

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

Texas Eastern Transmission, LP

Docket No. CP16-473-000

**JOINT MOTION TO INTERVENE AND COMMENTS IN SUPPORT
OF COGEN TECHNOLOGIES LINDEN VENTURE, L.P.
AND PHILLIPS 66 COMPANY**

Pursuant to Rule 214 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. § 385.214 (2016), Cogen Technologies Linden Venture, L.P. (“CTLV”) and Phillips 66 Company (“Phillips 66”) submit this joint motion to intervene and comments in the above-captioned proceeding.

As explained herein, CTLV and Phillips 66 support the Abbreviated Application for a Certificate of Public Convenience and Necessary and for Related Authorizations (the “Application”) as filed by Texas Eastern Transmission, LP (“Texas Eastern”) on June 29, 2016.

I. COMMUNICATIONS

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II. BACKGROUND

A. CTLV

CTLV owns five of the six generating units at a natural gas-fired cogeneration facility in Linden, New Jersey (the “Linden Facility”) located on the site of the Bayway Refinery owned by Phillips 66. The majority of the output of CTLV’s five units is sold to Consolidated Edison Company of New York, Inc. (“Con Edison”) under a long-term power purchase agreement that expires April 30, 2017, while the remaining output is sold into the organized markets administered by the New York Independent System Operator, Inc. (“NYISO”) or pursuant to bilateral agreements. The majority of the output of the sixth generating unit at the Linden Facility, which is owned by East Coast Power Linden Holding, L.L.C. (a CTLV affiliate), is sold to Phillips 66 for use by its Bayway Refinery under a long-term requirements agreement that expires in 2032. Available excess energy and capacity from Linden 6 is sold in the organized markets administered by PJM Interconnection, L.L.C. (“PJM”) or pursuant to bilateral arrangements.

CTLV currently receives natural gas service from two local distribution companies, Public Service Electric and Gas Company and Elizabethtown Gas Company, pursuant to a three-party, long-term agreement approved by the New Jersey Board of Public Utilities (“CTLV Gas Service Agreement”). The CTLV Gas Service Agreement, which became effective in 1990, is set to expire in the spring of 2017.

B. Phillips 66

Phillips 66’s Bayway Refinery, located in Linden, New Jersey, processes mainly light, low-sulfur crude oil from imported and domestic sources. The refinery produces a high percentage of transportation fuels and petrochemical feedstocks, residual fuel oil and home

heating oil. The total capacity of the Bayway Refinery is 285,000 barrels per day, and the Bayway Refinery produces 145,000 barrels per day of gasoline, and 115,000 barrels per day of distillate. In addition, Bayway's refining units include fluid catalytic cracking, hydrodesulfurization units, a naphtha reformer, an alkylation unit and other processing equipment, as well as a polypropylene plant.

Similar to CTLV, Phillips 66 also currently receives natural gas service from Public Service Electric and Gas Company, pursuant to a long-term agreement entered into in 2001 (the "Phillips 66 Gas Service Agreement"). The Phillips 66 Gas Service Agreement expires in the spring of 2017.

C. The Application

Through the Application, Texas Eastern seeks Commission authorization to (i) construct, install, own, operate and maintain approximately 2,300 feet of 24-inch diameter lateral pipeline facilities ("Bayway Lateral") and related appurtenances to enable Texas Eastern to provide up to 300,000 dekatherms per day ("Dth/d") of Rate Schedule MLS-1 firm lateral line transportation service to Phillips 66's Bayway Refinery and the Linden Facility; and (ii) establish initial recourse rates for firm and interruptible transportation service on the lateral facilities to be constructed (the "Project"). Over ninety percent of the lateral pipeline will be constructed on Phillips 66's property. The Project is fully subscribed pursuant to precedent agreements executed by CTLV and Phillips 66.

Although the precedent agreements provide a target in-service date of January 1, 2018, the parties hope for an in-service date as early as November 1, 2017. In order to meet this schedule, the Application requests that the Commission issue an order granting the requested certificate by February 28, 2017.

III. JOINT MOTION TO INTERVENE

Pursuant to Rule 214, CTLV and Phillips 66 each moves to intervene in this proceeding. Under the Commission's rules, intervention is appropriate when "the movant has ... an interest which may be directly affected by the outcome of the proceeding."¹ CTLV and Phillips 66 clearly meet this requirement. Through the Application, Texas Eastern seeks the legal authority to construct, install, own, operate and maintain the Project to transport natural gas in interstate commerce to CTLV and Phillips 66 pursuant to precedent agreements each has executed. Accordingly, both CTLV and Phillips 66 have a direct and substantial interest in the outcome of this proceeding that cannot be represented by another party. Accordingly, CTLV and Phillips 66 each should be granted leave to intervene as parties in the captioned proceeding.

IV. COMMENTS IN SUPPORT OF APPLICATION

CTLV and Phillips 66 support the Application and ask the Commission to issue a final certificate of public convenience and necessity approving the Project.

Both CTLV and Phillips 66 will benefit directly from the Project because it will provide each of them direct access to firm natural gas transmission service under a long-term agreement with Texas Eastern. This will enhance the quality and reliability of gas service for each company, because they will each maintain existing interconnections to the local distribution system and the opportunity to take natural gas service under a state-regulated retail tariff as needed. Such redundancy is useful for both CTLV and Phillips 66. For CTLV, Linden 1-5 serves as an important generating resource in the NYISO, providing capacity and energy to transmission-constrained load in New York City. Granting the Application, and thereby connecting the Linden Facility to a source of firm natural gas in addition to the existing

¹ 18 C.F.R. § 385.214(b)(2)(ii) (2016).

connection to a local distribution company, will reduce the risk that the Linden Facility is unable to access natural gas when its generating capacity is needed most. For Phillips 66, redundancy is useful to improve the reliability of the Bayway Refinery, which distributes its refined oil products to East Coast customers.

Furthermore, the Project will have minimal impact on the environment and local property owners. Specifically, the lateral will be less than a half-mile long, over ninety percent of which Texas Eastern will construct on Phillips 66's property, along an alignment that is acceptable to Phillips 66.

Project completion timing is critical, and CTLV and Phillips 66 strongly support the Application's request that the Commission issue an order granting the requested certificate by February 28, 2017. Both CTLV and Phillips 66 will rely on the Project to provide a new source of firm and economically priced natural gas to replace the CTLV and Phillips 66 Gas Service Agreements, which are both set to expire in the spring of 2017. After those agreements expire, and until Texas Eastern completes the Project, CTLV and Phillips 66 may need to bridge the gap with other more expensive and likely non-firm natural gas service options. A February 28, 2017 Commission order approving the Application will provide Texas Eastern a reasonable opportunity to minimize the gap in time CTLV and Phillips 66 will experience between the expiration of their current firm service and the commencement of service Texas Eastern will provide.

V. CONCLUSION

For the reasons stated herein, CTLV and Phillips 66 each requests that the Commission grant their motions to intervene. CTLV and Phillips 66 also ask the Commission to issue an order by February 28, 2017, granting the Application.

Respectfully submitted,

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Counsel for Phillips 66 Company

Date: August 4, 2016

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 4th day of August, 2016.

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