

123 FERC ¶ 61,152  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Trunkline LNG Company, LLC

Docket No. CP08-68-000

ORDER GRANTING AUTHORIZATION  
UNDER SECTION 3 OF THE NATURAL GAS ACT

(Issued May 15, 2008)

1. On February 1, 2008, Trunkline LNG Company, LLC (Trunkline LNG) filed an application, under section 3(a) of the of the Natural Gas Act (NGA),<sup>1</sup> requesting authority to install and operate a new 1,500 horsepower (hp) electric motor-driven pipeline compressor and related facilities at the existing Trunkline LNG liquefied natural gas import terminal (terminal) in Calcasieu Parish, Louisiana.
2. In this order, the Commission finds that the requested authorizations are consistent with the public interest and grants Trunkline LNG's request, under section 3 of the NGA, to construct and operate the proposed facilities, subject to the conditions discussed herein.

**Background and Proposal**

3. In 1977, the Commission authorized CMS Trunkline LNG Company, LLC, Trunkline LNG's predecessor, to construct and operate the terminal and to sell imported regasified liquefied natural gas (LNG) to Trunkline Gas Company.<sup>2</sup> The terminal was originally designed and constructed to store up to 6.3 billion cubic feet (Bcf) of LNG and to regasify up to 700 million cubic feet (MMcf) per day. Deliveries of imported LNG

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<sup>1</sup> 15 U.S.C. § 717b(a) (2000).

<sup>2</sup> *Trunkline LNG Co.*, 58 FPC 726 (1977), *order on reh'g*, 58 FPC 2935 (1977).

began in 1982, but were suspended in 1983. In 1989, the Commission authorized Trunkline LNG to provide LNG terminalling services for Pan National Gas Sales, Inc.<sup>3</sup>

4. In 2002, in Docket Nos. CP02-60-000, *et al.*, the Commission granted Trunkline LNG authority to construct and operate expansion facilities at the terminal, increasing the terminal's storage capacity to 9.0 Bcf and its sustainable and peak sendout rates to 1.8 Bcf and 2.1 Bcf per day, respectively.<sup>4</sup>

5. Trunkline LNG proposes to construct and operate a 1,500 hp electric motor-driven compressor unit (in parallel with the existing pipeline compression), related piping and electrical connections, to compress boil-off gas into the sendout pipeline when the terminal is not sending out natural gas from the LNG vaporization process. The proposed compressor would have a capacity of 6.0 MMcf per day and would be installed adjacent to the existing pipeline boil-off compressor. Trunkline LNG contends that there would be no change to the existing certificated sustainable and peak sendout rates and that the construction and operation of the proposed facilities would not have a material impact on its cost of operations or revenues. Trunkline LNG currently provides firm terminalling service to BG LNG Services, LLC under its Rate Schedules FTS and FTS-2.

### **Notice and Interventions**

6. Notice of Trunkline LNG's application was published in the *Federal Register* on February 20, 2008 (73 Fed. Reg. 9,318). No interventions or protests to the application were filed.

### **Discussion**

7. Since the proposed facilities are part of an LNG terminal used to import natural gas from a foreign country, the construction and operation of the expansion facilities are subject to the requirements of section 3 of the NGA and the Commission's jurisdiction.<sup>5</sup>

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<sup>3</sup> *Trunkline LNG Co.*, 49 FERC ¶ 61,199 (1989), *order clarifying and amending certificate*, 69 FERC ¶ 61,129 (1994).

<sup>4</sup> *Trunkline LNG Co.*, 100 FERC ¶ 61,217 (2002), *order denying reh'g and granting authorization*, 101 FERC ¶ 61,300 (2002), *order denying reh'g*, 102 FERC ¶ 61,306 (2003), *order amending authorization*, 105 FERC ¶ 61,137 (2003).

<sup>5</sup> The regulatory functions of section 3 of the NGA were transferred to the Secretary of Energy in 1977 pursuant to section 301(b) of the Department of Energy Organization Act. 42 U.S.C. § 7151(b) (2000). In reference to regulating the imports or exports of natural gas, the Secretary subsequently delegated to the Commission the

(continued)

According to section 3 of the NGA, the Commission shall issue authorization unless it finds that granting the requested authorization “will not be consistent with the public interest.”<sup>6</sup>

8. Trunkline LNG’s request is minor in nature, and will not alter the scope of the terminal’s operation. The requested authorization will not change the capacity or the deliverability of the terminal and Trunkline LNG proposes no new or additional service as a result of the proposed facilities. The facility will simply compress LNG boil-off gas into the sendout pipeline instead of retaining it at the terminal. Further, this minor facility modification will not have a material impact on Trunkline LNG’s cost of operation and revenues.

9. The record in this case shows that Trunkline LNG’s proposed facilities will enable it to safely and reliably send out additional boil-off gas produced as a result of the recent expansion project. We find that, subject to the conditions imposed in this order, Trunkline LNG’s proposal is not inconsistent with the public interest.

