

**UNITED STATES OF AMERICA**  
**BEFORE THE**  
**FEDERAL ENERGY REGULATORY COMMISSION**

<b>Application of</b>	)	<b>Docket No. CP12-498-000</b>
	)	
<b>The Gas Company, LLC</b>	)	
	)	
<b>for Authorization under</b>	)	
<b>Section 3 of the</b>	)	
<b><u>Natural Gas Act</u></b>	)	

**LIFE OF THE LAND'S**  
**MOTION TO INTERVENE**  
**&**  
**CERTIFICATE OF SERVICE**

**HENRY Q CURTIS**  
**VICE PRESIDENT**  
**LIFE OF THE LAND**  
**76 N. King Street, Suite 203**  
**Honolulu, HI 96817**  
**(808) 533-3454**  
**[henry.lifeoftheland@gmail.com](mailto:henry.lifeoftheland@gmail.com)**

**UNITED STATES OF AMERICA**  
**BEFORE THE**  
**FEDERAL ENERGY REGULATORY COMMISSION**

<b>Application of</b>	)	<b>Docket No. CP12-498-000</b>
	)	
<b>The Gas Company, LLC</b>	)	
	)	
<b>for Authorization under</b>	)	
<b>Section 3 of the</b>	)	
<b><u>Natural Gas Act</u></b>	)	

Pursuant to Rule 214 of the Federal Energy Regulatory Commission's ("FERC") Rules of Practice and Procedure, 18 C.F.R. § 385.214, (2006), LIFE OF THE LAND ("LOL") hereby submits its MOTION TO INTERVENE in the above-captioned proceeding.

**1. COMMUNICATIONS**

Copies of all pleadings and correspondence in the proceeding should be addressed to:

Henry Curtis  
Vice President  
Life of the Land  
76 N. King Street, Suite 203  
Honolulu, HI 96817  
(808) 533-3454  
[henry.lifeoftheland@gmail.com](mailto:henry.lifeoftheland@gmail.com)

**II. FERC JURISDICTION**

The Federal Energy Regulatory Commission (FERC) is the United States federal agency with jurisdiction over interstate electricity sales, wholesale electric rates, hydroelectric licensing, natural gas pricing, and oil pipeline

rates. FERC also reviews and authorizes liquefied natural gas (LNG) terminals, interstate natural gas pipelines and non-federal hydropower projects.

The Energy Policy Act of 2005 gave FERC the responsibilities to regulate the transmission and sale of natural gas for resale in interstate commerce; the transmission of oil by pipelines in interstate commerce; the siting of interstate natural gas facilities, including pipelines, storage and liquefied natural gas (“LNG”); and LNG terminal facilities relating to natural gas transported in interstate commerce by waterborne vessel.

## **II. THE APPLICATION**

The Gas Company, LLC (“Applicant”) submitted an Application under Section 3 of the Natural Gas Act, as amended (“NGA”), and Part 153 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the “Commission”), for authorization to operate certain facilities that fall within the definition of “LNG terminal” in NGA Section 2(11).

According to the Applicant’s filing, the Applicant has developed a comprehensive, multi-phased LNG strategic plan. The Applicant will implement its strategic LNG plan in three, mostly parallel, phases.

### Phase 1

A fleet of up to 20 40-foot cryogenic intermodal containers (“ISO” containers) that will be transported to Hawaii on common carrier cargo vessels;

Existing facilities or secured lots on the Applicant’s premises that will be used to store ISO containers for short periods of time; and

Mobile LNG vaporization/regasification units that will be used to inject the gas into the Applicant’s distribution pipeline or directly into an end-use customer’s facilities.

### Phase 2

Installation of a series of permanent cryogenic storage tanks in Hawaii, each with capacity to hold up to 70,000 gallons of LNG, so as to increase its LNG reserve capacity; and

Pipe Installation, which will enable the LNG to flow from the storage to permanent vaporizer/re-gasification units. The units will permit the flow of vaporized natural gas to either the Applicant's distribution system or to an end-use customer's facilities.

### Phase 3

Expanding the Applicant's terminal facilities by constructing larger, permanent storage and receiving facilities in Hawaii;

Shipment of LNG by vessels capable of transporting larger quantities of LNG at terminals located in the Continental U.S. or elsewhere and shipped to Hawaii for off-loading at one or more Hawaii receiving facilities and into a permanent land-based storage facility;

Storage capacity of up to 10 million gallons with potential floating storage re-gasification units; and

Fuel for up to 400 MW of both existing and new conventional and/or combined cycle power generation facilities, as well as for industrial and other commercial applications.

### This Request

In this docket the Applicant seeks Commission authorization solely with respect to the Phase 1 Facilities that are part of the Applicant's overall LNG supply and distribution strategy.

In December 2012, the Applicant must temporarily interrupt service in a critical segment of its SNG transmission line serving metropolitan Honolulu. The Applicant requests that the Commission interpret NGA Section 3A and the Commission's implementing regulations as not requiring a six-month National Environmental Policy Act ("NEPA") pre-filing process.

According to the Application, the Applicant operates and maintains approximately 1,081 miles of utility pipeline, of which there are 22 miles of transmission pipeline, 589 miles of distribution pipeline, and 470 miles of service line. Oahu is host to 965 miles of pipeline, Hawaii has 66 miles, Maui has 25 miles, Kauai has 21 miles, Molokai has 3 miles, and Lanai is home to 2 miles of pipeline.

The Applicant owns and operates the only SNG manufacturing facility in Hawaii, located at the Campbell Industrial Park in southern Oahu (the "SNG

Plant"). The SNG Plant converts naphtha, a light hydrocarbon liquid, into methane and other gases (*e.g.*, SNG).

