

February 9, 2015

To: Larine Moore, U.S. Department of Energy (FE-34), Office of Oil and Gas Global Security and Supply, Office of Fossil Fuel Energy Email: fergas@hq.doe.gov RE: Pieridae LNG Export Permit application docket no. FE-14-179-LNG

cc: Secretary Kathleen Bose, Federal Energy Regulatory Commission Re: Spectra Algonquin Incremental Market Project (AIM), Docket CP14-96 and Spectra Atlantic Bridge Project, Docket PF15-12

Dear Ms. Moore and Ms. Bose,

The Department of Energy must reject the application of Pieridae Energy (USA) Ltd." to export domestically produced natural gas through Canada to non-free trade agreement countries after liquification to liquified natural gas for a 20-year period" "because it does not serve the American public. The application any Pieridae Energy requests "long-term, multi-contract authorization to export domestically produced natural gas in a volume of up to 292 billion cubic feet per year (Bcf/yr), or approximately 0.8 Bcf per day (Bcf/d) to export gas as follows: (i) To export the natural gas to Canada at the United States-Canada border near Baileyville, Maine at the juncture of the" **Spectra Energy Partners, LP Maritimes & Northeast US** pipeline and the **Spectra Energy Partners, LP Maritimes & Northeast Canadian** pipeline. (ii) to use a portion of the U.S.-sources natural gas as feedstock in a Canadian natural gas liquification facility called the Goldboro LNG Project, to be developed by one or more Pieridae affiliates and to be located at the Goldboro Industrial Park in Guysborough County, Nova Scotia, Canada, and (iii) to export a portion of the U.S.-sourced gas in the form of liquified natural gas (LNG) by vessel from Canada to one or more countries with which the United States does not have a free-trade agreement (FTA) requiring national treatment for trade in natural gas and with which trade is not prohibited by U.S. law or policy (non-FTA countries). Only Pieridae's US's proposed export of LNG produced from U.S.-sourced natural gas to non-FTA countries is subject to this Notice."

This application must be rejected because it is not in the public interest for these reasons:

1) The beneficiaries include foreign nations and private corporations, including Spectra Energy Partners, LP; Emera, Inc.; ExxonMobil Corporation; M&N Operating Company, LLC, Westcoast Energy Inc., Algonquin Gas Transmission, LLC, Maritimes & Northeast Pipeline, LLC; Maritimes & Northeast Pipelines Limited Partnership (Canada); Pieridae US (which is the sole general partner of Goldboro LNG Limited Partnership) and other private corporations.

2) Spectra Energy Partners, LP applied to FERC for the Algonquin Incremental Market Project, Docket #CP14-96 and denied that the gas will be exported; however, if one looks at the information available on the Spectra Energy website (copied below), the Goldboro website (copied below) and the Pieridae Energy application, it is obvious even

to a layperson that the Algonquin Incremental Market (AIM) project and the subsequent Atlantic Bridge project #PF15-12 are being developed to provide domestic gas for export. The Goldboro website specifically states, "The natural gas supply feeding the project is to be delivered via the existing Maritimes & Northeast Pipeline, located directly adjacent to the project." <http://goldborolng.com>

Therefore, the statements by Spectra Energy (Algonquin Gas Transmission LLC) in the Final Environmental Impact Statement submitted to FERC on January 23, 2015 are blatantly false:

**Spectra Algonquin Incremental Market Project (AIM) Final Environmental Impact Statement, January 23, 2015, pgs. 1-3 - 1-4**

"Several comments were received during the scoping process and draft EIS comment period expressing concern that the Project would be used to export natural gas. **Algonquin is not constructing the AIM Project for the purpose of supporting the export of natural gas from the United States.** As discussed above, Algonquin is proposing to transport natural gas to meet the demand for natural gas in the Northeast U.S. markets. Specifically, Algonquin is proposing to construct the AIM Project based on commitments from the Project Shippers, which include LDCs and two municipal utilities, which have statutory, regulatory, and/or contractual obligations to serve natural gas customers within their respective service areas in New England. Even if precedent agreements were not in place for the entire proposed capacity, to be exported, the natural gas would need to be liquefied for transportation in specialized container ships to overseas markets. The process of liquefying the gas involves specialized equipment at a specific export facility. **Currently, no existing operational export facilities or infrastructure exists on the east coast. In addition, the timing and need as expressed through the precedent agreements greatly exceeds the development of any potential nearby export facility as the facilities take several years to develop, advance through the regulatory process, and be constructed.**

Comments were also received asking whether any of the natural gas would be, or has the potential to be, liquefied and stored at existing or proposed liquefied natural gas (LNG) facilities. As indicated above, the AIM Project is designed to transport natural gas to serve the Project Shipper's load in the Northeast markets. No new LNG storage facilities are proposed, and the Project is not designed for the purpose of the export of natural gas. However, it is unknown whether the natural gas transported on the AIM Project facilities would be liquefied and stored in existing LNG storage facilities after the natural gas is delivered by Algonquin to the Project Shippers. It is possible that the Project Shippers could use existing peak shaving LNG facilities, but those facilities are not export terminal facilities."

