



TEXAS CHEMICAL COUNCIL

CP05-11-000

1402 Nuances Street • Austin, Texas 78701-1586 • (512) 646-6400 • Fax (512) 646-6420

March 29, 2005

The Honorable Patrick Wood III
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Ingleside Energy Center
Docket Numbers CP05-11 through 14

Dear Chairman Wood,

Occidental Petroleum has proposed to locate an LNG receiving terminal next to its chemical manufacturing facilities near Ingleside, Texas. As President of the Texas Chemical Council, I am writing to support this project. TCC represents 90 percent of the Texas chemical industry and are advocates for a strong business climate and fair regulatory practices. Our membership accounts for almost 25% percent of the entire petrochemical production in the United States.

A project like this means new jobs, a stronger tax base and other economic activity that is essential to the well being of the State of Texas and San Patricio County.

The Oxy terminal has a number of unique aspects that make it particularly attractive to us. First, it provides a new source of natural gas and natural gas liquids that are a primary feedstock for our industry. Second, their use of waste heat from the chemical operations not only will dramatically reduce fresh water consumption, but avoid the air emissions that otherwise are associated with developments of this type. It is rare to have a major development of this scale with not only minimal environmental impact, but meaningful environmental benefits as well. Finally, Occidental Chemical has operated in this area for a number of years. They have an excellent operations record and have earned the trust of the community.

I am certain that you will find that this is an excellent project and urge its quick approval as early as possible.

Thank you for your consideration.

Ron Dipprey
President
Texas Chemical Council

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CO1

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2005 APR -5 PM 2:43
FEDERAL ENERGY
REGULATORY COMMISSION

Office of
EXTERNAL AFFAIRS

CO1-1

COMPANIES AND ORGANIZATIONS

CO1 Texas Chemical Council

CO1-1 Thank you for your comment.



TEXAS OIL & GAS ASSOCIATION

March 29, 2005

CP05-11-000 OFFICE OF EXTERNAL AFFAIRS

2005 APR -5 PM 2:42 FEDERAL ENERGY REGULATORY COMMISSION

CO2

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The Honorable Patrick Wood III
Chairman
Federal Energy Regulatory Commission
888 1st Street, NE
Washington, DC 20426

Dear Chairman Wood,

As you know, Occidental Petroleum filed an application with the FERC for an LNG receiving terminal next to its chemical manufacturing facilities near Ingleside, Texas. On behalf of the Texas Oil and Gas Association ("TOGA"), I want to express that the project has our full support. TOGA is a multi-purpose trade association representing all segments of the oil and gas industry operating in Texas. The membership of TOGA, approximately 2,000 strong, produces in excess of 90 percent of Texas' crude oil and natural gas, is responsible for some 75 percent of the state's refining capacity, and operates a vast majority of the state's pipeline mileage.

My understanding is that a primary purpose of your review process is to make a determination of the need for the project and also that the environmental impact is at an acceptable level. This project should score very high on both points. South Texas has been an important supplier of natural gas for many years, so this project is a natural fit with the existing infrastructure.

The Ingleside Energy Center has a low environmental impact. This project actually provides environmental benefits as it will conserve large amounts of fresh water otherwise used for heat evaporation and will have minimal air emissions.

With the added benefits of new jobs and additional taxes so vital to the economy of Texas and San Patricio County, the Ingleside Energy Center has seen tremendous support from elected officials and the local community.

Therefore I urge the Commission to approve the project application without delay when it is put before them.

Sincerely,

Cindy Morphet
Vice President
Texas Oil and Gas Association

CM:ad

CO2 Texas Oil & Gas Association

CO2-1 Thank you for your comment.



OFFICE OF
EXTERNAL AFFAIRS

CP05-11-000

2005 APR -5 PM 2:42

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FOR OVER 75 YEARS

FEDERAL ENERGY
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CO3

March 29, 2005

The Honorable Patrick Wood III
Chairman
Federal Energy Regulatory Commission
888 1st Street, NE
Washington, DC 20426

ORIGINAL

Dear Chairman Wood,

As you know, Residential Petroleum filed an application with the FERC for an LNG receiving terminal next to its chemical manufacturing facilities near Ingleside, Texas. I want to express that the project has my full support and I look forward to its expedited approval.

As president of the Texas Association of Business, I know few important projects such as this are to the economy, tax base and the community at large. Founded in 1922, the Texas Association of Business is a broad-based, bipartisan organization representing more than 140,000 small and large Texas employers and 200 local chambers of commerce.