The Applicant owns and operates a 22 mile-long, 16-inch diameter steel pipeline (the "Transmission Line") that starts at the SNG Plant and runs eastward along the southern part of Oahu, around Pearl Harbor, and ends at Pier 38 in Honolulu Harbor, near downtown Honolulu.

SNG is delivered from the SNG Plant by the Transmission Line to eight interconnected SNG distribution systems via letdown regulators. The Kapalama letdown regulator, located at Pier 38, is at the eastern end of the Transmission Line and serves the Applicant's largest SNG distribution system, from Kapalama to Hawaii Kai.

The SNG Plant is the only source of supply for the Applicant's SNG utility system and is dependent on a single source for its naphtha feedstock, the Kapolei Refinery on Oahu that is owned and operated by Tesoro. The Applicant currently has a feedstock supply agreement in place with Tesoro.

On January 10, 2012, Tesoro announced its plan to sell its Hawaiian assets and operations, including the Kapolei Refinery. Tesoro has not yet announced whether it has entered into an agreement to divest itself of these assets and operations, and there is no indication that a potential purchaser would continue operations or honor the existing contracts. However, to address the possibility that Tesoro (or the potential purchaser of its assets) shuts down the Kapolei Refinery completely or limits supply, the Applicant has been evaluating supply alternatives for its utility business, including the importation of LNG, to ensure continued reliability of its services.

On Oahu, SNG comprises almost 95% of the Applicant's utility gas sales, with propane making up the balance of sales. Propane-air systems are commonly used as a back-up supply for natural gas. A propane-air system mixes propane gas and air to a specific ratio that can be used by appliances designed for natural gas. The combination of a higher vapor specific gravity and heat value in propane-air gas allows it to burn very much like natural gas.

## **II. BASIS FOR INTERVENTION**

LIFE OF THE LAND seeks intervention under § 385.214(b)(2)(iii). Our intervention is in the public interest.

### **III. DESCRIPTION OF FILING**

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for over four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Our members live, work and recreate in Hawaii. They are concerned about climate change, energy policy, agricultural policy, air pollution, water pollution, energy costs, energy rates, and environmental externalities.

On September 22, 2000, the LOL Board of Directors approved continuing to intervene in energy dockets as a means of promoting sustainable policies. Henry Curtis, Vice-President for Consumer Affairs, is authorized by the LOL Board of Directors to represent LOL before State and Federal agencies.

Life of the Land was the only Hawai`i entity to file a Motion to Intervene in Grays Harbor Ocean Energy Co.'s Penguin Bank Wave Farm (FERC Docket P-13307) which has subsequently been closed.

Life of the Land has been accepted by the Hawai`i Public Utilities Commission as an intervenor or participant in over 30 regulatory dockets over the entire gamut of energy policy.

Life of the Land's specific interests in LNG are how the fuel is extracted and shipped to Hawai`i, whether it supports or impedes Hawai`i's renewable energy transition, and how it impacts the people and ecosystems of Hawai`i.

Our opinions and concerns about LNG are presented in Life of the Land's "Wayfinding: Navigating Hawai`i's Energy Future" (June 2012) By Henry Curtis.<sup>1</sup>

We have concerns about fast-tracking Phase 1. However, at this time, Life of the Land does not oppose Phase 1.

### **IV. CONCLUSION**

WHEREFORE, LIFE OF THE LAND hereby provides notice of its intervention

---

<sup>1</sup>

[http://www.lifeofthelandhawaii.org/Distributed\\_Generation/Wayfinding\\_Navigating\\_Hawaii's\\_Energy\\_Future.pdf](http://www.lifeofthelandhawaii.org/Distributed_Generation/Wayfinding_Navigating_Hawaii's_Energy_Future.pdf)

Respectfully submitted,  
LIFE OF THE LAND

/s/ HENRY Q CURTIS

VICE PRESIDENT

Life of the Land

76 N. King Street, Suite 203

Honolulu, HI 96817

(808) 533-3454

[henry.lifeoftheland@gmail.com](mailto:henry.lifeoftheland@gmail.com)

## CERTIFICATE OF SERVICE

I certify that the foregoing Notice of Intervention was served on the following parties:

Nathan Nelson* General Counsel The Gas Company Topa Financial Center 18th Floor 745 Fort Street Honolulu, HI 96813 Tel: (808) 535-5912 Email: <a href="mailto:nnelson@hawaiiigas.com">nnelson@hawaiiigas.com</a>	Jeffrey M. Kissel President and Chief Executive Officer The Gas Company Topa Financial Center 18th Floor 745 Fort Street Honolulu, HI 96813 Tel: (808) 535-5908 Email: <a href="mailto:jkissel@hawaiiigas.com">jkissel@hawaiiigas.com</a>
Suedeem G. Kelly* George D. (Chip) Cannon, Jr.* Cynthia A. Marlette* G. Scott Binnings Patton Boggs LLP 2550 M Street NW Washington, DC 20037 Tel: (202) 457-6000 <a href="mailto:skelly@pattonboggs.com">skelly@pattonboggs.com</a> <a href="mailto:ccannon@pattonboggs.com">ccannon@pattonboggs.com</a> <a href="mailto:cmarlette@pattonboggs.com">cmarlette@pattonboggs.com</a> <a href="mailto:sbinnings@pattonboggs.com">sbinnings@pattonboggs.com</a>	Catherine P. Awakuni Kaiulani Shinsato Michael M. Colon Commission Counsel The Public Utilities Commission, State of Hawaii Kekuanao`a Building, First Floor 465 South King Street Honolulu, HI 96813

Dated at Honolulu, HI this 20<sup>th</sup> day of August, 2012

/s/ HENRY Q CURTIS  
VICE PRESIDENT