
Company submits application for LNG terminal at Calhoun port

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Victoria Advocate
Wednesday, March 23rd 2005*

PORT COMFORT - A milestone was reached Friday when Gulf Coast LNG Partners, LP of Houston submitted its permit application to a federal agency for construction of a \$450 million terminal to handle imported liquefied natural gas at the Port of Port Lavaca-Point Comfort.

Getting the permit application ready to present to the Federal Energy Regulatory Commission has taken six months at a cost of \$2 million and contains more than 2,500 pages, officials said Tuesday.

"It's been a lot of work," said Rafael Garcia, the company's project director. "We've been working on this project with the port for almost two years now. This application filing is an important milestone for the project and we look forward to working closely with FERC and other agencies to advance the project through the permitting process."

Garcia said the permit application process normally takes anywhere from 12 to 18 months. "We're hoping for 12 months. That's our goal."

Port Director Robert Van Borssum said, "The sheer enormity of this application is impressive, over 2,500 pages."

Van Borssum said he is optimistic that the permitting process will move quickly.

"The support of the community, as evidenced at the project community meetings, is great. Calhoun LNG has received multiple letters of support from city, county and state officials as well as local industry. The port believes the development will greatly enhance the local industrial community's long term viability and increase the port's capability to deliver world-class waterway access to the region we serve."

Garcia said once the permit is in hand, construction can begin.

The project would create 600 jobs at the peak of construction, which will take about three years. Garcia said the target date for going on line is either the first or second quarter of 2009.

In mid-October, members of the Calhoun County Navigation District reached an agreement that allowed the Houston firm to move forward with development and construction of the Calhoun LNG project.

At an earlier meeting, officials said that natural gas being burned off as waste in many countries would be delivered by ship to the port and vaporized. The end result is that the liquids would become feedstock for local chemical plants and the natural gas would be sent by pipeline to locations throughout the United States.

Randy Boyd, chairman of the navigation district, said that Texas is running out of natural gas that was once so plentiful.

"Eighty-five percent of the tax base in Calhoun County is industry based. These plants require natural gas as a feedstock and energy source. For this reason, I believe it is imperative that we pursue this project," he said Tuesday.

The project calls for construction of two insulated storage tanks that measure 280 feet and are 140 feet tall with the capacity of holding 3 ½ billion cubic feet of natural gas. There would also be a new dock capable of handling ships and what is described as a regasification facility that would convert the liquid back into natural gas to be piped to users through existing major pipeline systems in South Texas.

Port officials leased the site, located on the port's southern peninsula, for \$50,000 a year.

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