The Corpus Christi area has a particularly diverse economy, with longstanding roots in the shipping, refining, chemicals and oil and gas industries. The Ingleside Energy Center fits neatly into this base as it will provide competitively priced hydrocarbon fuels that are the life blood of much of industry. I appreciate the fact that it will stabilize power and gas utility bills for residential consumers and small business as well.

CO3-1

CO3-1 Thank you for your comment.

Job creation is another important consideration. The construction and operating positions created by this project are high value, semi-skilled and skilled trades. And finally a \$600 million project like this provides significant tax base with minimum of environmental impact. I testified last summer at the first scoping meeting and I found out first hand how the community felt about this project.

Therefore I urge the Commission to take note of the lack of any reservation on our part and likewise approve the project application without delay when it is put before them.

Sincerely,

Bill Hammond
President

1209 Nueces Avenue, Texas 78701
512.477.6721 • 512.477.0836 fax • www.tabbiz.org

ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Ingleside Energy Center LLC)	Docket No.	CP05-13-000
)		
San Patricio Pipeline LLC)	Docket Nos.	CP05-11-000
)		CP05-12-000
)		CP05-14-000

FILED
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FEDERAL ENERGY
REGULATORY COMMISSION

CO4

Comments of
Ingleside Energy Center LLC and San Patricio Pipeline LLC
on Draft Environmental Impact Statement

Pursuant to the Federal Energy Regulatory Commission's ("Commission") Notice of Availability of the Draft Environmental Impact Statement for the Ingleside Energy Center LNG Terminal and Pipeline Project,¹ issued on February 2005, Ingleside Energy Center LLC ("IEC") and San Patricio Pipeline LLC ("SPP") hereby submit the following comments on the Draft Environmental Impact Statement ("DEIS") issued in the captioned proceeding.¹ IEC and SPP respectfully request that the Final Environmental Impact Statement ("FEIS") reflect the comments set forth herein.

I. Comments of IEC and SPP

A. Comments on Cumulative Impacts Issues

1. General Comments

IEC and SPP recommend that the FEIS should reflect supplemental information obtained, and analysis performed since the DEIS was completed. For example, the analyses of alternatives and impacts from additional proposed projects in the area, which was performed during the

CO4-1

¹ For ease of reference, where applicable, specific comments are identified with respect to the relevant section, page number and line number in the DEIS. A matrix chart of the comments contained in Sections B and C also is appended as Attachment A.

As discussed below, information contained in Attachments B and D is being filed as Critical Energy Infrastructure Information in accordance with the Commission's regulations and that information has been removed from this public version.

CO4 Ingleside San Patricio

CO4-1 Section 3.0 of this EIS has been revised accordingly.

Commission's consideration of the Cheniere Corpus Christi and Vista del Sol LNG projects, also are relevant to Ingleside's FEIS, and, therefore, should be considered. For example, the following statement from the Vista del Sol FEIS (at ES-7) is particularly relevant: "The Cheniere Corpus Christi LNG Project (Cheniere) and the Ingleside Energy Center LNG Terminal and Pipeline Project (Ingleside Energy) are two regional LNG projects that we evaluated and considered to be technically, economically, and environmentally reasonable systems for delivering natural gas to markets in south Texas, thus meeting at least some of the objectives of the . . . Terminal Project. However, the FERC does not consider these projects as alternatives to one another. Rather, the Cheniere, Ingleside Energy, and Vista del Sol projects would all provide a mechanism for importing LNG and each could help satisfy the increasing demand for natural gas in south Texas and the broader United States markets." Table 3.3.1-4 of the Vista del Sol EIS, which is a comprehensive list of approved and proposed LNG import terminals, also should be included in the IEC/SFP FEIS. Expanding the FEIS in the manner suggested effectively responds to the public comments received by the Commission regarding its consideration of alternatives and cumulative environmental impacts presented in the DEIS.

CO4-1

Specific comments and suggestions for additions to the FEIS are offered below, based on publicly available information.

2. *The Commission's conclusion regarding cumulative impacts*

IEC and SFP maintain that the Commission properly concluded in Section 4.13.9 of the DEIS "that most cumulative environmental impacts would be temporary and minor." IEC and SFP recommend that the section be expanded for the FEIS to indicate that specific impacts from increased sedimentation, dredging, and construction caused by multiple LNG projects would be temporary and minor, while the economic benefits to the public of the IEC/SFP project would be

CO4-2

CO4-2 Section 4.13 of this EIS has been updated with information that is available and relevant.

substantial and enduring. The FEIS should note that the Commission, on April 13, 2005, determined that Cheniere's environmental impacts, both individually and cumulatively, were not significant and did not warrant alteration of the project; therefore the Commission authorized the project.

