

Public Meeting in Korsakov District

8 June 2017

Children's Art School
(14 Sovetskaya Str., Korsakov)

17:00–20:00

Representatives of Sakhalin Energy

1. Oleg Tkachenko, Head of the Government and Shareholders Affairs Subdivision
2. Mikhail Shilikovsky, Category 1 Start-Up and Operational Availability Engineer
3. Natalya Tsarenko, Head of the Environmental Monitoring and Biodiversity Subdivision
4. Timur Gafarov, Deputy Head of LNG Train 3 Construction Project Development
5. Tatyana Derivedmid, Lead Specialist of the Social Performance Subdivision
6. Natalya Gonchar, Head of Social Performance Subdivision
7. Tatyana Luzan, Head of the Government, Shareholders and External Affairs Division
8. Larisa Yamomoto, Head of the Communications, Stakeholder Engagement and Event Management Subdivision
9. Marina Ee, Lead Specialist of Social Performance Subdivision
10. Artem Ushakov, Deputy Head of Technological Safety, Ecology, and Labour Protection of LNG Train 3 Construction Project
11. Evgeny Kovalev, Head of the HSE and Quality Assurance Subdivision
12. Alexander Marchenko, Senior Specialist of Industrial Environmental Control Subdivision
13. Elena Kurochkina, Senior Specialist of Industrial Environmental Control Subdivision

Representatives of government authorities

1. Vadim Vanichkin, Acting Minister of Natural Resources and Environmental Protection of the Sakhalin Oblast
2. Natalya Kovaleva, Deputy Head of Labour and Employment Agency
3. Nina Mukhina, Director of the Medical Care Organisation Department
4. Razin Aglyamov, Acting Chief Doctor of the Korsakov Central District Hospital
5. Elena Ignatova, Lead Adviser at the Agency for the Development of Electric Power and Gasification of the Sakhalin Oblast
6. Denis Bratash, Deputy Head of the Korsakov Administration

Public: 29 people

Meeting Agenda

- Sakhalin-2 project implementation
- Prigorodnoye production complex
- Information about the state of the environment near the Prigorodnoye production complex
- LNG Train 3 construction project

- Social performance in the Korsakov District
- Q&A

At the beginning of the meeting, Natalya Gonchar conducted a safety induction.

Oleg Tkachenko provided information about Sakhalin Energy and Sakhalin-2 project implementation. He also told about the PSA, the composition and activity of the Supervisory Board, and presented the figures of oil and gas shipments in 2016.

Mikhail Shilikovsky told about the work of the Prigorodnoye production complex, the natural gas liquefying process, the specific features of the flare system, the scheduled shutdowns at the Prigorodnoye production complex, including in 2017. He also reported on the methods of informing the community of the Korsakov District about the scheduled turnaround maintenance shutdown activities at the Prigorodnoye LNG trains.

Natalya Tsarenko told about the system of industrial environmental monitoring and local monitoring (air monitoring, control of sewage and ballast water, waste management, monitoring of soil, vegetation, marine environment) near the Prigorodnoye production complex and presented monitoring results for 2016.

Timur Gafarov told about the opportunities for the Sakhalin-2 project development (the potential construction of LNG Train 3 and additional facilities), which are currently under consideration.

Tatyana Derivedmid told about the company's social performance in the Korsakov District, the opportunities for participating in competitive programmes and the activities of the Korsakov Sustainable Development Partnership Council.

The company representatives recorded all questions asked during the meeting. Answers to the questions remained open at this meeting will be provided by the company at the next public meeting, which will be held in Korsakov in the autumn of 2017, as well as at follow-up meetings as soon as relevant information is available.

Questions (in the wording used by the speakers)	Answers
All questions regarding the public hearings that were held on 20 April in Korsakov can be registered in the comments logs, or sent directly to the company not later than 20 May of the current year. Did local residents ask any questions? (M. Petrenko)	T. Gafarov: As it was noted at the public hearings held on 20 April, when developing the Environment Impact Assessment (EIA) design documentation for the LNG Jetty 2 construction, the company acted in strict accordance with the legislation of the Russian Federation. All questions, suggestions and comments were recorded and included in the book of comments and proposals for the EIA Terms of Reference. A full set of documents has been compiled for filing for the RF State Environmental Expert Review. L. Yamomoto: It was announced at the public hearings on 20 April that residents and stakeholders of the Korsakov District could leave their questions and comments regarding the materials on the EIA of the LNG Jetty 2 construction project before 20 May. However, no questions or comments on the above materials were received from residents of the Korsakov District apart from those asked/made on 20 April. Also, no questions were asked by the public in the book of comments and proposals for the EIA Terms of Reference, available at the library in Yuzhno-Sakhalinsk.
Does Sakhalin Energy plan to resettle people from the Stroitel	L. Yamomoto: The development of the design documentation for the LNG Train 3 construction project has not been completed yet; therefore, it is premature to talk about resettlement of the members of the Stroitel Gardeners'

