root for is for a quick approval of this project.

Kittitas County and its citizens can use the power. We know power is low, we know water is lower, and the dollars and the tax dollars it generates can be used here. Thank you again for coming, and we wait for your decision.

JUDGE TOREM: Thank you, Mr. Knudson.

Birget Mitchell.

COMMENTS BY BIRGET MITCHELL

My name is Birget Mitchell, and that's Mitchell, M-i-t-c-h-e-l-l. And I'm speaking as a citizen of Ellensburg and more importantly a citizen of the planet of which I'm very concerned. Depending upon what scientist you listen to there's somewhere between 15 and 60 or 70 years of fossil fuels left to us, and I think that when that day comes, boy, if we don't have some other backup we are going to be in really big trouble. So I think it's important to be considering things like this wind farm now before that happens.

So I also want to say that I drove along the Vantage Highway frequently last year in my commute to teach high school at Mattawa, and I very, very rarely encountered even one other car, and that's coming both ways. I want to say that.

I also wanted to talk about sculpture and how sculpture in its purest form, if you look at the dictionary definition, it's a three-dimensional object in space. I wonder sometimes if perhaps when they were thinking about building things like the Taj Mahal if there was a hue and cry about that sort of thing. In our cities we put a lot of money into building sculptures for the aesthetics of it, and I personally think that the idea of this wind farm sounds like an amazing visual sculpture on the landscape. I think that we need to rethink our idea about beauty in that regard, and that perhaps some day these wind farms will be considered, you know, maybe one of the seven wonders of the world for their magnificence in their position on the horizon rather than considered an eyesore. I think that I'm excited to be able to see it when I drive on Vantage Highway in the future. Thank you.

JUDGE TOREM: Thank you, Ms. Mitchell.

Our last signed up speaker is Mark Teske.

When he's done, if there are any others that want to come up, I will call you up. Mark Teske.

COMMENTS BY MARK TESKE

My name is Mark Teske. I'm representing myself today. I live here in Ellensburg, and I live at 1301 Vista Road, Ellensburg, Washington 98926. I often represent or talk to groups like this, but this is one of the more difficult talks that I have ever given.

I'll start with a quote here. This is from Leopold. He wrote the penalty of ecological education is that one lives alone in a world of wounds, and I really think that's what we're talking about today is wounds and a major one. We have lost 60 percent of the shrub steppe in the State of Washington. It's gone. It covered vast portions of the state, and we had populations of wildlife associated with them. Populations of sharp-tail grouse in the vicinity of the Walla Walla area is such that the market hunting occurred or wagon wheels of birds were harvested and taken to market back east. Here a little more closer to home the badger pocket area the population of sage grouse were large enough where they were depredating on farm crops that occurred in the area and damage hunts occurred there in order to deal with that problem. Obviously our populations have been reduced significantly since that time.

We have roughly a thousand birds in the State of Washington, two populations, Kittitas and Yakima County and then up in the Douglas County area, and this wind farm is essentially sited between the two populations. Now I talked earlier about the status of shrub steppe in the State of Washington and how 60 percent...
is gone. Shrub steppe is interesting stuff. We can't really make this stuff anymore. It's sort of like land, not making any more of it.

Shrub steppe is made up of four components. If it's in great shape, it has four layers potentially of cryptobiota. There is the ground, mosses and such which are hydrogen fixers to prevent weeds from becoming established. Next you have the fourth layer which is the flowering plants that are very important for wildlife, for bugs that are associated with them. Then you have bunch grass not a sod forming grass but a bunch grass where you have interstitial spaces between the individual bunches, and then you have a shrub layer. Again, that stuff we just cannot really make the stuff. The seeds, for example, are just prohibitively expensive, and so the technology to make this stuff is just not really there for making it on any scale. So I think that's another reason why we should be very careful about what we do to destroy it and what we do to shrub steppe to make it less usable because it is in limited supply.

I'm going to focus on sage grouse today because they are intermittently associated with shrub steppe. They eat sage brush, and they live in the country. I'm going to talk about the concept of connectivity. Now recently in the I-90 corridor, which movement through this area because of the tremendous traffic there. This was deemed for safety reasons and again for genetic flow movement, movement of animals, and disconnecting population.