CO4-2

Further, it should be noted that the incremental impacts from the proposed IEC terminal are insignificant. The insignificant additional contributions (air quality, wetlands and land use) from both the IEC and Vista del Sol LNG projects lead to the inescapable conclusion that the cumulative impacts of all three are only slightly greater than the impacts of the Cheniere project by itself, and that the IEC project has the least environmental impacts of the three.

Section 4.12.9 and Section 5.1.13 pertaining to project alternatives should discuss the environmentally salutory attributes of IEC in connection with water conservation and avoidance of air emissions. Moreover, there is a benefit to society to allow multiple projects to compete in the Corpus Christi area (and throughout the country). Market forces will determine the most economically viable projects and further reduce and mitigate the cumulative effects of multiple projects in the same area.

CO4-3

CO4-3 The benefits of integrating the Ingleside LNG Terminal with the Occidental Chemical manufacturing complex is discussed in sections 1.1, 2.2.1.5, 2.7.1, 2.10.4, 3.2.1.6, 3.3.2, 3.3.3, 3.4.2, 4.3.2.2 of this EIS. We have updated sections 4.13.10 and 5.1.13 to include a discussion of these integration benefits.

3. Public Comments on use of DMPA-13

Among the public comments the Commission received regarding the DEIS was the suggestion that the use by IEC and SPP of a public disposal site for dredge material, DMPA-13, would cause avoidable environmental impacts due to diminished capacity at the DMPA-13. Total capacity for dredge material is a function of both public and private facilities that accept the material in the Corpus Christi area. IEC and SPP's intention is to use the private dredge disposal area on Alcoa property, and only to use DMPA-13 if unforeseen circumstances dictate reliance on that alternative. To be sure, there is no evidence in the public record demonstrating

CO4-4

CO4-4 Comment noted. We have revised this EIS to indicate Ingleside San Patricio's preferred DMPA is the Alcoa tailing ponds and that it has identified DMPA No. 13 as an alternative.

any direct harm from IEC's and SPP's use of DMPA-13, but we note that disposal of dredge material in this otherwise available public disposal area can not proceed without a determination by the Port and U.S. Army Corps of Engineers ("ACOE") that adequate capacity exists to accommodate the maintenance work required in Corpus Christi Bay, as well as the proposed projects. The Port has determined that placement of IEC and SPP dredge material in DMPA-13 would not unreasonably limit the Port's ability to dispose of dredge materials from expanded dredging operations, such as those which may be required by the proposed extension of the La Quinta Channel. If they called on DMPA-13, IEC and SPP would pay a fee to use DMPA-13 on the same basis as other similarly situated commercial users. A portion of this fee is used to reimburse the ACOE for its expenses; therefore, no additional cost is incurred by the tax payers. Finally, there is also no reason to assume that IEC and SPP, rather than any other private or public user, is ultimately "responsible" for exhausting existing capacity.

CO4-4

4. Reasons why elements of Ingleside project should not be combined with those proposed by other LNG projects in the area

Public comments suggest that portions of the IEC and SPP project can be combined with elements of other LNG projects in the same area to reduce environmental impacts. DEIS Section 5.1.13, which discusses alternatives, should be revised to include the specific economic and environmental advantages derived from constructing the project on Occidental's own property, as proposed. These benefits have already been documented in the IEC and SPP Resource Reports, and outweigh any perceived benefits of building on other private property such as the sites owned by Cheniere or Kiewit Offshore Services ("KOS") (assuming that is even economically and environmentally feasible).

CO4-5

Section 5.1.13 should also reflect the reasons why constructing the IEC and SPP facilities on private property owned by others is speculative and infeasible. The FEIS should, at the

CO4-6

CO4-5 We discuss Ingleside San Patricio's stated purpose of integrating its LNG terminal with the Occidental Chemical manufacturing complex and how moving its proposed terminal site to another location would defeat this stated purpose and the associated benefits in sections 3.2.1.7, 3.3.2, and 3.3.3. We have revised section 5.1.13 of this EIS to include a discussion of the integration benefits.

CO4-6 We discuss the economic benefit of Ingleside San Patricio's proposed facility location on Occidental Chemical property in sections 3.2.1.7, 3.3.2, and 3.3.3, and the availability of alternate sites in section 3.3.3.

outset, note that it is purely speculative that other private property owners, including competitors, would even want to lease or convey land to IEC and SPP on acceptable terms, or that IEC and SPP would find such alternatives as economically or environmentally viable as co-locating with other Occidental facilities on its own land. Preparation of the EIS does not require examination of such speculative alternatives.