<p>Gardeners' Non-Commercial Partnership under the LNG Train 3 construction project? Larisa Yamamoto said that the current meeting was devoted to the discussion of the design documentation. As to questions concerning LNG Train 3, the company would be ready to discuss all of them at the meeting in June. (M. Petrenko on behalf of D. Lisitsyn)</p>	<p>Non-Commercial Partnership. When the design documentation is ready, the question will be studied in detail.</p>
<p>What would happen if there should occur an act of terrorism? How far would the blast wave propagate, that is, what would be the destructive power of the explosion? (M. Petrenko on behalf of F. Golubkin)</p>	<p>E. Kovalyov: The Prigorodnoye production complex has developed and approved the Declaration of Industrial Safety, and it has passed an expert review. The Declaration contains information on the calculation of risks. According to the Declaration, the probability of an explosion is negligible. Moreover, it is even less than the likelihood of a crash of a passenger air plane or another civilian air craft over it. The maximum propagation radius of a 5 kPa blast wave is about 3,000 m, while the Stroitel dacha settlement is located at a distance of 1,200 m from the borders of the Prigorodnoye production complex. That is, the maximum possible impact would be a scratch from window glass broken in a cottage. Dacha owners would not be injured.</p>
<p>In the general lay-out plan (part of the design documentation of the Prigorodnoye production complex), it is indicated that the destruction zone of a blast wave is 3,000 m. In response to the inquiry, A. Miller specified that the maximum impact of the blast wave would be a scratch. What are the grounds for this assumption? (A. Gafner)</p>	<p>N. Gonchar: There are relevant standards, effective in the territory of the Russian Federation, which Evgeny Kovalev refers to.</p>
<p>How high is the hazard of a gas explosion at the LNG plant? (M. Petrenko)</p>	<p>M. Shilikovsky: The LNG plant is a potentially hazardous production, but everything possible has been done to prevent such an emergency. The probability of an aircraft falling on the dacha plot is much higher than that of an explosion at the plant.</p>
<p>The permission for the construction of the LNG</p>	<p>T. Gafarov: The water area of the seas and territorial waters is within the competence of the Ministry of Transport of the Russian Federation.</p>

<p>Jetty 2 is issued by the Ministry of Transport, while the permission for the construction of LNG Train 3 — by the Ministry of Construction. Why are they issued by different ministries? (M. Petrenko)</p>	<p>In our case, it is the Administration of the Seaports of Sakhalin, the Kuril Islands and Kamchatka Federal State Budgetary Institution. Mainland territories and land plots are in the competence of the Ministry of Construction of the Russian Federation.</p>
<p>Why does Roman Dashkov not participate in meetings with the public? (M. Petrenko)</p>	<p>N. Gonchar: The Chief Executive Officer is aware of everything that is happening. The composition of the company's representatives present at the meetings is approved by the management. All questions are recorded, and they will also be reported to the company's top managers.</p>
<p>Who is the Chairperson of the Supervisory Board? (A. Gafner)</p>	<p>O. Tkachenko The Supervisory Board has three co-Chairpersons. The regional authorities are represented by the co-Chairman O. Kozhemyako, the Governor of the Sakhalin Oblast; the federal authorities are represented by the co-Chairman K. Molodtsov, Deputy Minister of Energy of the RF, and the shareholders — by the co-Chairman A. Medvedev, Deputy Chairman of the Gazprom Management Committee.</p>
<p>Who are the members of the Korsakov Partnership Council? Are they present at the meeting today? (A. Gafner)</p>	<p>N. Gonchar: Several members of the Korsakov Sustainable Development Partnership Council are present at today's meeting. In particular, Ye. Rashchupkina-Lopukhina, one of the members of the Council, represents the public. She has actively worked in the Council since it was established. The Council includes two more representatives of the public (<i>comment: O. Rusakova from the Rotary Club of the Korsakov, E. Tishkova, Head of the library in the village of Solovyevka</i>), one of them being a representative of the rural community.</p> <p>The Council includes three representatives from the public, business, and government each, as was recommended by the UNDP experts following the assessment of the Council's work in 2009.</p> <p>A. Rudakov, Head of the Korsakov Administration, could not participate in the meeting himself, but he has sent his representative. Another representative of the administration on the Council is O. Manukhin. The Assembly of the Korsakov District is represented by L. Atroshchenkova, Head of the Korsakov District.</p> <p>Representatives of business are appointed by the company. Currently, they are L. Tkachenko, N. Gonchar, and A. Lygina.</p> <p>The Korsakov Council works in three-year phases. Beginning with 23 June, we will start consultations in the settlements of the district. The company will publish an invitation to the meetings and their schedule in the media. Anyone willing can participate in the formation of a mechanism for further work of the Council's next three-year composition.</p>
<p>Why is the company registered in the Bermuda Islands, and why will the Supreme Court proceedings on the company's claims be held in London?</p>	<p>O. Tkachenko: the company is registered in the Bermuda Islands, because Sakhalin Energy is a consortium of international companies. There are certain jurisdictions in which it is customary to register such international consortia. One of such jurisdictions is Bermuda. As for legal proceedings, the reason is the same. The company's shareholders include the Japanese, the English, the Dutch, and Russians. Therefore, a jurisdiction was chosen that was clear to all the participants.</p>

