

VENTURE GLOBAL LNG

TransCameron PIPELINE

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

TransCameron Pipeline, LLC
Docket No. CP15-551-000

AMENDMENT TO APPLICATION FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

TRANSCAMERON PIPELINE PROJECT

VOLUME I – PUBLIC

**Submitted by:
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Filed: June 28, 2016



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June 28, 2016

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.W.
Room 1A, East
Washington, D.C. 20426

**Re: TransCameron Pipeline, LLC
Amendment to Application For A Certificate of Public Convenience and Necessity
Docket No. CP15-551-000**

Dear Secretary Bose:

On September 4, 2015, TransCameron Pipeline, LLC (TransCameron Pipeline) filed pursuant to Section 7 of the Natural Gas Act, as amended, and Part 157 of the regulations of the Federal Energy Regulatory Commission (Commission or FERC), an application (Application) for authorization to construct, install, own, operate and maintain two lateral pipelines (the East Lateral and the West Lateral pipeline) and appurtenant facilities located in Cameron Parish, Louisiana that comprise TransCameron Pipeline Project. The TransCameron Pipeline Project application was filed jointly with an application by Venture Global Calcasieu Pass, LLC (Venture Global Calcasieu Pass) – TransCameron Pipeline’s sole customer – for authorization to construct and operate certain liquefied natural gas storage and export facilities in Cameron Parish.

Since filing of the Application, Venture Global Calcasieu Pass has determined that the proposed East Lateral pipeline will provide sufficient capacity and flexibility to transport supplies from the interconnected U.S. natural gas grid to its proposed facility, and that capacity on the West Lateral is no longer needed. Accordingly, and for the reasons more fully set forth in this filing, TransCameron Pipeline files this amendment to its certificate application (Amendment) to remove the West Lateral from its proposal and to reflect minor workspace adjustments along the East Lateral.

Information Submitted

In accordance with 18 C.F.R. §§ 388.112 and 388.113, this Amendment consists of the following volumes:

<u>Volume I</u>	Public
<u>Volume II</u>	Contains Privileged Information – Do Not Release
<u>Volume III</u>	Contains Critical Energy Infrastructure Information – Do Not Release

Volume I contains public information. Volume II contains information that is customarily treated as privileged and confidential. TransCameron Pipeline requests that, pursuant to 18 C.F.R. § 388.112, the information filed in Volume II be treated as privileged, and that it not be released to the public. Volume III contains technical and engineering information that is customarily deemed Critical Energy Infrastructure Information (CEII). TransCameron Pipeline requests that, pursuant to 18 C.F.R. §§ 388.112 and 388.113, the information filed in Volume III be treated as CEII and that it not be released to the public.

Both the electronic and hard copies of the materials contained in Volumes II and III have been labeled in accordance with Commission's regulations.

In accordance with the Commission's Filing Guide/Qualified Documents list, TransCameron Pipeline is providing three hard copies of this Amendment, along with CDs containing an electronic version of the filing, separated by Volume. Updated hydraulic modeling files are also being provided to the Staff under separate cover.

Certification

I hereby certify that I have read and am familiar with the contents of both the paper and electronic versions of the document comprising the Amendment and form of notice, that the contents of the Amendment are true and correct to the best of my knowledge and belief, and that the content of the paper version of the filing is identical to the electronic version.

If you have any questions regarding this submission, please contact me at 202-637-6441 or my colleague Janna Chesno at 202-637-6461.

Respectfully submitted,

/s/ J. Patrick Nevins

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Enclosures

cc: FERC, OEP
FERC, OGC

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

TransCameron Pipeline, LLC

)

Docket No. CP15-551-000

**AMENDMENT TO APPLICATION
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

(TRANSCAMERON PIPELINE PROJECT)