CO4-6

Moreover, as stated previously, there is no factual evidence indicating that the cumulative impacts from three separate terminals are significant. The Commission already has ruled in the *Cheniere* proceeding on April 13th that the cumulative impacts are not significant. Given the environmental advantages of the IEC/SPP site, only a very small added impact would result. Finally, in order to consolidate the total capacity (4.7 BCF/d) of three terminals at one location, additional docks would have to be built, land acquired, and environmental surveys conducted.

CO4-7

CO4-7 The cumulative impacts analysis in section 4.13 of this EIS addresses the potential combined environmental impacts of all three projects.

There is no evidence in the public record to conclude private land is any more "available" next to *Cheniere's* project than is available next to Occidental's site to accommodate the other two projects.

CO4-8

CO4-8 Comment noted.

The public comments also speculate that Occidental could develop its project adjacent to the *Cheniere* site, and use waste heat from Sherwin Alumina Company. No evidence is presented, however, indicating that waste heat at that location is available in sufficient quantities or for a suitable term and delivered price. On the other hand, it is available at the proposed IEC/SPP site. The comments further suggest that Occidental could somehow pipe its waste heat to the IEC terminal (located next to *Cheniere's* property, but fail to take into consideration the cost and environmental impacts. An unusually wide, 6-mile long pipe easement would have to be acquired through or around the proposed Exxon site, the existing Sherwin plant, the Alcoa dredge disposal area, and the proposed *Cheniere* terminal to reach its destination. Because of

CO4-9

CO4-9 Comment noted. See response to comment CO4-5.

differences in cooling water chemistry, two separate pairs of 52-inch supply and return lines are required for a total of 24 miles of pipeline. Even if either of these waste heat and cooling water options were possible, they would be economically and environmentally unsound compared to co-locating on Occidental's own industrial property and taking advantage of waste heat and cooling water at that location.

CO4-9

The suggestion to use the KOS is equally infeasible. KOS is a private industrial site used to fabricate large offshore platforms and structures for deployment to the Gulf. Thus, the use of the KOS yard for construction of one or more of the proposed LNG facilities is contrary to the current use of the KOS yard in supporting the oil and gas industry. The KOS yard will continue to build offshore facilities, whether or not proposed offshore LNG facilities use the KOS site specifically to fabricate GBSs or not. Placing the proposed Ingeside LNG plant or other LNG facilities on KOS property would preclude KOS from using approximately 100 acres of its 400-acre site. This would hamper its ability to receive, build, and launch offshore platforms or other facilities unrelated to the GBS.

CO4-10

5. Discussion of other potential projects in the area

IEC and SPP recommend that the following or similar expanded discussions be added to the consideration of cumulative impacts presented in Section 4.13 of the DEIS. The following discussions of additional potential projects were presented in the relevant portions of the FEIS for Cheniere's and Vitol del Sol's LNG projects and should be incorporated in the IEC and SPP FEIS. Table A.13-1 of the DEIS for IEC and SPP also lists other projects proposed for the Corpus Christi area and their cumulative impacts. The Table should be updated, and the statistics related to impacted acreage should be made consistent with the updated information and additional discussion presented below.

CO4-11

CO4 Continued, page 6 of 18

CO4-10 Comment noted. This alternative is addressed in section 3.3.3 of this EIS.

CO4-11 See response to comment CO4-2.

The most complete and up-to-date chart of projects and cumulative impacts is contained in the Vista del Sol FEIS at Table 4.13.1. IEC and SPP also recommend that the updated estimates of dredge volumes (Table 4.13.2-1); cumulative impacts on wetlands (Table 4.13.3-1);² cumulative impacts on air quality (Table 4.13.9-1); estimated socioeconomic impacts (Table 4.13.7-1) and estimated ship calls for projects (Table 4.13.8-1) contained in the Vista del Sol FEIS should be added to the IEC/SPP FEIS tables.

CO4-11

a. *Compass Port Deepwater LNG terminal* (to follow discussion of the KOS at page 4-132 of the DEIS)

The Compass Port Deepwater LNG terminal project recently identified the KOS site as its preferred location for the onshore fabrication of GBSs. The fabrication of the GBSs would require a 101-acre fabrication site including a purpose-built casting basin, an upland disposal site for the spoil removed during creation of the casting basin, and a road between the construction area and the disposal area. About 1.8 mcu of soil would be excavated for the casting basin. The 101-acre fabrication site would be within the existing boundaries of the KOS yard. The spoil disposal site would be located adjacent to an existing tank farm north of the KOS yard east of the Occidental chemical plant. A new drainage ditch would have to be constructed along the eastern edge of the property to convey water to Kinney Bayou from the groundwater settling pond planned for the fabrication site. Both the fabrication site and the spoil disposal area are currently covered by coastal grasslands and scrub/shrub vegetation. No wetlands were identified at the fabrication site, but three emergent herbaceous and mixed scrub/shrub wetlands were found during the wetland delineation of the disposal area. Once completed, the GBSs would be towed through the La Quinta and Corpus Christi Ship Channels to the Gulf with their final destination.

