

### Three more LNG proposals advance at FERC

The list of liquefied natural gas terminals proposed for the U.S. coastline continues to grow, with FERC last week launching the pre-filing process for two new LNG projects and accepting a formal application for a third.

Calhoun LNG filed its application with FERC Friday for authorization to site, build and operate an LNG terminal on the Texas Gulf Coast, a company official told *Gas Daily* Monday.

The terminal is planned for a deep-water port in an industrial area in Port Lavaca-Port Comfort, between Freeport and Corpus Christi, Texas, according to a statement from the company. The site is surrounded by petrochemical plants, an aluminum factory and other facilities that consume large volumes of gas, and is close to salt-cavern gas storage facilities.

The project includes a 1 Bcf/day regasification facility, two 160,000-cubic meter LNG storage tanks and gas liquids separation facilities, the company said.

The project also includes for a 12-mile gas pipeline system of 30-inch-diameter pipe connecting to local industrial markets and to major pipelines with more than 2 Bcf/day of capacity. The Calhoun County Navigation District has agreed to issue tax-exempt revenue bonds to finance the facility.

"We are planning on providing a suite of project financing options to the market," said Chris Hilgert, chief financial officer of Gulf Coast LNG Partners LP, which owns Calhoun LNG.

Meanwhile, Cheniere Energy—which already has interests in three pending LNG facilities in the Gulf—has officially begun the pre-filing process under the National Environmental Policy Act for a fourth: Creole Trail LNG, in Cameron Parish, La.

In a recent letter to a Cheniere attorney, FERC Office of Energy Projects Director Mark Robinson said he was "instructing staff to begin familiarizing themselves with your project." Last fall, Cheniere subsidiary Creole Trail LNG unveiled plans to begin the NEPA process for the 2.6 Bcf/day terminal (*GD 11/18*).

In a Jan. 26 letter requesting use of the NEPA process (*GD 1/7*), Creole Trail proposed a \$900 million, 3.3 Bcf/day terminal to comprise two unloading docks capable of handling up to 250,000 cubic-meter vessels and four 160,000 cubic-meter tanks with LNG storage capacity of 13.5 Bcf-equivalent.

The related Cheniere Creole Trail Pipeline is designed to match the terminal's capacity; it would run about 118 miles from a point

in southwestern Louisiana, where it could interconnect to interstate and intrastate lines with more than 12 Bcf/day of capacity.

Robinson noted that Creole Trail's January letter stated its intent to make a certificate filing by May 2, with an "ambitious schedule" calling for FERC approval of the project by early 2006. Cheniere wants to place the terminal in service in 2009.

"Even with the benefits of the pre-filing process as designed, it takes eight months to prepare and issue a draft and final [environmental impact statement] after the filing of a complete application," Robinson wrote in a March 18 letter. "Our ability to meet any schedule is dependent on the progress we make together and with the other stakeholders and on your ability to file a complete application which complies with the regulations and resolves the issues that are identified during the NEPA review."

A third project is taking a somewhat more ambitious approach, shifting away from the relatively LNG-friendly Gulf Coast area to a site in the Pacific Northwest.

Northern Star Natural Gas is proposing to build an LNG import terminal on a former sawmill site in Bradwood, Ore., roughly 38 miles from the Pacific Ocean along the Columbia River, FERC said last week.

The \$520 million facility would include a single LNG ship berth, as well as two full containment LNG storage tanks with capacity of about 165,000 cubic meters each. The regasification facility itself would have capacity of about 1 Bcf/day, while a 35-mile pipeline connecting the terminal to the Williams Northwest pipeline system would have a capacity of about 1.5 Bcf/day.

The site is "well-suited for a port development and is currently zoned to accommodate a marine-dependent industrial use," Northern Star said. The company hopes to file a formal application for the project by November, with construction expected to begin in 2007 to meet a target 2010 operation date.

As Northern Star undergoes the federal NEPA pre-filing process, it also is completing a formal Notice of Intent filing with the Oregon Energy Facility Siting Council to officially begin the state permitting process, the company said.

Northern Star is privately held by Northern Star Natural Holdings Ltd. and by Babcock & Brown, an investment and consulting firm. New Mexico-based IBC will oversee the permitting processes.