TransCameron Pipeline, LLC (TransCameron Pipeline) hereby respectfully submits this amendment (Amendment) to its September 4, 2015 application (Application) filed with the Federal Energy Regulatory Commission (Commission or FERC) in Docket No. CP15-551-000. In the Application, TransCameron Pipeline requested, pursuant to Section 7(c) of the Natural Gas Act, as amended (NGA),¹ and Part 157 of the Commission's regulations,² a Certificate of Public Convenience and Necessity authorizing it to construct, own, operate and maintain two new interstate natural gas pipeline laterals (the East Lateral and West Lateral) that would provide natural gas transportation service from the existing U.S. natural gas grid to a liquefied natural gas (LNG) export terminal in Cameron Parish, Louisiana (the Terminal) proposed by Venture Global Calcasieu Pass, LLC (Venture Global Calcasieu Pass). TransCameron Pipeline also requested related blanket certificates, and approval of proposed initial recourse rates for transportation service and its *pro forma* FERC Gas Tariff (Tariff). TransCameron Pipeline's Application was filed jointly with an application by Venture Global Calcasieu Pass for authorization to construct and operate certain liquefied natural gas storage and export facilities in Cameron Parish. Together the two projects are referred to as the "Calcasieu Pass Terminal and TransCameron Pipeline Project." The pipeline portion of the project is referred to as the "TransCameron Pipeline Project."

¹ 15 U.S.C. § 717(f) (1998).

² 18 C.F.R. §§ 157.5 *et seq.* (2015).

Since the filing of the Application, Venture Global Calcasieu Pass – TransCameron Pipeline’s sole customer – determined, in consultation with TransCameron Pipeline, that the East Lateral will provide sufficient flexibility and access to the pipeline grid and domestic supplies and that the West Lateral is no longer needed to serve the Terminal’s needs. Given the significant reduction in cost, rates, landowner impact, and environmental footprint that would occur if the West Lateral is eliminated, TransCameron Pipeline hereby submits this Amendment to: (i) remove the West Lateral from its proposal; (ii) modify the capacity of its East Lateral, without any facility changes other than minor modifications to its alignment and workspace requirements; and (iii) provide related revisions to the exhibits to its Application. No alterations to the Terminal are proposed in this filing. In support of this Amendment, TransCameron Pipeline respectfully states as follows:

**I.
APPLICANT INFORMATION**

The exact legal name of TransCameron Pipeline is TransCameron Pipeline, LLC. TransCameron Pipeline is a Delaware limited liability company with its primary place of business located at 2200 Pennsylvania Ave., N.W., Suite 600 West, Washington, D.C. 20037. TransCameron Pipeline is primarily engaged in the development of a pipeline in Cameron Parish, Louisiana designed to serve the Venture Global Calcasieu Pass Terminal. TransCameron Pipeline is a direct, wholly-owned subsidiary of Venture Global LNG, Inc. TransCameron Pipeline does not currently own or operate any interstate pipeline facilities, nor does it provide services subject to the Commission’s jurisdiction. However, upon acceptance of the Certificate of Public Convenience and Necessity sought in this proceeding, and the commencement of service, TransCameron Pipeline will become a “natural gas company” within the meaning of Section 2(6) of the NGA, 15 U.S.C. § 717a(6).

II. COMMUNICATIONS

The persons to whom correspondence and communications concerning this Amendment should be directed and upon whom service is to be made are as follows:

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*Persons designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. TransCameron Pipeline respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow each of the above representatives to be included on the official service list in these proceedings.

III. BACKGROUND

On September 4, 2015, Venture Global Calcasieu Pass and TransCameron Pipeline jointly submitted the Application for authorization to site, construct, and operate facilities for natural gas transportation and liquefaction, and LNG storage and export, pursuant to sections 3 and 7 of the NGA. Venture Global Calcasieu Pass proposes the development of an LNG production, storage, and export terminal located adjacent to the Calcasieu Ship Channel in Cameron Parish, Louisiana. TransCameron Pipeline proposes the development of a natural

gas pipeline system and appurtenant aboveground facilities in Cameron Parish to transport feed gas to the Terminal from interconnection points with existing natural gas transmission pipelines.

Following submittal of the Application, Venture Global Calcasieu Pass continued to develop and optimize its Terminal design, based in part on feedback from permitting agencies regarding environmental impacts. Venture Global Calcasieu Pass determined that certain changes in the configuration and design of the Terminal facilities would result in a significant reduction in the Terminal permanent footprint, would result in fewer, less intrusive environmental impacts as well as more efficient operations. In addition, TransCameron Pipeline further refined its proposed pipeline plans based on new information relating to access roads, additional temporary workspace(s), and contractor yards. Environmental information associated with these revised layout and design improvements was filed with FERC on March 21, 2016 in Docket Nos. CP15-550-000 and CP15-551-000 as a supplement to the information provided in the Application.