<p>(M. Petrenko)</p> <p>The company receives billions in profits. Why has it not built anything for Korsakov? The roads are practically ruined, the buildings are in a bad state of repair. (Ch. Zaremba)</p>	<p>O. Tkachenko Sakhalin Energy was created to develop oil and gas fields. It is not a construction company, and it does not build houses or roads. This is not the company's responsibility. Sakhalin Energy cannot do the work of the government. The company pays taxes. The question about how the funds are allocated and what needs are met using tax money should be addressed to the representative of the city administration and the regional government rather than Sakhalin Energy.</p> <p>D. Bratash: The slides showed facilities that were built with the financial support of Sakhalin Energy. At the moment, documentation is available for further construction of the bypass road through Lake Mereya and the completion of the construction of the Golden Bridge. The contract for the execution of this work will be concluded on Friday (<i>comment: 9 June</i>). The contract has been awarded to Rabochiy-1 LLC, Yuzhno-Sakhalinsk. The company (<i>comment: Rabochiy-1</i>) has the right to hire subcontractors at their discretion.</p>
<p>Is it possible to convert Korsakov boiler plants to gas when the project expands? (Sergey, a resident of the city)</p>	<p>E. Ignatova: To convert boiler plants to gas, it is necessary to ensure the supply of natural gas. Gas belongs to the Russian Federation. The gasification of the Sakhalin Oblast is carried out in accordance with the Sakhalin Oblast Gas Supply and Gasification Programme implemented jointly with Gazprom. Gazprom is responsible for the design and construction of gas distributing plants, gas pipeline branches from the main gas pipeline, and inter-settlement gas pipelines to settlements at the expense of the company's investment, and the Sakhalin Oblast Government, in turn, is to design and construct inter-settlement gas pipelines and to prepare consumers for gas reception.</p> <p>However, only 4 of the 18 facilities that were included in the previously operating Sakhalin Oblast Gasification Programme for 2010–2014 and were in Gazprom's area of responsibility have been put into operation.</p> <p>According to the schedule, the designing of gas distributing facilities in the Korsakov District was to have begun in 2015–2016. Therefore, all unfulfilled obligations were transferred to the current Sakhalin Oblast Gasification Programme for 2016–2020. The programme was approved by the Chairman of Gazprom's Management Committee and the Governor of the Sakhalin Oblast. According to the Programme for 2016–2020, the designing of facilities in Korsakov is to begin in 2016–2018, and the beginning of their construction is scheduled for 2018–2020. Unfortunately, the Government of the Sakhalin Oblast does not have any information about the beginning of the design work. Therefore, the timing of the gasification of the Korsakov District will depend on the completion of the design and subsequent construction of facilities that Gazprom is responsible for (gas distributing plants in Korsakov and inter-settlement gas pipelines). It would be ineffective to build gas supply networks in the Korsakov District without gas distributing plants and inter-settlement gas pipelines, since it would be impossible to supply gas to the population without the completion of its share of work by Gazprom. For its part, the Sakhalin Oblast Government has completed the development of design documentation for the construction of gas supply networks in Korsakov (Stage 1).</p>
<p>Where will the additional volume of gas in the pipeline for the needs of the city come from? (Sergey, a resident of the city)</p>	<p>E. Ignatova: The pipeline can transport a sufficient amount of gas to meet the needs of Sakhalin. The volume of gas is controlled by the RF Ministry of Energy. Each consumer that submits a request is included in the order of the RF Ministry of Energy. The Gasification Programme was approved by A. Miller (Gazprom) and O. Kozhemyako (the Governor of the Sakhalin Oblast).</p>