5 A precedent agreement is a binding contract under which one or both parties has the ability to terminate the agreement if certain conditions such as receipt of regulatory approvals, are not met.

6 On September 29, 2014, FERC issued an order granting authorization to Dominion to convert its existing CovePoint LNG import facility in Maryland to an export facility. However, it is not currently operational. The anticipated in-service date for the liquefied natural gas export terminal is June 2017. We also note that the AIM Project would flow gas in a northeast direction, away from the Cove Point LNG facility.

3) Therefore, based on the information publicly available on the Spectra and Goldboro websites demonstrating the interconnectedness of all the parties involved and the explicit statement about the development of the Goldboro LNG facility, the expansions of the AIM and Atlantic Bridge projects should be considered part of an overall export plan and FERC should reject the application for the AIM project, as well.

<http://goldborolng.com>

The natural gas supply feeding the project is to be delivered via the existing Maritimes & Northeast Pipeline, located directly adjacent to the project.

### **Algonquin Gas Transmission**

- Location: New England, New York and New Jersey
- Length: 1,127 miles
- Capacity: 2.6 billion cubic feet per day (Bcf/d)
- Ownership Interest: 100 percent [Spectra Energy Partners, LP](#)
- Operator: Spectra Energy



The Algonquin Gas Transmission pipelines transport 2.6 Bcf/d through 1,127 miles of pipeline. Algonquin connects to [Texas Eastern Transmission](#) and [Maritimes & Northeast](#). Its peak day design capacity enables us to offer abundant and reliable natural gas at competitive rate

To increase Algonquin's supply base, we have developed the HubLine and

Maritimes & Northeast pipeline extensions providing high-pressure deliverability to ease New England's increasing demand for electric generation.

### **Maritimes & Northeast Pipeline**

- Location: Northeast United States and Atlantic Canada
- Length: 346 miles U.S., 543 miles Canada
- Capacity: 833,317 MMBtu/d in U.S.; 555,000 MMBtu/d in Canada
- Ownership Interest (U.S.): 77.53 percent [Spectra Energy Partners, LP](#); 12.92 percent Emera, Inc; 9.55 percent ExxonMobil Corporation
- Ownership Interest (Canada): 77.53 percent Spectra Energy; 12.92 percent Emera, Inc; 9.55 percent ExxonMobil Corporation
- Operator: M&N Operating Company, LLC, U.S., Westcoast Energy Inc., Canada



The Maritimes & Northeast Pipeline brings offshore, onshore and LNG-sourced natural gas from Atlantic Canada to North American markets.

With 889 miles of pipeline (346 miles U.S.), Maritimes provides fuel for the northeast United States and Atlantic Canada - 555,000 MMBtu/d of natural gas capacity on the Canadian side and 833,317 MMBtu/d on the U.S. side.

Maritimes extends from Nova Scotia into New Brunswick, Maine, New Hampshire, and Massachusetts where it connects with [Algonquin Gas Transmission](#)'s HubLine near Beverly, Massachusetts. There it provides a seamless link for Spectra Energy systems from offshore Nova Scotia to south Texas and the Gulf Coast. The Maritimes pipeline also connects to the North American pipeline grid at Dracut, Massachusetts.

<http://www.spectraenergy.com/Operations/Canadian-Natural-Gas-Pipelines/>  
**Canadian Natural Gas Pipelines**

## **Maritimes & Northeast Pipeline**

- Location: Northeast United States and Atlantic Canada
- Length: 338 miles U.S., 352 miles Canada
- Capacity: 833,317 MMBtu/d in U.S.; 555,000 MMBtu/d in Canada
- Ownership Interest (U.S.): 77.53 percent [Spectra Energy Partners, LP](#); 12.92 percent Emera, Inc; 9.55 percent ExxonMobil Corporation
- Ownership Interest (Canada): 77.53 percent Spectra Energy; 12.92 percent Emera, Inc; 9.55 percent ExxonMobil Corporation
- Operator: M&N Operating Company, LLC, U.S., Westcoast Energy Inc., Canada

<http://www.spectraenergy.com/Operations/New-Projects-and-Our-Process/New-Projects-in-US/Atlantic-Bridge/>

## **Atlantic Bridge Project**



[ENLARGE](#)

- Location: New England and Maritime Provinces
- Capacity: 100,000 to in excess of 600,000 dekatherms of natural gas per day, depending upon market commitments
- Ownership: Algonquin Gas Transmission, LLC
- Ownership: Maritimes & Northeast Pipeline, L.L.C. (U.S.)
- Ownership: Maritimes & Northeast Pipeline Limited Partnership (Canada)
- Initial Project In-Service Date: November 2017; later in-service dates will be

considered

**PROJECT NEED**

The Atlantic Bridge Project, a proposed expansion of the Algonquin Gas Transmission (Algonquin) and Maritimes & Northeast Pipeline (Maritimes) systems, will connect abundant North American natural gas supplies with markets in the New England states and the Maritime provinces.

Sincerely,

Susan A. Van Dolsen

29 Highland Rd.

Rye, NY 10580

[914-525-8886](tel:914-525-8886)