Following the March 21, 2016, supplement, Venture Global Calcasieu Pass, in consultation with TransCameron Pipeline, determined that the East Lateral alone will provide sufficient flexibility and access to the U.S. natural gas pipeline grid and domestic supplies to serve the Terminal's needs. Therefore, the West Lateral is no longer needed. Given the significant overall reduction in cost, rates, landowner impact, and environmental footprint that would occur if construction of the West Lateral is avoided, TransCameron Pipeline is eliminating the West Lateral from its proposed project. Accordingly, TransCameron Pipeline submits this amendment to its Application to: (i) remove the West Lateral from its proposal; (ii) modify the capacity of the East Lateral and update its East Lateral alignment and workspace requirements for minor modifications, and (iii) provide related revisions to the Application exhibits.

IV. DESCRIPTION OF PROPOSAL AS AMENDED

TransCameron Pipeline now proposes to construct a single 42-inch-diameter, 23.5-mile-long pipeline (formerly referred to as the “East Lateral”) and other appurtenant aboveground facilities (collectively, Pipeline System) extending from interconnections with ANR Pipeline Company, Texas Eastern Transmission, LP, and Bridgeline Holdings, LP, all in the vicinity of Grand Chenier Station in Cameron Parish, Louisiana, to the Venture Global Calcasieu Pass Terminal, also located in Cameron Parish. The pipeline will have a transmission capacity of approximately 2,125,000 Dekatherms per day (Dt/d) with a maximum allowable operating pressure of 1200 pounds per square inch gauge. No compression is proposed. Except as provided in this Amendment, all aspects of the proposed TransCameron Pipeline remain as proposed in the Application.

A specific description and the location of the proposed Pipeline System are set forth in the addendum to Exhibit F-I, Resource Report 1 (General Project Description), attached hereto in Volume I. Resource Report 1 also sets forth the proposed construction schedule for the Pipeline System. The minor modifications to the East Lateral alignment and workspace requirements are also further described in the attached Exhibit F-I addendum and detailed in Figures 1.1-1 and 1.1-2.

As reflected in the Application, the TransCameron Pipeline will be operated on an open-access basis pursuant to the Commission’s Part 284 regulations and a Commission-approved Tariff setting forth generally applicable rates, terms and conditions of service.³ TransCameron Pipeline will offer firm and interruptible transportation service on the Pipeline System under Rate Schedule FT and Rate Schedule IT, respectively, on a self-implementing,

³ TransCameron Pipeline’s proposed FERC Gas Tariff was included as Pipeline Exhibit P in Volume I of its Application.

nondiscriminatory basis, consistent with Commission policies and the *pro forma* Tariff submitted with the Application.⁴

TransCameron Pipeline proposes initial recourse rates that include a two-part rate for firm transportation service under its Rate Schedule FT, based on the projected total cost of service and an assumed 20-year life. TransCameron Pipeline also proposes a one-part recourse rate for interruptible transportation service under its Rate Schedule IT that is equal to the 100 percent load factor equivalent of the Rate Schedule FT maximum reservation rate. Revised Exhibits K, L, N and O, attached to this Amendment, reflect the economic effects of the removal of the West Lateral from the project scope and the related adjustments to the East Lateral. As shown there, the elimination of the previously proposed facilities significantly decreases the costs of the Pipeline System and the resulting initial rates.

As explained in the Application, TransCameron Pipeline conducted a binding open season from July 27, 2015 to August 14, 2015 for the proposed firm transportation services designed to deliver domestic U.S. natural gas supplies to the Terminal. The open season announcement was published in a widely-circulated industry publication, and made available on TransCameron Pipeline's website. The open season allowed a customer to qualify as an Anchor Shipper by committing to the large, long-term financial commitments needed to ensure the viability of the TransCameron Pipeline Project. As a result of the open season, Venture Global Calcasieu Pass executed a binding precedent agreement for all of TransCameron Pipeline's firm transportation capacity for a term of twenty (20) years, which qualifies it as an Anchor Shipper. No other entity bid in the open season.