	<p>D. Bratash: <i>(comment: in the Korsakov District)</i> Documents have been executed for land plots to be used as corridors for laying a gas pipeline. A heat supply scheme has been developed for Korsakov, which provides for the conversion of individual boiler plants to gas and the decommissioning of coal-fired boilers.</p>
<p>Who made the decision about the necessity to build LNG Train 3, and how feasible is the project? (Yu. Yanitsky)</p>	<p>T. Gafarov: Sakhalin Energy shareholders made a decision to consider the possibility of further expansion of the existing project. The PSA provides for this possibility.</p>
<p>Gazprom develops gasification projects, including the one for the Korsakov District. Gazprom is the company's main shareholder, and it probably makes sense for the government and the company to recommend that Gazprom give top priority to the Korsakov projects among the other 20 projects, since the Korsakov District is the most disadvantaged in terms of environmental conditions, social situation, and psychological pressure. We request you not to put off solving the problems of the Korsakov District!!! I would appreciate your clarification on the following: since all financial calculations are conducted based on the PSA, the PSA seems to be above the laws of the Russian Federation and to have an independent status. According to the law, the selling price of gas for Russian consumers will be calculated on the</p>	<p>E. Ignatova: The cost of gas is determined by the Regional Economic Commission (REC). The price of gas is the same for consumers and industry.</p>

<p>basis of world prices rather than the prices offered by Gazprom, since the PSA provides for a different pricing policy. Is it true? What price will consumers have to pay for gas when it is supplied to them? (E. Rashchupkina-Lopukhina)</p>	
<p>We have known about LNG Train 3 for a very long time already. Back in the 1990s, we were presented the projects and told about three LNG trains. Moreover, the site for the third tank is already available. When we asked why they were not building three LNG trains at once, they answered that Train 3 would be built later. Earlier, we were told that no more jetties would be built, but now you are talking about building a new LNG jetty. First you showed one jetty, now you are showing another one. It was said that everything would be done strictly in accordance with the law, and in answer to the question “Will there be public discussions?” you promised that everything would be done in accordance with the law, but, under the law, public discussions are not mandatory. I understand that there will be no more public discussions; you have presented the project to</p>	<p>N. Gonchar: The company's specialists have always said that the LNG plant has designed capacity to expand. During tours of the Prigorodnoye production complex, visitors are shown the potential location of LNG Train 3 and the LNG storage tank. The possibility of expanding the existing production was considered earlier. However, a positive decision was not taken at the time. Now the shareholders have been instructed to consider this possibility, but this does not mean that they will make a positive decision, and, moreover, no deadlines for making the decision have been set.</p> <p>T. Gafarov: The PSA provides for the possibility of expanding the project. This is indicated in the document, signed by the Russian Party, including representatives of the Sakhalin Oblast Government. As for public hearings, they were conducted in accordance with the procedure provided for by the RF legislation. The shareholders have been set a task to consider the possibility of expanding the current infrastructure of the Sakhalin-2 project under the LNG Train 3 construction project. Thus, as part of the expansion, we are considering the possibility of LNG Jetty 2 construction.</p> <p>A. Ushakov: The Minutes of the 20 April meeting are included, on a mandatory basis, in the design documentation, which is sent for environmental review — this is required by the Russian legislation. That is, the Minutes with the opinion of the <i>Knowledge is Strength</i> and the <i>Sakhalin Environmental Watch</i> initiative groups, approved by the administration, which set out all the questions raised and comments made at the meeting, are compiled together with the registration sheets and the presentation in a separate volume that must be submitted for expert review.</p>

