

156 FERC ¶ 61,015
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Leaf River Energy Center LLC

Docket Nos. CP08-8-000
CP11-107-000
CP12-526-000

ORDER VACATING CERTIFICATE AUTHORIZATION IN PART

(Issued July 6 , 2016)

1. On October 30, 2008, the Commission granted Leaf River Energy Center LLC (Leaf River) certificate authorization under section 7(c) of the Natural Gas Act (NGA)¹ to construct and operate natural gas storage and pipeline facilities in Smith, Jasper, and Clarke Counties, Mississippi (Leaf River Storage Project).² Leaf River's certificated facilities include Cavern 3A and associated pipeline facilities and Compressor 7 to operate Cavern 3A.³
2. The October 2008 Order required Leaf River to complete and place all of the Leaf River Storage Project's facilities in service by October 30, 2011. On November 23, 2011, the Commission's Office of Energy Projects (OEP) granted Leaf River an extension of time until October 30, 2013, to complete construction and place all

¹ 15 U.S.C. § 717(c) (2012).

² *Leaf River Energy Center, LLC*, 125 FERC ¶ 61,131 (2008) (October 2008 Order).

³ After encountering unanticipated geological conditions, Leaf River sought a certificate amendment to authorize project modifications, including relocation and redesignation of one of its storage caverns as Cavern 3A. After preparing an environmental assessment for Leaf River's proposed changes, the Commission issued an order on May 25, 2011, to approve the proposed project modifications. *Leaf River Energy Center, LLC*, 135 FERC ¶ 62,168 (2011).

authorized facilities in service.⁴ On September 4, 2013, OEP granted Leaf River a further extension of time until March 21, 2016.⁵

3. On February 1, 2016, Leaf River filed a motion in which it explained that while all of its other authorized facilities are in service, it has not yet begun construction of Cavern 3A, the associated pipeline facilities, and Compressor No. 7 because current market conditions have limited near-term demand for new gas storage capacity. However, Leaf River stated that it expects more favorable market conditions to develop and therefore requested an additional extension of time until March 21, 2019, to complete and place these remaining facilities in service. In an order dated March 16, 2016, OEP denied Leaf River's request in view of the fact that more than seven and a half years had already passed since Leaf River's storage project was certificated.⁶ Leaf River did not request rehearing of OEP's denial, and its authorization for construction and operation of the Cavern 3A facilities expired on March 21, 2016, when its last extension of time ended.

4. In view of the above considerations, the Commission is vacating Leaf River's certificate authorization for construction and operation of Cavern 3A, the associated pipeline facilities, and Compressor No. 7.⁷

⁴ *Leaf River Energy Center, LLC*, Docket No. CP08-8-000 *et al.* (Nov. 23, 2011) (delegated letter order).

⁵ *Leaf River Energy Center, LLC*, Docket No. CP08-8-000 *et al.* (Sep. 4, 2013) (delegated letter order).

⁶ *Leaf River Energy Center, LLC*, Docket No. CP08-8-000 *et al.*, at 2 (Mar. 15, 2016) (delegated letter order).

⁷ On March 21, 2013, the Commission issued an order amending Leaf River's certificate authority to increase the certificated capacities for each of its authorized storage caverns, including Cavern 3A, based on information provided by Leaf River to support its conclusion that its authorized facilities would be capable of safely providing more storage service than originally estimated and certificated. *Leaf River Energy Center, LLC*, 142 FERC ¶ 62,233 (2013). As revised by that order, the certificated total maximum gas storage inventory for the Leaf River Storage Project was 62.84 Bcf at 14.73 psia and 60°. The 62.84 Bcf included 12.0 Bcf of working gas capacity and 3.71 of cushion gas capacity for a total of 15.71 Bcf capacity for Cavern 3A. *Id.* at 64,637 and Appendix, Condition 1. Vacating Leaf River's certificate authority for Cavern 3A reduces the certificated maximum volumes of gas that may be stored in its caverns to 47.13 Bcf.

The Commission orders:

The certificate authorization for the Leaf River Storage Project, as amended, is vacated, in part, as discussed above.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.