More recently, Venture Global Calcasieu Pass, as part of the refinement of its Terminal design, determined that it will require 2,125,000 Dt/d of feed gas for the Terminal's peak liquefaction capacity, and that it would prefer to transport its entire gas supply through the

⁴ TransCameron Pipeline proposes to make conforming changes to the Tariff to remove references to the West Lateral (as well as any other necessary changes) in a Tariff implementation filing after the Commission acts on the Application.

East Lateral. TransCameron Pipeline determined that its proposed East Lateral is capable of providing the entire desired capacity, with adjustment in the planned receipt pressures and a decrease in the delivery pressure at the Terminal. Revised system flow diagrams depicting TransCameron Pipeline operations, as amended, are attached hereto as Exhibit G, with related flow diagram data provided as Exhibit G-II.

To reflect the changes made in this Amendment – with the change in pipeline facilities, capacity, and available receipt points, as well as a significant reduction in costs and the corresponding rates -- TransCameron Pipeline and Venture Global Calcasieu Pass entered into a binding Amended and Restated Precedent Agreement, attached hereto as Exhibit I. This document is confidential and is thus marked as “Contains Privileged information – Do Not Release” and provided in Volume III of the Application. As with the previously filed version of the precedent agreement, the restated agreement requires Venture Global Calcasieu Pass to enter into a firm transportation service agreement for all of the capacity on TransCameron Pipeline, at negotiated rates.

Given the cost reductions and rate implications associated with foregoing construction of the West Lateral, TransCameron Pipeline conducted a supplemental open season from May 2, 2016 to May 9, 2016, offering similar terms to any other qualifying Anchor Shipper through its open season process. The open season was published in a widely circulated industry publication and made available on TransCameron Pipeline’s website. TransCameron Pipeline received no bids or expressions of interest during the supplemental open season.

V.
PUBLIC CONVENIENCE AND NECESSITY

As explained in the Application, TransCameron Pipeline’s proposal is in the public convenience and necessity and the Commission should grant certificate authority to construct, own, operate and maintain the Pipeline System, as well as the requested Blanket Certificates. The proposal satisfies the guidelines set forth in the Statement of Policy Regarding

Certification of New Interstate Natural Gas Pipeline Facilities.⁵ The TransCameron Pipeline is necessary to provide feed gas to the Venture Global Calcasieu Pass Terminal. The proposed pipeline capacity is fully subscribed under a long term contract with Venture Global Calcasieu Pass, included herewith as Exhibit I, and will not adversely impact any existing customers.

The changes set forth in this Amendment will further reduce the environmental impact of TransCameron Pipeline's proposal by eliminating the West Lateral, thereby reducing costs, as well as impacts on landowners and the environment. The benefits associated with the TransCameron Pipeline significantly outweigh any potential minimal adverse impacts that may occur. Its location and design were selected to minimize impacts to the environment and to landowners to the greatest extent possible or practical from a pipeline safety and constructability perspective. The changes since the initial filing have further reduced and mitigated any adverse environmental impact. For the reasons discussed above and consistent with the criteria set forth in the Certificate Policy Statement, authorization of the TransCameron Pipeline as proposed herein is consistent with, and required by, the public convenience and necessity.

VI. ENVIRONMENTAL

TransCameron Pipeline submits here an addendum to the Environmental Resource Reports in Exhibit F-I, explaining the environmental impact associated with the removal of the West Lateral and minor modifications to the workspaces proposed along the East Lateral. Construction and operation of the TransCameron Pipeline has been designed to maximize collocation with existing rights-of-way, to minimize the overall environmental footprint of the pipeline, and to avoid, minimize or otherwise fully mitigate any environmental or other adverse impacts. The modifications proposed here will reduce the overall acreage impact of

⁵ *Certification of New Interstate Natural Gas Pipeline Facilities; Statement of Policy*, 88 FERC ¶ 61,227 (1999), *Order Clarifying Statement of Policy*, 90 FERC ¶ 61,128 (2000), *Order Further Clarifying Statement of Policy*, 92 FERC ¶ 61,094 (2000).