If you've spent a little time in the San Juan Islands, you'll see these dwarf deer that don't look right. It's a concept of island biogeography where you have these interbreeding animals, and after a while it doesn't benefit the animals. If this concept is a valid concept, connecting populations were huge. Huge efforts in federal and private money have been done in this concept. I mean this concept is valid there. If it's valid there, it's valid out here.

Location is everything. I know that this location is being selected because we've got a lot of open ground with a private landowner and we have wind. But we also have shrub steppe there, and I talked about how we're not very good at making it. When you think about this state, and when you look at a map, you see how many acres of dry land wheat, for example, exists, and it is tens of thousands of acres of dry land wheat which essentially the biological value of that is drastically less than intact shrub steppe. And from my thinking placing a facility in a setting like that where you already have a radically altered environment, where you already have the disturbance there, it seems to me protecting the stuff that's intact, currently functions makes a lot of sense when you look at what we have out here with intact habitat within this landscape between the last two populations that we have in the state, a thousand birds.

Another issue regarding the sage grouse is the West Nile virus. The West Nile virus is coming. I'm surprised it didn't get here last year, but it's in Idaho. It's in Oregon. It is lethal to the sage grouse. They have radio-telemetry birds in Wyoming, for example, and when an animal that has a radio-telemetry collar on it doesn't move for a while, you get what's called a mortality signal, a different signal is given off. They retrieve the birds, and they do a necropsy on it, and they're dead from West Nile. So we've got a thousand birds, we've got the West Nile coming this way, and we are putting a wind farm between the last two populations in the State of Washington that we have. So it's just difficult to really envision that it's very intuitive that you want to connect populations and don't want to bisect or fragment them, and this is just one species.

So these are some of the things that I wanted to discuss here, and this is free from the state agency, the Department of Fish and Wildlife Sage Grouse Recovery Plan. They have a recovery map for the birds.
You see where the core areas are for the birds, and then you see, you know, areas where others bird have been noticed, and this is right in the heart of two areas. This here in the local area you have the Hanford Reservation to the south, and you have adjoining that you have the Yakima Training Center, another big block of shrub steppe, and then you have a Quilomene, Whiskey Dick clothed in wildlife here. That's our big block of shrub steppe. Because of the biology of the bird they need large landscapes to exist, to persist, and to thrive, and to reduce that area, the effectiveness of the area and our ability in the future to connect the populations, it's a once in a lifetime deal.

I am 42 years old. In 30 years I'll be 72 if the Lord allows me to live that long. That's a long time. I don't know if any of you have ever seen a sage grouse. They're spectacular birds. In a few weeks they're going to be lekking on the Yakima Training Center. I would urge you to make connections out there, and they allow you to review at a distance the birds on their leks, and it's a neat thing.

I guess I'll conclude my remarks with that and urge you to very, very seriously consider what is going on here because it's a decision that will have repercussions and reverberations for years to come regarding these birds. I think we in the State of Washington why can't we have sage grouse here? Why do we have to let them go? I think that we owe it to our kids in generations ahead. I think some of decisions that have been made in the past regarding Grand Coulee Dam, put that in and thousands of miles of salmon habitat disappears. Gone.

I'm going to talk about fish here. Again, I think it's applicable. A recent book by a Professor at the University of the Washington, Dave Montgomery, it's called King of Fish, The Thousand Year Run Salmon. What's interesting about that is he looks at the salmon population in England, and they had kings in the 1500s recognizing that fish passage was important, so they prohibited dams and barriers on the streams and rivers and habitat degradation in relation to the stream. You go to the East Coast of the United States we had the Atlantic Salmon there. There were quotes in here from guys that were complaining that they couldn't get any sleep because the fish jumping out of the water were making so much noise. The fish at that time were the Atlantic Salmon.

Again, laws were on the books. They recognized what needed to be done. It brings it here to this coast. Same thing with the dams. People knew what needed to be done, and it never happened. It's like a congenital defect in humanity that we know what needs to be done, we know what makes sense, and we continue to make decisions that go against that concept about connecting the habitat, keeping things connected.