CO4-12

CO4-12 See response to comment CO4-2.

² IEC and SPP note that the calculation of the shallow bay bottom habitat for IEC, which is listed as 54.3 acres in the Vista del Sol FEIS, is an overestimation. This calculation should be revised to be 40 acres in accordance with the IEC/SPP DEIS.

being the Compass Port site about 16 miles off the coast of Alabama. When the GBSs are ready to be towed from the KOS site, the bund wall would be removed, requiring additional dredging of 0.7 mcy. This dredged material would be disposed of either on the spoil island on the west side of the channel (Dredge Disposal Area 13) or on Berry Island (at Ingleside Point). If the project is approved, the current schedule calls for site preparation in 2005, and the completed GBSs would be towed out in 2006.

CO4-12

b. ~~GBS LNG Pontoons/Growing Decks~~

~~In addition to the Compass Port LNG Project's proposed use of the KOS facility, three other Deepwater LNG terminal projects are currently considering growing deck locations in the Corpus Christi Bay area for the construction of offshore, gravity-based LNG terminals. The projects include the Bon Pelican, Pearl Crossing, and Gulf Landing LNG Terminals. Locations currently under consideration include the Welder, McIsaac, Gulf Marine, and Zachry sites. It is estimated that about 0.7 mcy of dredging would be required for each of the three growing deck sites. The potential time frames for these projects are between 2005 and 2008.~~

CO4-13

CO4-13 Comment noted. Section 4.13 of this EIS has been updated.

~~IEC and SRP note for the record, however, that it is unknown at this time whether these projects ultimately will receive the required approvals and proceed to construction.~~

6. ~~Pipeline Takeaway Capacity~~

~~Finally, a public comment raises the issues of the ability to pipe LNG gas from a terminal to the grid with the issue of grid takeaway capacity. Clearly a pipe is required to move gas from the terminal to the pipeline grid. However, the ability of downstream pipelines to carry the combined output of the proposed LNG plants is a function of the combined capacity to the north, west and south. Since the pipeline grid is integrated and multi-directional, a definitive determination of takeaway capability over any pertinent time frame is unavailable. In addition,~~

CO4-14

CO4-14 Comment noted. See response to comment I1-6.

the South Texas region is a mature, declining production basin while Mexico's LNG gas demand is growing. Both of these factors indicate the pipeline takeaway capability will increase significantly.

CO4-14

B. Comments on Specific DEIS Recommendations and Conclusions

1. Section 4.2.1 at p. 4-7, lines 8-16

The DEIS recommends that IEC and SPP consult with the U.S. Department of Agriculture, Natural Resources Conservation Service ("USDA/NRCS") regarding the potential impacts on prime farmland and provide a copy of the completed AD-1006 form. The DEIS further provides that IEC and SPP should file a response to any recommended mitigation measures within the Commission. The DEIS should reflect that IEC and SPP have consulted with the USDA/NRCS and obtained the completed AD-1006 form on January 9, 2005. The document was submitted as a part of a data request on December 7, 2004. By this filing, IEC and SPP confirm that they will comply with the mitigation measures recommended in the letter.

CO4-15

2. Section 4.4.1 at p. 4-23, line 14

The DEIS recommends that the existing delineation report be amended to include new wetland surveys for the areas not surveyed due to access limitations. There were only three areas that were not surveyed on foot. However, all areas were visually surveyed from the nearest accessible point. Based on those "window" surveys, two of these areas were determined to be fields. The third area, which is the property north of Chilidipin creek, contains mostly scrub/shrub habitat. Based on this information, SPP does not anticipate that wetlands occur in those areas which were not surveyed. When access to these properties is secured, SPP will verify this assumption. If the areas support wetlands, SPP will revise the wetland delineation and submit the revised report to the ACOE and the Commission Secretary. However, if there are

CO4-16

CO4-15 Section 4.2.1 of this EIS has been revised to include this information. Also, see response to comment A1-1.