TransCameron Pipeline's proposal from 637.6 acres to 372.2 acres. See Exhibit F-I (addendum), Preface, Table A. Additional information is more fully set forth in Exhibit F-I in the Application and the Exhibit F-I addendum attached hereto.

In accordance with 18 C.F.R. §157.6(d), interested stakeholders and affected landowners were notified of TransCameron Pipeline's proposal and the required posting of notices and public copies were made promptly after the filing of the Application. There are no newly impacted landowners or stakeholders associated with this Amendment: the elimination of the West Lateral only reduces the number of affected landowners. TransCameron Pipeline continues to actively coordinate with the respective state and federal agencies involved in permitting its proposal. A list of required permits and approvals is provided in Exhibit F-I (addendum), Table 1.9-1.

VII. LIST OF EXHIBITS

This filing is an amendment to TransCameron's September 4, 2015 Application filed pursuant to Section 7 of the NGA. TransCameron Pipeline submits only those exhibits that have changed since filing of the Application. The exhibits reflected here, together with those previously filed in the Application, contain all information and supporting data necessary to explain fully TransCameron Pipeline's proposed project. To the extent this Amendment, together with the Application, does not contain every submission required by the Commission, TransCameron Pipeline respectfully requests any waiver of the Commission's regulations to the extent deemed necessary.

The information required by the Commission's regulations is attached hereto as exhibits or omitted for the reasons stated below:

Exhibit A § 157.14(a)(1)	<u>Articles of incorporation and bylaws, or other similar documents</u> Omitted here, but previously submitted in the Application.
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Exhibit B § 157.14(a)(2)	<u>State authorizations</u> Omitted here, but previously submitted in the Application.
Exhibit C § 157.14(a)(3)	<u>Company officials</u> Omitted here, but previously submitted in the Application.
Exhibit D § 157.14(a)(4)	<u>Subsidiaries and affiliation</u> Omitted here, but previously submitted in the Application.
Exhibit E § 157.14(a)(5)	<u>Other pending applications and filings</u> Omitted here, but previously submitted in the Application.
Exhibit F § 157.14(a)(6)	<u>Location of facilities</u> See Exhibit F-I (addendum), Figures 1.1-1 and 1.1-2.
Exhibit F-I § 157.14(a)(6-a)	<u>Environmental report</u> Attached.
Exhibit G through G-II § 157.14(a)(7) to (a)(9)	<u>Flow diagrams</u> Revised exhibits reflecting removal of the West Lateral are attached hereto. (<i>See Volume II – Contains Confidential Energy Infrastructure Information</i>). Hydraulic modeling files are being provided separately on CD under seal.
Exhibit H §157.14(a)(10)	<u>Total gas supply data</u> Omitted. Not Applicable.
Exhibit I § 157(a)(11)	<u>Market data</u> Attached hereto and provided under seal, an amended and restated copy of the Precedent Agreement between TransCameron Pipeline and Venture Global Calcasieu Pass. (<i>See Volume III – Contains Privileged Information</i>)
Exhibit J § 157.14(a)(12)	<u>Federal authorizations</u> See Exhibit F-I (addendum), Table 1.9-1.
Exhibit K § 157.14(a)(13)	<u>Cost of facilities</u> A revised exhibit reflecting removal of the West Lateral is attached hereto.
Exhibit L § 157.14(a)(14)	<u>Financing</u> A revised exhibit reflecting removal of the West Lateral is attached hereto.

Exhibit M § 157.14(a)(15)	<u>Construction, operation and management</u> Omitted. TransCameron Pipeline will cause the pipeline to be constructed. Operation and management will be carried out in the ordinary course of business.
Exhibit N § 157.14(a)(16)	<u>Revenues-Expenses-Income</u> A revised exhibit reflecting removal of the West Lateral is attached hereto.
Exhibit O § 157.14(a)(17)	<u>Depreciation and depletion</u> A revised exhibit reflecting removal of the West Lateral is attached hereto.
Exhibit P § 157.14(a)(18)	<u>Pro-Forma Tariff</u> Omitted here, but previously submitted in the Application. TransCameron Pipeline will delete references to the West Lateral in its future Tariff implementation filing.

**VIII.
FORM OF NOTICE**

A form of notice suitable for publication in the Federal Register is attached.