But it was recognized early on in that book regarding the things that were happening in the salmon, and everybody knew what to do and it didn't happen. I think this is an absolute example of that. If you looked at and talked with a 100-level Ecology class in college, and you talked to them about placing something like this between the last two populations that we have in the state it's counterintuitive.

And I understand the concept of collisions or avoidance, and I think you know collisions are minimized. Well, they happen. Oh, it's just going to be a few birds. Well, we've only got a thousand birds, and you get a very productive female gets whacked every couple of years, and the avoidance issue of birds that don't want to be anywhere around it. How are we going to connect the population when we have some avoidance going on? What about the future when agencies that are striving to recover this bird are looking at procuring grants?

Now if you're a federal entity and you're reviewing a grant application for sage grouse, and you look at, okay, we've got a wind farm here in the vicinity where they're trying to spend this federal money to recover this bird, I think that has repercussions on this state's ability to recover that bird because a grant will not be favorably viewed when it is in that context, in that scenario.

So with that, I will end my remarks.

JUDGE TOREM: Thank you, Mr. Teske.

Before I call for other people to speak, let me say that we've gone through a number of issues tonight that we heard testimony on today, and I want to assure those of you that weren't present at the adjudication yesterday or today, we did have detailed descriptions and testimony about mitigation of wildlife impacts, and those included specifically sage grouse, and there were a number of questions posed specifically by the Councilmembers regarding that species and the shrub-steppe habitat. So that is being taken into account.

The access issues and those were the property owners around the area as Mr. Whitmire spoke to that was discussed today as well. We heard about the transportation plan for the construction portion of the project. We also did hear a number of things that addressed Mr. Lathrop's concerns regarding visibility and visual impacts of the project and property values. I have
to say we didn't hear anything about sculptures today, but
nonetheless every one of those other issues that have come
up tonight so far have been covered in the prefilled
testimony or other exhibits that are available to the
Council.

I'm inviting anyone else that wants to come
up now to state their name and please make sure you spell
your last name for the court reporter, and so that I can
take your names down. State your address, and then if you
will launch into your testimony and come up one at a time.

COMMENTS BY DEBBIE STRAND

Good evening. First of all, having taken
part in the proceedings for the last few days, -- oh,
excuse me. Debbie Strand, Economic Development Group of
Kittitas County, 221 East Fourth Avenue.

First of all, after having taken part in the
proceedings over the last few days, I want to thank you
the Council, the Administrative Law Judge, the Counsel for
the Environment and the Applicant, the Assistant Attorney
General's Office and everyone else, EFSEC staff, who took
part in these proceedings. I was very impressed with the
thoroughness and how well the proceedings proceeded.

As you all know the Economic Development
Group of Kittitas County is a nonprofit organization that
is focused on business growth and expansion in our county.

Based on the information our board has collected the
decision was made to support the Wild Horse Wind Project
due to the net positive economic impacts this project will
have on the community related to jobs, capital investment,
tax impacts, and income generated.

In early 2002, Zilkha Renewable Energy
announced their plans to construct a wind project in
Kittitas County. Since that time volumes of information
have been published and a considerable amount of time has
been spent discussing the pros and cons of wind projects,
not only this one but the other ones that have been
proposed for this county. Many of us attended numerous
public meetings and read all kinds of information
regarding the projects.

Tonight we're focusing on the Wild Horse
Wind Project. Wind Ridge Power Partners chose to apply to
EFSEC to be permitted for this project. Kittitas County
has now determined that the project is consistent with
local land use policy and has issued them a certificate of
land use consistency. As part of the process going
through the county a lengthy Development Agreement was
produced. You spent the last few days listening to
testimony regarding this project presented by the
Applicant and numerous other groups. One of these pieces
of testimony that was placed in as an exhibit was the

Development Agreement. It was developed by the County and
the Applicant.

This Development Agreement is really the
project of the county itself. Not only the County staff
but the Applicant and also the residents of the county.
Many comments were made regarding this, and those comments
were taken into this document. So it's a final supplement
to all the information now that you've received. You're
getting a few more public comments, and if you'll indulge
me, I'm going to talk about a few things that I did not
provide in my prefilled testimony.

Last year I spoke to some of the
representatives of the Florida Power and Light Project
down at Stateline and asked them just for their general
comments on the project. I spoke to a woman there who
gave me a little bit of information about, you know, some
of the hands-on things involving that project.