<p>us, and “Goodbye, residents of the Korsakov District”!</p> <p>There will be bottom dredging, a new jetty will be built, which you previously promised not to build. From 2003 to 2009, when the first two trains of the LNG plant were being built, we were assured that all bottom dredging and maritime mooring work had been completed in full to meet the needs of all the projects. And now it turns out that we need another jetty. You do not know yet whether there will be Train 3, but you have already agreed on the construction of a new LNG jetty. In the Minutes of our meeting of 20 April, there is an opinion expressed by our initiative group and the Sakhalin Environmental Watch. Today, none of the meeting participants has said whether our comments and suggestions have been taken into consideration. Or, perhaps, you have ignored them, turned your back on us, and continue doing what you have planned? Why are you so determined to build Jetty 2? (E. Rashchupkina-Lopukhina)</p>	
<p>So, when will there be any information about the results of the expert review?</p>	<p>T. Gafarov: The package of documents required for filing for the RF State Environmental Expert Review has been formed, and the questions raised and comments made by the public regarding the clarification of the design documentation have been taken into account. Among them is the question</p>

<p>(E. Rashchupkina-Lopukhina)</p>	<p>asked by an employee of the branch of the Russian Academy of Sciences concerning the possibility of soil swelling during its extraction from the natural environment. At a meeting with the participation of representatives of the project team composed of technical specialists and LENMORNIIPROEKT JSC, one of the leading institutions that designs hydraulic structures, the zero balance in the temporary movement of soils that the company plans to use in future, including in subsequent technological operations, was checked and confirmed once again.</p>
<p>The report on the plant activities included information about the production cycle of the plant. How much water does it take to provide cooling? I remember that the report mentioned a huge amount of water used for cooling. Or, maybe, something has changed? (E. Rashchupkina-Lopukhina)</p>	<p>M. Shilikovsky: The company does not use water in the LNG production process. All water extracted from the four wells is used exclusively for general and domestic purposes.</p>
<p>You said that it is bad if there is no fire in your flare device. If there is fire, it does not produce soot. How many days did the flare not burn? How long did it burn producing soot? Why do we all see that it burns producing soot? (E. Rashchupkina-Lopukhina)</p>	<p>M. Shilikovsky: The system works as producing little soot. The company keeps relevant records, but I cannot give you exact figures right now. When it burns in the normal mode, the flare does not produce smoke or soot.</p>
<p>On 20 April, a question was asked about the company's commitment to publish data on air, water, noise, etc. monitoring. Could the company publish the figures for a month or a quarter in the district newspaper rather than for the year? (E. Rashchupkina-Lopukhina)</p>	<p>N. Gonchar: At the end of the year, the company publishes a sustainability report, which contains data on the results of monitoring. N. Tsarenko: Monitoring studies are carried out by independent contractors. Our employees do not carry out monitoring. This means that the contract organisations keep the reports and also send their copies to the company. As for the reliability of information, all chemical analyses are performed by chemical laboratories that are accredited in the Russian Federation. We receive part of the reports at the end of the year, and some data are sent to us with a certain periodicity. The company receives full information on monitoring results at the end of the year, or in January of the following year. We have recorded your question, and the company will consider the possibility of periodic release of monitoring results in the district newspaper.</p>
<p>When you talked about ballast water, I had two</p>	<p>N. Tsarenko: A tanker takes in water at the port of departure, then discharges the coastal water at a distance of at least 50 miles from the shore and at a depth</p>

<p>questions. Tankers are required to discharge ballast water at a distance of 50 miles and more, is this right? (E. Rashchupkina-Lopukhina)</p>	<p>of at least 200 m, and takes in deep sea water. Coming to the port of Prigorodnoye, the tanker discharges it.</p>
<p>The tanker has to take in water outside the port and the Aniva Bay. This means that you must have data on plankton in this area; however, you have no data on the alien plankton. Do you study microorganisms existing in deep sea water? (E. Rashchupkina-Lopukhina)</p>	<p>N. Tsarenko: We do conduct such studies. Since water tends to mix, aquatic microorganisms normally have a wider range of habitat than terrestrial organisms. That is, there are cosmopolitan species existing in both cold and warm waters, tropical and subtropical species with temperature and lighting range limits. When a vessel arrives, we have all the required data on the deepwater composition. Ballast water or currents may bring new types of microorganisms that have not existed here before. Scientists immediately determine the kinds of these species and whether they are typical for local waters; it has been found that invasive or alien species periodically occur in the composition of ballast water. In addition, experts immediately determine the type of the species, its biomass, and its climatic zone. There have been cases of tropical species occurrence; it was determined that they were invasive, but not aggressive. The fact is that not all species can be aggressive. Aggressive species are those that begin to actively multiply under certain conditions; as a result, their biomass can suppress the biomass of native species. We have not identified any aggressive invasive species so far.</p>
<p>But there is a widely spread story about a microorganism that was brought to cold waters in a tanker, and did not suppress native species, but just ate away at the concrete until it destroyed all the quay walls. It is the alienness of microorganisms that I am interested in rather than the threat they pose, though. Many people say that the bay has changed very much in the last 15 years. We do not know yet what this is connected with, but we want focus to be made not only on possible hazards, but also on the alienness of microorganisms. (E. Rashchupkina-Lopukhina)</p>	<p>N. Tsarenko: We will prepare information on ballast water and present it at the next meetings.</p>