**IX.
REQUESTED AUTHORIZATION AND CONCLUSION**

TransCameron Pipeline respectfully requests that the Commission accept this Amendment and related revised exhibits for filing; publish in the Federal Register a notice of this Amendment; and issue an Order authorizing TransCameron Pipeline to site, construct, install, own, operate and maintain the Pipeline System, as proposed in the Application as amended. TransCameron Pipeline requests any waivers and other relief the Commission may deem necessary to grant the requested authorizations.

As set forth in its original Application, TransCameron Pipeline requests that the Commission process its Application, and this Amendment, in accordance with the shortened procedures set forth in Rules 801 and 802 of the Commission's Rules of Practice and Procedure, and that the Commission omit intermediate decision procedures. If the Commission grants this request, TransCameron Pipeline agrees to waive oral hearing and the

opportunity for filing exceptions to the decision of the Commission, while reserving the right to request rehearing and petition for judicial review of the Commission's decision.

Respectfully Submitted,

/s/ Patrick Nevins

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Counsel to TransCameron Pipeline, LLC

Dated: June 28, 2016

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

TransCameron Pipeline, LLC

)

Docket No. CP15-551-000

NOTICE OF AMENDMENT TO APPLICATION FOR AUTHORIZATION FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

(, 2016)

Take notice that on June 28, 2016 TransCameron Pipeline, LLC (TransCameron Pipeline) submitted for filing, pursuant to Section 7 of the Natural Gas Act, as amended, and Part 157 of the regulations of the Federal Energy Regulatory Commission (FERC or Commission), an amendment to its September 4, 2015 application for authorization to construct, install, own, operate and maintain certain pipeline facilities located in Cameron Parish, Louisiana that the "TransCameron Pipeline Project".

Any questions regarding this amendment should be directed to Fory Musser, Senior Vice President, Corporate Development, Venture Global LNG, Inc., 2200 Pennsylvania Ave., N.W., Suite 600 West, Washington, D.C. 20037.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant on or before the comment date. It is not necessary to serve motions to intervene or protests on persons other than the Applicants.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date:

VOLUME I

PUBLIC

Exhibit G/G-I (Amended)
§ 157.14(a)(7) and (a)(8)

Exhibit G-II (Amended)
§ 157.14(a)(9)

Please see the attached flow diagrams for the Pipeline System. (*Filed as Critical Energy Infrastructure Information – DO NOT RELEASE*)

Exhibit I (Amended)
§157.14(a)(11)

See Attached Amended and Restated Precedent Agreement between TransCameron Pipeline, LLC and Venture Global Calcasieu Pass, LLC. (*Filed as Privileged Information – DO NOT RELEASE*)

TransCameron Pipeline LLC: The proposed pipeline is an approximately 23.5-mile-long, 42-inch-diameter east lateral pipeline. Estimated project costs shown here reflect preliminary cost estimates for the construction and other appurtenant facilities.

Estimated Capital Cost of Facilities

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Permitting	\$9,200,000
2	Engineering and Inspection	27,600,000
3	Materials, Labor, and Installation	138,000,000
4	Other	<u>9,200,000</u>
5	Total Direct	184,000,000
6	AFUDC	<u>14,113,535</u>
7	Total	<u><u>\$198,113,535</u></u>

Plan for Financing the Pipeline

TransCameron Pipeline, LLC (“TCP”) has been formed to construct, own, and operate the proposed pipeline to be located in Cameron Parish, Louisiana. TCP has no other business activity. This Exhibit L describes the financing for the proposed pipeline.

TCP anticipates that 50 percent of the capital requirement will consist of debt and that the balance 50 percent will be comprised of equity. TCP anticipates raising approximately \$99 million of debt at an effective interest rate projected at 7.75 percent. The debt will be retired over a period of 20 years following the commissioning of the pipeline facility. The terms and conditions applicable to the debt will depend upon the financial market conditions existing at the time the debt is raised. TCP will seek the most favorable terms.

With respect to the equity, TCP proposes an equity rate of return of 14 percent considering factors such as project risks, proposed capital structure, and anticipated capital market conditions.