This project is about 300 megawatts. Wild
Horse is only about two-thirds the size of that project.
Right now there are 22 full-time employees there, and
there are contracts with a number of local vendors and
suppliers for many other surfaces. Sixteen of these
employees are technicians, most of whom were local hires.

All of the 22 live in the local area. Florida Power and
Light purchased trucks that were used on the project from
a local supplier. They paid 1.5 million dollars last year
in Washington taxes and $800,000 in Oregon taxes. The
representatives stress that schools were the biggest
beneficiary of this project, and schools did have several
recent expansions that they were able to do because of this
project being located there. Tourists are very
popular. In fact, when I went on the internet, I found a
listing for a wind and wine tour where they toured the
wind farm project, and then they went to the local
wineries in the Walla Walla area. So tourists do continue
to go to that area.

The other important thing to note is that
with Puget Sound Energy being the potential purchaser of
this project much of the fiscal analysis that you have
within the Draft EIS is not valid any longer. This is due
to the fact that as a private utility PSE is simply
assessed by the Washington State Department of Revenue.
This has two major impacts on property tax analysis.
First of all, the entire project will be exempt from
Initiative 747. The second impact is rather than the
assessed value of the project depreciating over its life,
the assessed value of the project each year is determined
by using a discount rate. The discount rate is determined
by the Department of Revenue based on a complicated
formula. According to the Department of Revenue the
discount rate is almost always very close to 50 percent.

The implication of these two factors is that a much higher assessed value can be used to calculate property taxes, and the assessed value will remain fairly consistent over the life of the project and will not depreciate down to zero value that you normally think of at a depreciation table.

According to the Department of Revenue, Puget Sound Energy's current discount rate is approximately .505. Using this discount rate and an initial capital investment of approximately 270 million dollars, PSE will be paying about 1.5 million dollars in taxes making it the largest taxpayer in this county. In fact, it will be the largest taxpayer, but the next ten taxpayers underneath it don't pay as much combined as Puget Sound Energy. Of this 1.5 million dollars approximately 1.3 million will be new tax dollars to our community. The remaining tax dollars will go to reduce the taxes of the rest of us within the county with the residents in the Kittitas School District being the biggest beneficiary. The new tax dollar figures are significant but different tax entities.

The project will increase the assessed value in the Kittitas School District by an additional 75 percent. As a result the Kittitas School District will receive a huge increase in their revenue somewhere in the range of $500,000 and additional funds through property taxes alone. The County General Fund will also see an additional dollar value somewhere around $180,000, and the County road fund will see approximately $270,000. These figures are very rough. Where I'm not an accountant, but doing some basic math this is what you come up with.

This tax revenue will remain fairly consistent which is really important because the County and other entities who are going to be receiving those moneys can plan ahead, and so you can use it for matching dollars for future grants that you're looking at for road projects or hiring employees that you know will be there for several years down the road. So this is an important factor to know that this money will remain fairly consistent.

So this analysis takes into account only property taxes paid. According to the DEIS, the Department of Natural Resources and the Department of Fish and Wildlife will also see some additional rental income from turbines placed on their land. We all know this county is growing rapidly. The figure that Mr. Lathrop used is correct. We are the fourth fastest growing county in the state and have been for the past four or five years, somewhere around in that area. The other three counties that are ahead of us are Benton, Franklin, and Clark counties.

Many of us are also aware there is a lot of residential growth occurring within this community, and a number of new housing units that are in some form of permitting is staggering. So let's consider a little bit just for a moment the economic impacts that residential growth has and commercial growth and why it's important to have a mix of land uses within the county.

The cost of community services is an area that focuses on how various types of land use affect local government taxation and spending. The question of whether increased revenue to our local community from residential pays for increased demand on the local services is a question that a study in this area looked at.