<p>It was so nice to hear today that 50 of the 341 employees working at the Prigorodnoye production complex are residents of Korsakov, but, as a matter of fact, it is not true. (E. Rashchupkina-Lopukhina)</p>	<p>N. Gonchar: There are 50 residents of Korsakov among the 341 employees of the production complex; in addition, there are residents of Sakhalin and other regions of the Russian Federation. It was mentioned that the Prigorodnoye production complex employs more than 500 contractor employees, most of whom are residents of Korsakov.</p>
<p>If the decision is made to construct Train 3, will meetings with the Korsakov community become more frequent, as it was the case when Train 1 and Train 2 were being built? (E. Rashchupkina-Lopukhina)</p>	<p>N. Gonchar: In 2017, there will be two public meetings (in June and in autumn). If the decision on the Sakhalin-2 project expansion is made, public meetings will be held once a quarter. Sakhalin Energy has opened a Community Liaison Officer's office in Korsakov again. This is due not only to the possible construction of LNG Train 3, as to the increased number of residents' questions over the past two years. The company also proposes organising focal and personal meetings.</p>
<p>Will the practice of allocating additional funds to the residents of Korsakov, which was used during the construction of LNG Train 1 and Train 2 in connection with the negative impact of the construction, be changed in case of the prospective construction of Train 3 and its launch? Since the project has been developed, can you tell us what amounts of funds and volume of shipment it provides for? (E. Rashchupkina-Lopukhina)</p>	<p>T. Gafarov: As to the volume of shipment, it is similar to that of the first two LNG trains — 4.8 million tonnes per year. We have already pointed out that the company operates in accordance with the PSA. At a possible construction stage, the company will continue to operate in accordance with the laws of the Russian Federation and international standards.</p>
<p>The pipeline will allow transporting the planned amount of gas, as the representative of the government said. Will any modifications be made to the pipeline running from the north</p>	<p>T. Gafarov: The company is considering the possibility of building two booster stations, which will ensure the transportation of the required amount of gas.</p>

<p>to the south of Sakhalin? (E. Rashchupkina-Lopukhina)</p>	
<p>How much did the construction of the landfill in Korsakov cost? Whom was it built for? Previously, it was reported that the cost of the landfill in Korsakov was US\$ 780 thousand. I ask to record the question: how much did the construction of the Korsakov landfill cost? (E. Rashchupkina-Lopukhina)</p>	<p>T. Derivedmid: Right now, I cannot give you the exact figure of the cost of the landfill reconstruction and reclamation. The total cost of equipment was US\$ 550 thousand. O. Tkachenko: For about two years, we analysed the filling of the landfills in Nogliki, Smirnykh, and Korsakov, the construction of which was financed by the company. The proportion of the company's waste did not exceed 25% of the total amount of waste disposed in each of the three landfills. As regards the Korsakov municipal solid waste landfill, the situation has hardly worsened in the past two years, because the company has not disposed any waste in it since last year.</p>
<p>You are taking waste to Primorye. Is its cheaper? And who pays for it? (E. Rashchupkina-Lopukhina)</p>	<p>O. Tkachenko No, it is not cheaper. The point is that legislation had changed, and the operators of the landfills did not register with the GRORO (<i>comment: The State Register of Waste Disposal Facilities</i>) and obtain the required licensing in due time. The Korsakov landfill was not included in the GRORO. Today, however, it has a license, and it has been included in the GRORO. Now we are negotiating to conclude a contract for waste disposal. The work is under way, and the contract has been submitted to the director of the landfill for signature.</p>
<p>Did the company build the landfill as part of the city's infrastructure development programme or upon a request of a private stakeholder? (E. Rashchupkina-Lopukhina)</p>	<p>O. Tkachenko We will record the question and clarify the information.</p>

