

**UNITED STATES OF AMERICA
BEFORE THE DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In the Matter of]
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DOMINION COVE POINT LNG, LP] **FE Docket No. 11-128- LNG**

**RESPONSE OF DOMINION COVE POINT LNG, LP
TO MOTIONS TO INTERVENE AND COMMENTS**

Pursuant to Section 590.303(e) of the Department of Energy’s (DOE) regulations, 1/ and the Notice of Application published in the Federal Register on December 8, 2011, 2/ Dominion Cove Point LNG, LP (DCP) hereby submits this answer to: (1) the “Motion of Shell NA LNG LLC To Intervene and Comments on Application To Export LNG,” filed on November 16, 2011 (the “Shell Comments”) and (2) the “Motion of Coalition for Responsible Siting of LNG to Intervene,” filed on October 19, 2011 (the “Coalition Intervention”). Neither filing affects DCP’s showing that its request for long-term authorization to engage in exports of domestically produced liquefied natural gas (LNG) of up to 7.82 million metric tons per annum is in the public interest, as detailed in the application filed with the Office of Fossil Energy of the Department of Energy (“DOE/FE”) on October 3, 2011 (the “Application”).

Response to Shell Comments

DCP does not question the right of Shell NA LNG LLC (“Shell LNG”) to intervene in this proceeding. As explained in the Shell Comments, Shell LNG is an existing LNG importer customer at the Cove Point LNG Terminal (“Terminal”), as well as a firm transportation customer on the DCP pipeline that connects the Terminal to the interstate pipeline grid. The issues raised by Shell LNG, however, are squarely within the jurisdiction of the Federal Energy Regulatory Commission (“FERC”).

1/ 10 C.F.R. § 590.303(e) (2010).

2/ 76 Fed. Reg. 76698, 76,701 (2011).

Accordingly, the DOE/FE need not consider the issues raised by Shell LNG when evaluating whether the export authorization sought by DCP in this proceeding is in the public interest, and certainly need not adopt any additional procedures to evaluate those issues.

Shell LNG states that DCP's Application "is silent on the question of how Dominion Cove Point's proposed LNG export services and operations would affect the existing long-standing" services that DCP currently provides to Shell LNG. ^{3/} More specifically, Shell LNG identified two potential interests in DCP's proposed liquefaction and export project. Shell LNG stated that it has "an interest in assuring that the services Dominion Cove Point currently provides for Shell LNG are not disrupted, degraded or impaired by Dominion Cove Point's proposed Liquefaction Project construction, and that Dominion Cove Point's LNG import and related transportation service customers do not subsidize Dominion Cove Point's proposed LNG export services." ^{4/}

DCP did not address in its Application the issues raised by Shell LNG because they are not the kind of issues considered by DOE/FE when evaluating the public interest in the export of natural gas. ^{5/} Furthermore, the issues raised by Shell LNG need not and should not be considered by DOE/FE because they are clearly within the scope of FERC jurisdiction. As Shell LNG itself indicates, the existing services provided by DCP to Shell LNG are subject to comprehensive regulation by the FERC. ^{6/} As explained in the Application, DCP will file in the future for FERC authorization for the construction and operation of the facilities to liquefy gas and export LNG from the Terminal. ^{7/} Furthermore, DCP specifically requested that the requested authorization by DOE/FE be conditioned

^{3/} Shell Comments at 5.

^{4/} *Id.* at 4-5.

^{5/} See 76 Fed. Reg. at 76,701 (listing certain issues that may be considered by DOE/FE in this proceeding). Of course, the issues list in the notice of application is non-exclusive and DOE/FE will consider "any issues required by law or policy." *Id.* The issues raised by Shell LNG, however, are not of the kind considered by DOE/FE; rather, they are within the jurisdiction of the FERC.

^{6/} Shell Comments at 5.

^{7/} Application at 10-11.

on DCP's receipt of all necessary FERC authorizations of the facilities needed for the export of LNG. 8/

In those FERC proceedings, Shell LNG can raise any concerns regarding the impact of DCP's liquefaction and export project on existing FERC-regulated services, as well as any issues with the allocation of the costs of existing facilities to those services. Accordingly, the DOE/FE need not, and should not, further consider here the issues raised by Shell LNG.

Response to Coalition Intervention

The Coalition for Responsible Siting of LNG ("Coalition") has not established any basis for its interest in this proceeding. DOE regulations require any person who seeks to become a party to a proceeding to file a motion to intervene "which sets out clearly and concisely the facts upon which the petitioner's claim of interest is based." 9/ The Coalition Intervention offers only two generic statements apparently intended to establish the basis for its right to intervene here. The Coalition states that it "is a broad based organization fighting against the foolish siting of LNG facilities in heavily populated areas" with the goal "to look out for the betterment and safety of the citizens in communities targeted and affected in the siting of LNG facilities."

DCP does not believe that these generic comments about the nature of the Coalition establish any interest in this proceeding in particular. Accordingly, the motion to intervene by the Coalition should be denied.

Regardless of whether the motion to intervene is granted or denied, however, DCP believes that its project should not be of any concern to the Coalition. As detailed in the Application, the Terminal is an existing facility, originally placed in service in 1978 and reactivated for LNG imports in 2003. 10/ Furthermore, the new liquefaction facilities needed to export LNG from the Terminal will

8/ *Id.*

9/ 10 C.F.R. § 590.303(e) (2010).

10/ Application at 2-3.

be located on land already owned by DCP, which encompasses more than 1,000 acres. 11/ Therefore, issues associated with "siting" LNG facilities are non-existent, or at least very minor, with respect to DCP's liquefaction project.

The Terminal is located in Lusby, Maryland, in southern Calvert County. DCP enjoys excellent relations with the surrounding community. Moreover, the area is not particularly "heavily populated." Therefore, the Coalition's apparent general interest in the siting of certain LNG projects is not implicated by DCP's proposed LNG export project.

Respectfully submitted,

/s/ J. Patrick Nevins

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11/ *Id.* at 6.

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CERTIFICATED STATEMENT OF AUTHORIZED REPRESENTATIVE

Pursuant to Section 590.103(b) of the Department of Energy's (DOE) regulations, 10 C.F.R. § 590.303(e) (2010), I, J. Patrick Nevins, hereby certify that I am a duly authorized representative of Dominion Cove Point LNG, LP, and that I am authorized to sign and file with the Office of Fossil Energy of the Department of Energy, on behalf of Dominion Cove Point LNG, LP, the foregoing document in the above-captioned proceeding.

Filed and dated in Washington, D.C., on this 23rd day of December, 2011.

Respectfully submitted,

/s/ J. Patrick Nevins

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