### **Environmental Assessment**

10. On February 28, 2008, we issued a *Notice of Intent to Prepare an Environmental Assessment for the Proposed Pipeline Compressor Addition Project and Request for Comments on Environmental Issues* (NOI). We received responses to the NOI from the U.S. Fish and Wildlife Service, and our staff addressed all substantive comments in the environmental assessment (EA) that staff prepared for Trunkline LNG's proposal. The EA addresses soils; land use and visual resources; cultural resources; air quality and noise; reliability, safety and security; cumulative impacts; and alternatives.

11. Based on the discussion in the EA, we conclude that if constructed and operated in accordance with Trunkline LNG’s application and supplements filed February 1, March 25, April 4, and April 7, 2008, approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

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authority to approve or disapprove the construction and operation of particular facilities, the location of the proposed facilities, 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 (Feb. 19, 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.

<sup>6</sup> 15 U.S.C. § 717b(a) (2000).

12. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this authorization. The Commission encourages cooperation between interstate pipelines and local authorities. However, this does not mean that state and local agencies, through application of state or local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by this Commission.<sup>7</sup>

13. For the reasons set forth herein, and subject to the conditions set forth below in the Appendix, we find that Trunkline LNG's proposed compression facilities are not inconsistent with the public interest under section 3 of the NGA. Thus, we grant the requested authorization to Trunkline LNG.

14. At a hearing on May 15, 2008, the Commission on its own motion received and made a part of the record all evidence, including the application and exhibits thereto, submitted in support of the authorization sought herein, and upon consideration of the record,

The Commission orders:

(A) Trunkline LNG is granted authorization under section 3 of the NGA to construct and operate the proposed facilities, as more fully described in Trunkline LNG's application and as conditioned herein.

(B) Trunkline LNG shall install and make available for service the facilities authorized herein within one year from the date of this order in accordance with section 157.20(b) of the Commission's regulations.

(C) Trunkline LNG shall notify the Commission's environmental staff by telephone, e-mail, and/or facsimile of any environmental noncompliance identified by other federal, state, or local agencies on the same day that such agency notifies Trunkline

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<sup>7</sup> See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Comm'n*, 894 F.2d 571 (2d Cir. 1990); *Iroquois Gas Transmission System, L.P.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

LNG. Trunkline LNG shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

By the Commission. Commissioner Wellinghoff concurring with a separate statement attached.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

## APPENDIX

### Environmental Conditions

As recommended in the EA, this authorization includes the following conditions:

1. Trunkline LNG shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the EA, unless modified by this order. Trunkline LNG must:
  - a. request any modification to these procedures, measures, or conditions in a filing with the Secretary of the Commission;
  - b. justify each modification relative to site-specific conditions;
  - c. explain how that modification provides an equal or greater level of environmental protection than the original measure; and
  - d. receive approval in writing from the Director of the OEP before using that modification.
2. The Director of OEP has delegated authority to take all steps necessary to ensure the protection of life, health, property, and the environment during construction and operation of the proposed Project. This authority shall include:
  - a. stop-work authority and authority to cease operation; and
  - b. the design and implementation of any additional measures deemed necessary to assure continued compliance with the intent of the conditions of this order.
3. Trunkline LNG shall make all reasonable efforts to ensure its predicted noise levels from the Infrastructure Enhancement Project (IEP), approved in Docket Nos. CP02-60-000, *et al.*, and the facilities authorized herein are not exceeded at nearby noise-sensitive areas (NSA). Trunkline LNG shall file noise surveys showing compliance with the Secretary of the Commission no later than 60 days after placing the IEP and the new facilities into service. However, if the noise attributable to the modified terminal at full load (including simultaneous operation of the IEP and the new facilities) exceeds an  $L_{dn}$  of 55 dBA at any nearby NSAs, Trunkline LNG shall file a report on what changes are needed and shall install additional noise controls to meet the level within one year of the in-service date.

Trunkline LNG shall confirm compliance with this requirement by filing a second noise survey with the Secretary no later than 60 days after it installs the additional noise controls.

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WELLINGHOFF, Commissioner, concurring:

Today, we approve Trunkline LNG's proposal to add 1,500 hp of compression to operate in parallel with its existing pipeline compression. This minor facility modification will allow Trunkline LNG to compress additional boil-off gas into the sendout pipeline when the terminal is not sending out natural gas from the LNG vaporization process.

It appears that Trunkline LNG has in place an on-going self-evaluation process in an effort to identify and capture possible efficiency gains in the design and operation of its facilities. I commend Trunkline LNG for its efforts to date and I encourage Trunkline LNG, as well as all the pipeline industry, to continue to explore ways to economically gain efficiencies. I also encourage the pipeline industry to work with its customers to gain efficiencies, reduce costs and become more competitive and profitable.

As I have stated in the past, I am concerned that we may be missing opportunities and increasing costs when efficiency considerations are addressed on an ad hoc basis. It is worth considering whether efficiency measures can and should be considered at an earlier stage and reviewed in a comprehensive and systematic manner.

For these reasons, I respectfully concur with today's order.

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Jon Wellinghoff  
Commissioner