Supporting Schedules

Page L-3: Pro Forma Statement of Cash Flow

Page L-4: Pro Forma Statement of Income

Page L-5: Pro Forma Balance Sheet

AFUDC is calculated based on a 50/50 debt/equity capital structure with a 7.75 percent cost of debt and 14 percent cost of equity.

Pro Forma Statement of Cash Flow

Line No.	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
1	Sources:			
2	Net Income	\$13,129,582	\$13,234,223	\$13,346,382
3	Depreciation	9,905,677	9,905,677	9,905,677
4	Deferred Income Taxes	0	3,583,874	2,827,278
5	Total Sources	<u>\$23,035,259</u>	<u>\$26,723,773</u>	<u>\$26,079,337</u>
6	Uses:			
7	Change in Working Capital	\$1,981,135	\$-	\$-
8	Debt Retirement	2,225,286	2,397,746	2,583,571
9	Available for Stockholder Use	<u>18,828,837</u>	<u>24,326,027</u>	<u>23,495,766</u>
10	Total Uses	<u>\$23,035,259</u>	<u>\$26,723,773</u>	<u>\$26,079,337</u>

Exhibit L (Amended)
§ 157.14(a)(14)

Pro Forma Statement of Income

Line No.	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
1	Operating Revenues	\$43,584,788	\$43,584,788	\$43,584,788
2	Operating Expenses:			
3	Operation and Maintenance Expenses	\$1,981,135	\$2,020,758	\$2,061,173
4	Depreciation Expense	9,905,677	9,905,677	9,905,677
5	Taxes Other Than Income	2,065,245	2,023,097	1,980,949
6	Total Operating Expenses	13,952,057	13,949,532	13,947,799
7	Operating Income	29,632,731	29,635,256	29,636,989
8	Long-Term Debt Expenses	7,676,909	7,504,449	7,318,624
9	Income Before Income Taxes	21,955,822	22,130,807	22,318,365
10	Income Taxes	8,826,241	8,896,584	8,971,983
11	Net Income	\$13,129,582	\$13,234,223	\$13,346,382

Pro Forma Balance Sheet

Line No.	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
1	Assets			
2	Working Capital	\$1,981,135	\$1,981,135	\$1,981,135
3	Current Assets	1,981,135	1,981,135	1,981,135
4	Gross Plant	198,113,535	198,113,535	198,113,535
5	Less Accumulated Depreciation	(9,905,677)	(19,811,354)	(29,717,030)
6	Net Plant	188,207,859	178,302,182	168,396,505
7	Total Assets	\$190,188,994	\$180,283,317	\$170,377,640
8	Liabilities & Equity			
9	Deferred Income Taxes	\$-	\$3,583,874	\$6,411,152
10	Long-Term Debt	96,831,601	94,433,855	91,850,284
11	Equity	93,357,392	82,265,588	72,116,204
12	Total Liabilities & Equity	\$190,188,994	\$180,283,317	\$170,377,640

Estimate of Projected Revenues, Expenses, and Income for the Facility's First Three Years of Operation

EXPLANATORY STATEMENT

TransCameron Pipeline, LLC estimates that its pipeline capacity will be fully subscribed at maximum FT demand charges for firm transportation. No other pipeline revenues are anticipated.

Cost of Service Overview

The total cost of service for Year 1 of the project is \$43,584,788 and is comprised of the following components as shown on page 5 of Exhibit N:

1. Operation and Maintenance ("O&M") expense of \$1,981,135, which includes both direct-charge field-related O&M and Administrative and General expense. The Year 1 expense is increased each year thereafter by an annual inflation rate of 2.00 percent to account for inflationary pressures in labor and other operating costs.
2. Depreciation expense of \$9,905,677, reflecting book depreciation of transmission plant on a straight-line basis over a 20-year period. This equates to a 5 percent annual depreciation rate.
3. Other taxes of \$2,065,245, which represent ad valorem taxes using the ad valorem tax rates applicable in Cameron Parish, Louisiana.
4. Pre-tax return allowance of \$29,632,731, reflecting return on total capital costs including initial capital investment and non-cash working capital for material and supplies.

Cost Allocation and Rate Design

The TransCameron pipeline is configured as a straight pipeline having no laterals with two adjacent receipt points at the eastern end. The pipeline will have a single delivery point at Venture Global’s proposed Calcasieu Pass project. There are no receipts or deliveries occurring in the middle of the pipeline.

