

UNITED STATES OF AMERICA 114 FERC ¶61,147
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeen G. Kelly.

Trunkline LNG Company, LLC

Docket No. CP02-60-007

ORDER AMENDING SECTION 3 AUTHORIZATION

(Issued February 16, 2006)

1. On December 5, 2005, Trunkline LNG Company, LLC (Trunkline LNG) filed an application requesting an amendment to its existing authorization to increase the peak day vaporization capacity at its liquefied natural gas terminal (LNG terminal) in Calcasieu Parish, Louisiana, from 1,300,000 Mcf/day to 1,500,000 Mcf/day, to reflect the current regasification capacity available from the operating vaporizers. Trunkline LNG proposes to provide the additional vaporization pursuant to its existing rates and general terms and conditions of service applicable to Rate Schedules FTS and FTS-2. No new facilities are required.
2. We will amend Trunkline LNG's authorization as requested.

Background and Proposal

3. In the previous orders in this proceeding, in Docket Nos. CP02-60-000, -001, and -003, the Commission authorized Trunkline LNG to expand the storage capacity and sendout deliverability of its LNG terminal and to provide new terminal services under Rate Schedule FTS-2 and ITS-2.¹ Subsequently, in Docket No. CP02-60-004, the Commission granted Trunkline LNG authorization to, among other things, increase the sustained sendout capacity of the LNG terminal to 1.8 Bcf/day, with 2.1 Bcf/day peak

¹ *Trunkline LNG Co., LLC*, 100 FERC ¶ 61,217 (2002);, *order denying reh'g and granting authorization under NGA section 3*, 101 FERC ¶ 61,300 (2002), *order denying reh'g*, 102 FERC ¶ 61,306 (2003) and *order amending authorization*, 105 FERC ¶ 61,137 (2003).

sendout capacity (Modified Expansion).² In Docket Nos. CP02-60-005 and CP02-60-006, the Commission granted Trunkline LNG authorization to commence interim vaporization services from a portion of the expansion facilities that had been completed.³ Access to this additional vaporization capacity permitted Trunkline LNG's customer, BG LNG Services, LLC (BG LNG), to increase its sendout at the LNG terminal from 630,000 Mcf/day to 1,200,000 Mcf/day, sustained, and 1,300,000 Mcf/day, peak, beginning September 18, 2005.

Notices and Intervention

4. Notice of Trunkline LNG's application in Docket No. CP02-60-007 was published in the *Federal Register* on December 16, 2005 (70 *Fed. Reg.* 74795). Sempra LNG filed a timely motion to intervene.⁴ No adverse comments or protests were filed.

Discussion

5. Because Trunkline LNG's proposal involves facilities that will be used to import gas from foreign countries, the operation of the facilities require approval by the Commission under NGA section 3.⁵

6. The Commission has previously authorized Trunkline LNG to install and operate three (3) new vaporizers in addition to the seven (7) vaporizers that were installed with the initial construction of the LNG Terminal. Each vaporizer is capable of regasifying

² *Trunkline LNG Co.*, 108 FERC ¶ 61,251 (2004).

³ *Trunkline LNG Co.*, 112 FERC ¶ 61,140 (2005).

⁴ Timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure.

⁵ The regulatory functions of section 3 were transferred to the Secretary of Energy in 1977 pursuant to section 301(b) of the Department of Energy Organization Act (Pub. L. No. 95-91, 42 U.S.C. §§7101, *et seq.*). In reference to regulating the imports or exports of natural gas, the Secretary subsequently delegated to the Commission the authority to approve or disapprove the construction and operation of particular facilities, the site at which facilities shall be located, and with respect to natural gas that involves the construction of new domestic facilities, the place of entry or exit for exports. DOE Delegation Order No. 00-44.00, 67 *Fed. Reg.* 8,946 (2002). However, applications for authority to import natural gas must be submitted to the Department of Energy. The Commission does not authorize importation of the commodity itself.