At Ohio State University a fact sheet on community development states the cost of community services ratio that's been developed for three different land use categories, residential, commercial/industrial, and farm land open space. A ratio greater than one means that for every dollar of revenue collected for a given category of land more than a dollar is spent associated with it to provide the kinds of services that land would demand. The report states that for every dollar collected in residential demand is approximately $1.15 to $1.50 in services. Commercial/industrial only demands between .35 cents and .65 cents. Farm land open space is even lower at somewhere around .30 to .50 cents. The implication here is that residential could become a net drain on a community, particularly on local government budgets. So as we add residents to our community we need to create additional sources of commercial and industrial growth to support this growth within our community. This project would certainly help generate some of the revenue that our community needs. Additionally, according to the DEIS mitigation measures for schools, water supplies, sewer and storm water, solid waste, energy and communications are not necessary due to the insignificant impacts identified for these services and utilities.

So, again, this is community growth. It's important to create a mix of uses. Since much of our recent growth has been residential, we certainly need to add this industrial commercial growth to balance out our community services. This project would generate some of the revenue that our community needs badly to continue to grow and prosper. The net economic benefits associated with this project is positive which is why the Economic Development Group of Kittitas County accurately supports this project. We urge the Council to continue with their scrupulous examination and deliberation of this project at
the same time recognizing that the economic benefits of this project will be of value to our community. A positive recommendation to the Governor in a timely fashion will enable Kittitas County to begin reaping the benefits of this project to our community in the near future. Thank you very much.

JUDGE TOREM: Thank you, Ms. Strand. I see one gentleman behind you that is wishing to speak.

COMMENTS BY KEVIN ESLINGER
My name is Kevin Eslinger, E-s-l-i-n-g-e-r. I reside at 2421 Delmarco Road, Ellensburg. I apologize if I read my statement. I didn't get it done early enough to memorize it, so it's not I'm looking at this rather than you.

I'm a fifth generation farmer in the Kittitas Valley. Our farm is located at the east end of the Badger Pocket. My family has farmed the same property since 1899. My last two great grandparents passed when I was in my teens, so I grew up with a lot of different stories about the valley. Tonight is the first night I ever heard that grouse were a problem in the Badger Pocket as far as crops.

I'm currently the President of the Kittitas County Farm Bureau. My testimony tonight is on behalf of the Kittitas Valley Farm Bureau. Our county's membership has 400 farm families and supporters. It's important to farm growth that grazing of livestock continues on this property. It's been used for grazing since the mid 1800s.

PSE has stated it plans to allow livestock to graze on its project. PSE is working closely with Kittitas County Farm Bureau to produce a management plan for livestock and wildlife. Also PSE has joined the Big Game Management round table, a diverse group of stakeholders, including the Farm Bureau, Kittitas County Cattleman, state agencies, and nonprofits. PSE understands the importance of water to livestock and wildlife to stay, their willingness to fend, and further develop the spots on their project.

We're all aware of our County's growth, but it's the power needs of our ag. community that I feel are not as well known. Every year more irrigated land is being converted for real pressurized methods such as pivots. With every short water year, more pump back stations are installed to reuse the amount of water allotted. Also fish screening is a major issue in our tributaries. By state law all our diversions will need to be screened and quite often the pump and screen is more practical than a gravity screen.

The buffer on the wind power project is very important. Wild Horse has 8,000 feet between any towers and the closest home. The homeowners of the land surrounding the project will be DNR, Fish and Wildlife, and American Mineral Lands. Any future homes close to that project would be dealt with after Wild Horse, and it would be their decision to live close to the wind towers.

The State Farm Bureau is backed by a set of policies that are reviewed and voted on annually by its membership. But even with the policy encouraging development of a number of alternative sources of energy including wind, water, and most all the sources other sources our Board was unwilling to endorse the previous water projects in our Valley because of the affects on the view shed. Because of the location and the fact that most of the towers are on the back side of Whiskey Dick, we believe the Wild Horse Project is far less intrusive to our county view.

Kittitas Farm Bureau fully endorses the Wild Horse Wind Farm, and we look forward to working with them in the future to keep grazing and wildlife thriving on their project. Thank you.

JUDGE TOREM: Thank you.

Is there any other person wanting to speak tonight?

Come on up, sir.

COMMENTS BY ARTHUR DOBBINS
I'm Arthur Dobbins. I live at 1961 Summons Road, and there's something missing tonight. I want to talk to each one of you individually to wake everybody up here. Our sons and our daughters are shedding blood in mock valiant and the craziness about petroleum reserves. If just one tower saves one life, is it worth it? Thank you.