<p>Did the company finance the park reconstruction project? How were the funds used? And if the company did not provide funding, but performed the asphalt work, how did it do this without a project? (E. Rashchupkina-Lopukhina)</p>	<p>N. Gonchar: The administration of the Korsakov District presented the park development concept to the company. A concept is not a design and estimate documentation. Further on, we were presented projects for specific scopes of work, in particular the construction of an access road, a parking lot, asphaltting of tracks in the park. There was a separate project for the construction of a staircase and the installation of lighting. These were separate project tasks, which were financed under the general park development concept. The complete park development project was not presented to the company.</p>
<p>According to the media, plants of the same capacity as our LNG plant must be built at a distance of 40–50 km from settlements. What is the world practice of building LNG plants? (B. Osadets)</p>	<p>M. Shilikovsky: For example, the Baltic LNG plant in the Leningrad Oblast will be built very close to the town of Sosnovy Bor.</p>
<p>Did you present the city with machines that the company had already used? (B. Osadets)</p>	<p>N. Gonchar: (<i>comment: as part of social projects</i>) The company presented the administration with new machines, which had not been used in the work under the Sakhalin-2 project.</p>
<p>The city's infrastructure needs developing. Create, build something! (B. Osadets)</p>	<p>N. Gonchar: During the construction period, an infrastructure fund in the amount of US\$ 10 million was set up for the needs of the Korsakov District, which was distributed on the basis of the tripartite memorandum between the company, the administration of the Korsakov District, and the Sakhalin Oblast Government. Of this amount, a little less than US\$ 1 million was spent on the bridge in the centre of Korsakov, and about US\$ 5 million — on the construction of a new building for the polyclinic. These projects were submitted to the company by the administration of the Korsakov District with the approval of the Sakhalin Oblast Government for financing. US\$ 4 million of the fund was not disbursed, since the administration of the Korsakov District did not submit any more requests.</p>
<p>We live without treatment facilities. How can a city live without wastewater disposal?! Will you address this issue?</p>	<p>V. Vanichkin: To date, the projects for the construction of treatment facilities in Korsakov have passed expert examination and have been approved; the necessary funds have been allocated, and construction will soon begin. Budget funds are not allocated any time [you decide to build something for the city]. There is a certain time frame planned for budgeting this project. As regards the complaints of Korsakov residents, I would like to point out that the Yuzhno-Sakhalinsk Thermal Power Plant, which has been operating for</p>

<p>It is planned to finance this project, but so far funds have not been allocated. Will you take control over this matter? (B. Osadets)</p>	<p>more than 50 years already, provides electricity for the entire south of Sakhalin, including Korsakov. But all slag and carcinogens from this TPP are “consumed” by the Yuzhno-Sakhalinsk citizens only. Nevertheless, they do not demand any special preferences or compensations for this.</p> <p>As it has already been mentioned, Sakhalin Energy works on the basis of the Production Sharing Agreement. A corresponding law was adopted specially for this agreement. The company bears all its expenses in strict accordance with this law. The decision on these expenses is taken by the Supervisory Board. The company cannot promise to do anything unless it is agreed with the Supervisory Board. The Supervisory Board consists of representatives of relevant authorities that make corresponding proposals. The problems of the Korsakov District are constantly discussed at the meetings of the Supervisory Board. Therefore, decisions will be made to solve them. To tell the truth, we (<i>comment: the Ministry of Natural Resources</i>) find the problems of the offshore area and atmospheric air in the Korsakov District more pressing. I must say that the soot content in the air in Korsakov is lower today than in Yuzhno-Sakhalinsk, and in Prigorodnoye it is still lower than in Korsakov. It is true, there is a flare here, but we do not regard this as a critical problem.</p> <p>A question was asked about the possible destruction zone. A destruction zone is an area from the point of explosion to the farthest point where the consequences of the explosion may be seen. At the same time, there are different destruction sub-zones in the destruction zone itself: the sub-zones of maximum, average, minimum, and zero destruction. At a distance of 3 km from the point of explosion is the farthest point, and it is true that you can get only a scratch there. When you demand resettlement, you have to realise that the authorities can make a decision on resettling someone to another area only on condition that there are reasonable grounds, provided for by the law. And when someone examines your destruction zone in accordance with the law, it will most likely be decided that there are no grounds for financing resettlement measures. For more detailed information on this issue, contact Rostekhnadzor.</p>
<p>With the construction of the plant, our dacha cooperative fell apart. There are 37 people left on the list, but not more than 18 people come to work on their plots. The problem is that there is no road. I appeal to the company to help us build a road in the territory of the cooperative (when you were building the plant, you provided all kinds of assistance)!!!</p> <p>All dacha owners will be against the construction of LNG Jetty 2 and LNG</p>	<p>N. Gonchar: During the construction period, the company proposed to build a road in the territory of the cooperative, but representatives of the Stroitel Gardeners’ Non-Commercial Partnership refused the offer. Dacha owners also refused to accept material assistance in the amount of US\$ 50 thousand, which would have been enough to connect the cooperative to the electricity supply network, and more.</p> <p>T. Gafarov: (<i>comment on the question regarding industrial safety</i>) Industrial or technical risks and consequences that may arise and affect the community are regulated by the Russian law. There is the Declaration of Industrial Safety, which describes possible incidents and emergencies and their possible consequences. This document is mandatory for the Prigorodnoye production complex. It is stored with the Ministry of Natural Resources and the relevant authorities of the Russian Federation, namely the Federal Environmental, Industrial and Nuclear Supervision Service of Russia (Rostekhnadzor). In case of doubt, you can contact these authorities.</p>