CO4-16 Section 4.4.1 of this EIS has been revised accordingly.

no wetlands, as anticipated, there would be no need for SPP to revise the delineation report. IEC and SPP request that the recommendation in the FEIS be revised to reflect these considerations. CO4-16

3. Section 4.4.1 at p. 4-26, line 3

The DEIS recommends that IEC and SPP continue consultation with the "ACOE, FWS, TPWD, TGLO, NOAA Fisheries and the CBBEP" to develop an Aquatic Resources Mitigation Plan to be filed with the Commission Secretary prior to construction. IEC and SPP held a consultation meeting with these agencies on March 30, 2005 to discuss the mitigation plan and to discuss potential projects. A final mitigation plan will be submitted to the ACOE, the Commission Secretary and other agencies upon selection of the mitigation project. IEC and SPP request that these developments be incorporated into the FEIS. CO4-17

d. Section 4.6.1.2 at p. 4-46, line 18

The DEIS recommends that IEC and SPP have a biologist on-site during construction in tidal flats to assist employees in avoiding any impacts to piping plovers during construction. Because impacts to tidal flats will be limited to the short period during which they will be dredged for the new slip, IEC and SPP recommend that the measure be limited to require that a biologist be on-site during dredging activities and only when over-wintering birds may be present, specifically in mid-July to mid-May. CO4-18

5. Section 5.2 at p. 5-6, line 39

IEC and SPP understand the legal requirements to comply with the Conditions Precedent ("CPs") to ensure compliance with all regulations. IEC and SPP note that some of the DEIS recommendations relate to the commencement of construction. There will be several phases of construction: Dredging and installation of the new chemical loading dock; Relocation of existing piping and tankage; Terminal site preparation; Terminal construction; and Pipeline construction. CO4-19

CO4 Continued, page 10 of 18

CO4-17 Section 4.4.1 of the EIS has been updated to include a discussion about Ingleside San Patricio's March 30, 2005 meeting with interested federal and state agencies to discuss its Aquatic Resources Mitigation Plan and potential mitigation projects that it may contribute to.

CO4-18 Section 4.6.1.2 of this EIS has been revised accordingly.

CO4-19 We have revised these conditions as appropriate. Please note that the numbering may have changed.

Each will have a different schedule duration and timing. IEC and SPP respectfully request that the FEIS, including the recommendations and mitigation measures required to be performed, be clearly identified and distinguished in terms of each phase of the project construction.

CO4-19

This comment applies to draft certificate conditions 15, 19, 25, 26, 27, 28, and 62.

Conforming changes also need to be made throughout the FEIS.

6. Section 5.2 at p. 5-17, line 25

The DEIS required that IEC and SPP provide revised vapor dispersion calculations. The information provided in the attached report obtains Critical Energy Infrastructure Information as defined in Sections 388.112 and 388.113 of the Commission's regulations, 18 C.F.R. §§ 388.112-113 (2004). Accordingly, IEC and SPP are filing the required analysis as Critical Energy Infrastructure Information in Attachment B appended hereto. See Critical Energy Infrastructure Information, FERC Stat. and Regs. [Regs. Preambles] § 31,140, on reh., FERC Stat. and Regs. [Regs. Preambles] § 31,147 (2003); Section 388.112 of the Commission's regulations, 18 C.F.R. § 388.112 (2004); and Section 388.113 of the Commission's regulations, 18 C.F.R. § 388.113 (2004).

CO4-20

CO4-20 Section 4.12.4 has been updated to include this information.

C. Comments on Technical, Typographical and Other Issues

- 1. Executive Summary at p. ES-6, line 9; Table 1.3-1 at p. 1-3, line 4; USCG Section 4.12.5.3 at p. 4-131, line 33; Section 3.1.12 at p. 3-6, line 13

The DEIS references the Letter of Intent submitted by IEC and SPP to the United States Coast Guard's Marine Safety Office in Corpus Christi, Texas ("USCG"). IEC and SPP request that the FEIS reflect the fact that the USCG issued its Letter of Recommendation on February 1, 2005. A copy of the letter is appended in Attachment C.

CO4-21

CO4-21 The EIS has been revised accordingly.

2. Table 1.3-1 at p. 1-8, line ACOE

The DEIS notes that a wetland delineation report was submitted to the ACOE during the summer of 2004 and that a jurisdictional determination was made by the ACOE in October of 2004. IEC and SPP request that the FEIS reflect the fact that the ACOE has not yet issued a formal wetlands delineation.

CO4-22

CO4-22 We would like to clarify this comment by stating that the applicant submitted a wetland delineation report for LNG terminal during July 2004 and June 2004 for the pipeline and that the COE 's jurisdictional determination is pending. The EIS has been revised accordingly.