JUDGE TOREM: Anyone else wishing to speak to speak tonight?

COMMENTS BY BRIAN LENZ
Good evening. My name is Brian Lenz, and I am the Local Government Community Relations Manager for Puget Sound Energy. I live at 1441 Emerson Road in Kittitas County. I've been living in the valley since about 1990.

Why approve Wild Horse? The Wild Horse Wind project is needed by Puget Sound Energy to meet our customers' growing electric demand. PSE intends to own and operate the Wild Horse Wind Farm for the long term providing low cost energy for our customers. Wild Horse will provide a new source of tax revenue to support Kittitas County reducing the need to raise taxes, and it will provide other economic benefits that you've heard tonight for its citizens.
The wind project is also the least cost resource, and I'll go into that in more detail. We are here today to ask you to approve this project because this project is ideally suited to be located in Kittitas County. Growth drives the need.

Currently on this chart it is identified that Puget Sound Energy has a gap of 382 average megawatts by 2008, and Wild Horse is needed to help meet the demand in this gap. Wild Horse is just part of the solution to fill this long-term need. In 2004, Puget Sound Energy acquired a 50 percent share of the Fredrickson Natural Fired Gas Combustion Turbine, signed a 85-megawatt purchase power agreement, and also as of today signing the final papers for a 150-megawatt wind farm in Columbia County. We are also continued in an aggressive conservation project program.

This slide identifies the expected shortfall in Puget Sound Energy's generation resources, and the line in red shows our customer growth load. As you can see currently there's a gap in that. We're out on the spot market buying short-term power. PSE's contracts with Mid Columbia are coming due, so we are having not only an increasing demand in customer growth, but we are seeing a reduction in generation resources and long-term contracts. Currently our average daily load is approximately 2,500 average megawatts, and we are making up as I spoke before this shortfall on an average on the open market daily. With new resources like Wild Horse and the Hopkins Ridge Project this will reduce our customers' exposure to the volatile short-term spot market.

Puget Sound Energy's proposed role in Wild Horse. PSE intends to own and operate the Wild Horse Wind Farm as a regulated utility asset to serve the common good like all the other generating facilities that PSE owns. PSE intends to purchase the development rights from Zilkha and construct the wind farm after all the permits are approved. Wild Horse will directly connect to Puget Sound Energy's IT transmission line which is the backbone line serving PSE's customers here in Kittitas County. As a regulated utility asset Wild Horse will serve the customers in Kittitas County and the remainder of its service territory in Washington State. PSE plans for Wild Horse to be a long-term supply.

What are the benefits? The benefits to Kittitas County is it will provide direct economic benefits to the local community. During the construction phase the project will generate by our estimates more than 4.7 million dollars in economic benefits. Its operations will contribute more than 1.4 million dollars a year annually to the local economy. The project will create new jobs, and the project will also create approximately two million dollars in direct revenue through taxes, and it has been mentioned before that it's larger than the top ten taxpayers in Kittitas County.

This is a diagram that shows -- it's a representation of some of the testimony you heard before by Debbie Strand. The Kittitas School District will receive approximately $857,000 a year in taxes. There are 557 students in that district. They're going to see a significant increase in the amount of moneys that will be collected. Because it's a bond and levy situation what they don't actually see is additional funds the folks who live in that district will actually see as a reduction in the total taxes that they have to pay individually. A lot of them are farmers that have large parcels.

The hospital district in Ellensburg will see approximately $60,000 of new funds. The state schools which is CWU and other things under that budget line item will see approximately $523,000; $403,000 of that is through taxes and the additional difference is in the leases through the DNR trust funds.

The General County Fund will see approximately $189,000 a year in additional funds. This is approximately a five percent increase in the General Fund in this property tax section. The Road Fund, which is just a 2.78 million dollar a year fund, will see $220,000 in new additional funds. That's approximately an eight percent increase in the rural district funds. The other two groups, the mental health, the Veteran's assistance will also see additional funds.

Puget Sound Energy is the oldest state utility. It's also the largest. We have over a million electric customers, more than 650,000 gas customers. In the last two years we've added 56,000 new electric customers in a down economy.