150,000 Mcf/day on a peak day basis. Thus, Trunkline LNG can effectively increase the peak day vaporization capacity from the current level of 1,300,000 Mcf/day to 1,500,000 Mcf/day.⁶

7. Trunkline LNG seeks authorization to increase the peak day vaporization capacity at its LNG terminal to reflect the current regasification capacity available from the existing vaporizers. BG LNG Trunkline LNG's firm customer for the expanded terminal service, has requested this additional regasification flexibility to facilitate the efficient and economical scheduling of ships and LNG sendout for delivery to its downstream markets.

8. The instant proposal will assist BG LNG in scheduling its LNG deliveries that are currently planned to arrive the first and second quarters of 2006. The request is minor in nature, and will not alter the basic scope of the LNG terminal expansion. There will be no impact from an environmental standpoint as there is no construction of facilities proposed by this amendment. The requested amendment will have no impact on the construction previously authorized and currently underway and will not change the level of expansion capacity or the deliverability of the terminal.⁷ The proposal does not change the certificated level of LNG terminal storage capacity. The proposed rates are based on the cost-of-service approved in the preliminary determination in this proceeding wherein we found that there would be no subsidy by existing shippers.⁸ Since there will be no subsidy by existing shippers and approval of the proposed amendment does not reduce the public benefits underlying the Commission's approval in the previous orders in this proceeding, we find the proposed amendment to be in the public interest. However, Trunkline LNG must receive written permission from the Director of the Office of Energy Projects before commencing service using the subject vaporization and appurtenant facilities.

⁶ After the in-service date of the Modified Expansion, which is currently scheduled for July 1, 2006, the LNG Terminal's peaking capacity will be increased to 2,100,000 Mcf/day.

⁷ Since there will be no impact on state or local safety concerns, the pre-filing procedures for review of LNG terminals established in Order No. 665 are not implicated by the incremental increase in peak day vaporization capacity requested herein. *See Regulations Implementing Energy Policy Act of 2005; Pre-Filing Procedures for Review of LNG Terminals and Other Natural Gas Facilities*, Order No. 665, 113 FERC ¶ 61,015 (2005).

⁸ *Trunkline LNG*, 100 FERC ¶ 61,217 at P 25 (2002).

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Environmental Analysis

9. The environmental assessment (EA) of the original application in Docket No. CP02-60-000 included an analysis of public safety issues associated with the Trunkline LNG Expansion Project. The analysis identified the principal properties and hazards associated with LNG; presented a summary of the design and technical review of the cryogenic aspects of the LNG terminal; analyzed the thermal radiation and flammable vapor cloud hazards resulting from credible land-based LNG spills; analyzed the safety aspects of LNG transportation by ship; and reviewed issues related to security and terrorism. Several recommendations were made in the EA and were included as conditions in the certificate order. In addition, the Commission also prepared an EA for Trunkline LNG's amended proposal in Docket No. CP02-60-003. That EA addressed geology, soils, water resources, wetlands, fisheries, dredging, vegetation, wildlife, land use, socioeconomics, threatened and endangered species, cultural resources, air quality, noise quality, reliability and safety, and alternatives. Additional recommendations were made in that EA and were included as conditions in that order. Trunkline LNG must comply with all applicable remaining terms and conditions of the prior orders in these dockets.

10. At a hearing held on February 16, 2006, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the application, supplements, and exhibits thereto, submitted in support of the authorization sought herein, and upon consideration of the record.

The Commission orders:

(A) The authorization granted Trunkline LNG under NGA section 3 to construct and operate the subject facilities is further amended to authorize Trunkline LNG to increase the peak day vaporization capacity at its LNG Terminal in Calcasieu Parish, Louisiana, from 1,300,000 Mcf/day to 1,500,000 Mcf/day.

(B) Except as provided herein, all the terms and conditions of the prior orders in this proceeding remain in effect.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.