3. Section 4.3.2.1 at p. 4-14, line 20; Section 4.4.1 at p. 4-24, line 7

At Section 4.3.2.1, the DEIS states that dredged material slurry will be pumped into the PCC&S DMP&A No. 13 at Alcoa's tailing ponds. IEC and SPP request that the FEIS reflect that, barring unforeseen circumstances, IEC's and SPP's preferred primary disposal area is the Alcoa disposal area.

CO4-23

CO4-23 The EIS has been revised accordingly.

Similarly, IEC and SPP note that the following language at Section 4.4.1 should be deleted "which is one of the areas . . . its dredged material." It should be replaced with "Ingliside San Patricio plans to use DMP&A No. 13 as a secondary back-up to the Alcoa disposal area. Ingliside San Patricio proposes to avoid. . ."

4. Section 4.3.2.2 at p. 4-19, line 5

Table 4.3.2.2-2 accurately depicts SPP's intention to bore/open cut only three roadside ditches. However, the language in this section indicates that these ditches will be open cut and implies that the other waterbodies also would be open cut rather than bored or drilled. IEC and SPP request that the text in this section of the FEIS reflect the information in the table.

CO4-24

CO4-24 Section 4.3.2.2 of this EIS has been revised accordingly.

5. Section 4.4.1 at p. 4-21, line 29

In describing the vegetative species in the coastal marsh, the DEIS states that there are "less amounts of black mangrove." IEC and SPP are concerned that this could be used to suggest that black mangrove comprises a significant portion of the vegetative cover. However,

CO4-25

CO4-25 Section 4.4.1 of this EIS has been revised accordingly.

there are actually only 5 to 6 small trees, which do not comprise the dominant component of the vegetative species. IEC and SPP request that this sentence be revised to state only that there are a few individual trees present.

CO4-25

6. Section 4.6.1.1 at p. 4-43, line 8

The DEIS states that IEC will include the NOAA Fisheries *Vessel Strike Avoidance and Injured/Dead Protected Species Reporting* policy as part of its Terminal Use Agreement with LNG Ship Operators. IEC and SPP request that the FEIS be revised to state that, to the extent practicable for large LNG ships, IEC will adhere to NOAA's policy, which was developed for much smaller offshore platform supply ships.

CO4-26

7. Section 4.6.1.1 at p. 4-43, line 27

The DEIS notes that the FWS recommends additional measures for the protection of the West Indian manatee. IEC and SPP submitted a formal request to the FWS concerning the manatee in proximity to the proposed project and potential impacts during construction. The FWS responded by a letter dated November 3, 2004. The FWS identified specific actions that need to be undertaken during construction to protect the West Indian manatee.

CO4-27

8. Section 4.1.1.3 at p. 4-81, line 25

In the New Source Performance Standards ("NSPS") Section, the DEIS states that SCVs are subject to the requirements of Subpart Db. However, IEC is not proposing to install SCV heaters at the facility. Waste heat from two adjacent facilities will be used to supply heat. Therefore, IEC and SPP note that the NSPS Subpart Db will not apply to this facility and urge that this be reflected in the FEIS.

CO4-28

CO4 Continued, page 13 of 18

CO4-26 Section 4.6.1.1 of this EIS has been revised accordingly.

CO4-27 Comment noted.

CO4-28 Section 4.1.1.3 of this EIS has been revised accordingly.

9. Section 4.11.1.3 at p. 4-82, line 26

In this section entitled "Chemical Accident Prevention Provisions," ("CAP") the DEIS states that a risk management plan ("RMP") is not required for the project. The Occidental Chemical manufacturing complex is subject to the CAP program regulations and revisions will be incorporated into the Occidental Chemical manufacturing complex's RMP as necessary.

CO4-29

CO4-29 See response to comment CO4-28.

10. Section 4.11.1.3 at p. 4-84, line 6

The DEIS references TCEQ Chapter 111, "Control of Air Pollution from Visible Emissions and Particulate Matter," and requires the proposed project to comply with all applicable sections of this chapter. IEC and SPP are not installing stationary steam generators at the project location. Therefore, Section 111.153, "Emission Limits for Steam Generators," is not applicable to the LNG terminal facility. IEC and SPP request that the FEIS be revised accordingly.

CO4-30

CO4-30 See response to comment CO4-28.

11. Section 4.11.1.3 at p. 4-84, line 17

The paragraph in the DEIS beginning with Chapter 114 is incorrectly labeled. The title for this paragraph should be revised to be Chapter 115, which is the section of the TCEQ regulations which controls VOC emissions.