Puget Sound Energy as a Washington Public Service Company is required to plan and serve for its electric customers. We are legally obligated to meet our customers' demands for energy, and we provide an essential public service to the public. We've been serving Kittitas County since 1923, for over 80 years. We currently serve 12,000 residential and business customers in this county. Since I've been living here and working here in the '90s, early '90s, the number of customers have grown by more than 50 percent. These numbers do not include any of the planned growth outside Cle Elum which is planned and permitted to add more than 4,000 new homes and businesses.

I have a comment here. As PSE has been the largest taxpayer the entire time since I've been here, we felt a little threatened when some of the other wind
in other areas.

Wild Horse is a unique location. It's an ideal location. You've been following in the papers the hearings. This is the project that Puget Sound Energy has identified as having the least impact for our consumers, the folks who we serve in this county. It's been endorsed by the Ellensburg Chamber of Commerce, the Economic Development Group of Kittitas County, the Cascade Irrigation District, and numerous other private citizens. To be honest it's the first time in my career that several regional environmental groups are supporting the development of a new power plant project. It's a different feeling.

You've heard from folks that there are impacts with the other projects. This project does not have shadow flicker, noise, ice throw, and many of the turbines are not visible from the valley. It's an ideal project in that regard.

Why approve Wild Horse? It's needed to meet our customers' growing demand for electricity. PSE intends to own and operate the Wild Horse project for the long term providing low cost energy for our customers. Wild Horse will provide a new source of tax revenue to support Kittitas County in the state. Wind is the least cost new supply of energy, and we've identified this project is ideal in the county, and it's located in the right place.

Puget Sound Energy as a long-time provider of public service in Washington State and in this community asks you to approve this project. Thank you.

JUDGE TOREM: Thank you, Mr. Lenz. If you can provide a hard copy of those slides as you're doing that would be great. That way those figures you cited can be provided to the Councilmembers when they get a copy.

MR. Lenz: Thank you very much.

JUDGE TOREM: Mr. Lenz is the last speaker I was aware of. Is there anybody else in the audience this evening that wishes to make comments to the Council?

All right. Seeing none, let me remind you of what happens next. Prior to making a final decision the Council is going to consider all written and oral comments and the oral ones that came in tonight and any written comments that come in and are postmarked by this coming Friday, March 11, 2005. The Applicant and the remaining intervenors in the case have been given a deadline to file their post-hearing briefing, if you will, and any final written write-up to the Council by early April, and the Council is going to be setting a date for its closed deliberations in early to mid April.
Hopefully by the end of April, deliberations will have been completed and a draft on the recommendations to the Governor will begin and hopefully be done in early to mid May. At that time the Council will return to Ellensburg to publicly conclude its deliberations in an open meeting and explain the recommendation to the Governor, whether that be for approval or for denial. The recommendation will be made in Ellensburg, and watch the papers for the announcement of that meeting time and where it will occur.

That's all the information we have at this time, and that will conclude our evening. We do appreciate and thank you on behalf of each of the Councilmembers for coming tonight. The Council does appreciate the time that each individual citizen in the local area and those interested in what happens in the Ellensburg area have taken time from work and families to be here, listen, and present your own comments tonight.

Again, if you have additional things to put in writing, pick up these forms on your way out and just have them postmarked by Friday, so they can be considered. Thank you. We are adjourned.

(Public Comment Hearing adjourned at 8:41 p.m.)

I, Shaun Linse, CCR, Certified Court Reporter, do hereby certify that the foregoing transcript prepared under my direction is a true and accurate record of the proceedings taken on March 8, 2005, in Ellensburg, Washington.

_________________________
Shaun Linse, CCR
CCR NO. 2029

INDEX

PUBLIC WITNESS PAGE
ROGER CLERF 300
KEITH JOHNSON 301
JANET NELSON 303
JAMES WHITMIRE 306
ANTHONY JANTZER 307
HELEN WISE 311
STEVEN LATHROP 313
DESMOND KNUDSON 320
BIRGET MITCHELL 322
MARK TESKE 323
DEBBIE STRAND 333
KEVIN ESLINGER 341
ARTHUR DOBBINS 344
BRIAN LENZ 344

FLYGARE & ASSOCIATES, INC. 1-800-574-0414