<p>Train 3 until you resettle us. (A. Gafner)</p>	
<p>There were requests to provide information on morbidity and mortality rates in the Korsakov District. (E. Rashchupkina-Lopukhina)</p>	<p>R. Aglyamov: We have the results of an analysis of relevant data for the past 10 years, which show that there is no negative dynamics. We are constantly improving the quality of health care and health assessment, and identify diseases at an early stage. It is natural that sometimes morbidity rate increases, and at other times it decreases. Now we have specialists in cardiovascular diseases, and the disease identification rate has improved. The incidence rate of cancer has increased. This is due to the fact that the diagnostic medical service has improved. Another reason is that many people smoke. The incidence rate among non-smokers is practically zero. We have other problems such as drug addiction and viral hepatitis. The number of people suffering from these diseases is growing, but the plant has nothing to do with it. The morbidity rate in the Ulegorsk District is higher than that in the Korsakov District.</p>
<p>Why has the gasification project been successfully implemented in the Aniva District, but there is still no gas supply in Korsakov? How much money does the LNG plant transfer to the budget of Korsakov in taxes? (A. Titov)</p>	<p>V. Vanichkin: The gasification of the Aniva District was implemented due to the availability of gas supply from the gas field in the Aniva District, which is being developed by SNK, rather than gas supply from the Sakhalin-2 and Sakhalin-1 projects. The most important obstacle for connecting Korsakov consumers to the gas supply network from the Aniva gas field is the mining and geological factor. Enterprises registered in the territory of the Korsakov District are obliged to transfer taxes to the budget of Korsakov. Sakhalin Energy makes all required tax payments to the federal and regional budgets. Then it is the regional authorities that distribute the funds. This question should be addressed to the Ministry of Finance of the Sakhalin Oblast.</p>

At the end of the meeting, Natalya Gonchar reminded the meeting participants that the company's office had been opened in Korsakov.

Larisa Yamamoto asked the meeting participants to fill in the questionnaire.

Questions that the company will answer at the meeting with the public in Korsakov in autumn 2017

<p>Dacha owners demand being resettled for the period of LNG Jetty 2 construction!!! (Ch. Zarembo)</p>
<p>How many cubic metres of gas have been transferred for the benefit of the Korsakov District since the beginning of the plant's operation? (Sergey, a resident of the city)</p>
<p>What will be the price of gas that consumers in the Korsakov District will be supplied? (E. Rashchupkina-Lopukhina)</p>
<p>How many days a year does the flare not burn? How many days a year does it burn without producing soot? How many days a year does it burn producing soot? (E. Rashchupkina-Lopukhina)</p>
<p>There is a widely spread story about a microorganism that was brought to cold waters in a tanker and did not suppress native species, but just ate away at the concrete until it destroyed all the</p>

quay walls. It is the issue of the alienness of microorganisms that I am interested in rather than the threat they pose. Many people say that the Aniva Bay has changed very much in the last 15 years. We do not know yet what this is connected with, but we want focus to be made not only on possible hazards, but also on the alienness of microorganisms.

(E. Rashchupkina-Lopukhina)

How much did the construction of the landfill in Korsakov cost?

(E. Rashchupkina-Lopukhina)

Did the company build the landfill as part of the city's infrastructure development programme or upon a request of a private stakeholder?

(E. Rashchupkina-Lopukhina)