CO4-31

CO4-31 See response to comment CO4-28.

12. Section 4.11.1.3 at p. 4-85, line 18

IEC and SPP note that the titles in this section should be revised to correct the titles of the subparts as follows. NSPS - Subpart Kb of 40 CFR 60 is the Standards of Performance for Volatile Organic Liquid Storage Vessels, Subpart Gg of 40 CFR 63 is the Standards of Performance for Stationary Gas Turbines.

CO4-32

CO4-32 See response to comment CO4-28.

13. Section 4.11.1.4 at p. 4-87, line 13

With respect to the possible use of catalysts and filters to reduce air emissions at the construction site, IEC and SPP evaluated the installation of catalysts and filters on the diesel sources and determined that these actions would be not be practically feasible. IEC and SPP request that the FEIS be revised to reflect this determination.

CO4-33

CO4 Continued, page 15 of 18

CO4-33 Section 4.11.1.4 of this EIS has been revised accordingly.

14. Table 4.11.1.4-2 at p. 4-88

IEC and SPP request that the table should be corrected in the FEIS to provide that SO₂ emissions from the Standby Firewater Pumps should be 0.001 tons per year, not 0.10.

CO4-34

CO4-34 Table 4.11.1.4-2 of this EIS has been revised accordingly.

15. Table 4.11.1.4-2 at p. 4-88

IEC and SPP request that the table should be corrected in the FEIS to provide that VOC emissions from the Enclosed Ground Flare should be 2.12 tons per year, not 1.12.

CO4-35

CO4-35 See response to comment CO4-34.

16. Figure H-3 at p. 4-108

IEC and SPP note that the labels for the outer shell and loose fill are backwards on the bottom diagram. The top diagram, however, is correct.

CO4-36

CO4-36 Figure H-3 has been revised accordingly.

17. Section 4.12.5.2 at p. 4-128, lines 6-15

IEC and SPP note that the language contained in lines 6-10 and 11-15 are duplicative. IEC and SPP suggest that the duplicative language be deleted in the FEIS.

CO4-37

CO4-37 Section 4.12.5.2 of this EIS has been revised accordingly.

18. Additional revisions to certain of the previously filed LNG figures contained in IEC Resource Report 13 also are being filed as part of these comments. The information provided contains Critical Energy Infrastructure Information as defined in Sections 368.112 and 368.113 of the Commission's regulations, 18 C.F.R. §§ 368.102-113 (2004). Accordingly, IEC and SPP are filing the required analysis as Critical Energy Infrastructure Information, in Attachment D appended hereto. See Critical Energy Infrastructure Information.

CO4-38

CO4-38 The EIS has been revised accordingly.

FERC Stats. and Regs. [Regs. Preambles] ¶ 31,140, on reh'g, FERC Stats. and Regs. [Regs. Preambles] ¶ 31,147 (2003); Section 388.112 of the Commission's regulations, 18 C.F.R. § 388.112 (2004); and Section 388.113 of the Commission's regulations, 18 C.F.R. § 388.113 (2004).

II. Conclusion

Accordingly, for the foregoing reasons, IEC and SPP respectfully request that the FEIS reflect the comments set forth herein.

Respectfully submitted,

**INGLESIDE ENERGY CENTER LLC AND
SPP CONNECTIONS ASSOCIATES, LLC**



Richard J. Michael
Director
Ingleside Energy Center LLC
& SPP Connections
Suite 1500
Houston, TX 77046
Tel: (713) 213-7433
Fax: (713) 213-7434
E-mail: rmichael@igc.com
rmichael@spp.com

Jeff Hough
Director
Ingleside Energy Center LLC
& SPP Connections
Suite 1500
Houston, TX 77046
Tel: (713) 213-7433
Fax: (713) 213-7434
E-mail: jhough@igc.com

James A. Thompson
Eschscholtz Lamb Greene
& Mackay, LLP
Goodwin Square
225 Asylum Street, 15th Floor
Hartford, CT 06103
Tel: (860) 293-1500
Fax: (860) 293-1500
E-mail: jthompson@lmg.com

Andrew Kunkel
Counsel
Occidental Petroleum Corp.
5 Grosvenor Plaza
Suite 1700
Houston, TX 77002
Tel: (713) 213-7433
Fax: (713) 213-7434
E-mail: Andrew.Kunkel@ocyp.com

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Washington, D.C. this 18th day of April 2005.


Rebecca J. Mitchell
Attorney, Lamb, Strawn &
Mason, L.L.P.
1815 Connecticut Avenue, N.W.
Washington, D.C. 20009-5728
202-955-8000