TransCameron is proposing to use the Straight Fixed-Variable (“SFV”) method to design the firm transportation rate. Under the SFV method, the reservation rate is designed to recover all fixed costs. As a short pipeline with no compression, TransCameron does not anticipate that there will be any variable costs associated with its services and has therefore set the initial usage rate at zero.

Firm Service Rate Design

TransCameron derived the rate for firm transportation under Rate Schedule FT using the total sustainable capacity of the pipeline, which is expected to be 2,125,000 dekatherms (Dth) per day. Assuming annual fixed transportation costs of \$43,584,788 shown on page 5 of Exhibit N, the resulting monthly reservation rate is computed as follows:

$$\$43,584,788 \div 2,125,000 \div 12 \text{ months} = \$1.71 \text{ per Dth per month}$$

Interruptible Service Rate Design

The rate for interruptible transportation under Rate Schedule IT is a derivative of the Rate Schedule FT rate and is based on a 100% load factor. The authorized daily overrun charge is computed as follows:

$$1.71 \div (365 \text{ days in a year} \div 12 \text{ months}) = \$0.0562 \text{ per Dth per day}$$

Due to the limited receipt and delivery opportunities in the pipeline, TransCameron is not projecting any activity under Rate Schedule IT service and, therefore, did not credit any revenues to its projected cost of service. However, should TransCameron transport any gas under Rate Schedule IT and realize revenues that exceed its variable costs from those transactions, TransCameron shall credit such excess revenues to qualifying customers(s) under Rate Schedule FT per the revenue sharing mechanism described in Section 15 of TransCameron's FERC Gas Tariff. This ensures that TransCameron does not over-recover its cost of service and also provides direct benefit to shippers.

SUPPORTING SCHEDULES

The supporting schedules on the next several pages show the derivation of the revenues, cost of service, and rates for the TransCameron Pipeline, LLC system. Where applicable, costs and revenues are projected over a three-year period. The rates are designed using Rate Schedule FT for firm transportation only.

The details of the derivation of revenues, cost of service, and rates are set out as follows:

- Page N-5: Presents the cost of service and rate design and resultant demand charge
- Page N-6: Presents the calculation of rate base and return for the first three years of operations.
- Page N-7: Presents the calculation of annual depreciation expense at a depreciation rate of 5% and accumulated depreciation for the first three years of operations
- Page N-8: Presents the calculation of taxes other than income taxes for the first three years of operation. As shown in the table, these other taxes are comprised of Ad Valorem taxes.
- Page N-9: Presents the proposed capital structure, rate of return, and debt costs. TransCameron Pipeline, LLC has utilized a hypothetical capital structure of 50 percent equity and 50 percent debt. Consistent with Commission precedent for new pipelines using a 50/50 capital structure, TransCameron Pipeline, LLC is using a return on equity of 14 percent. (See *Cheniere Corpus Christi Pipeline, L.P.*, 149 FERC ¶ 61,283, at PP 33, 37 (2014), *aff'd on reh'g on other grounds*, 151 FERC ¶ 61,098 (2015), *appeal docketed on other grounds, Sierra Club v. Federal Energy Regulatory Commission*, No. 15-1133 (D.C. Cir)) The estimated debt costs are 7.75 percent.

Cost of Service and Rate Design

Line No.	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
1	Operation and Maintenance Expenses	\$1,981,135	\$2,020,758	\$2,061,173
2	Depreciation Expense	9,905,677	9,905,677	9,905,677
3	Taxes Other Than Income	2,065,245	2,023,097	1,980,949
4	Pre-Tax Return	29,632,731	27,530,968	25,547,087
5	Total Cost of Service	\$43,584,788	\$41,480,500	\$39,494,887
6	Contracted Capacity (Dth/day)	2,125,000		
7	Rate Schedule FT Demand Charge	1.71		
8	Authorized Overrun Charge	0.0562		

Rate Base and Return Summary

Line No.	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
1	Total Project Capital Cost	\$198,113,535	\$198,113,535	\$198,113,535
2	Less: Accumulated Depreciation	(9,905,677)	(19,811,354)	(29,717,030)
3	Net Plant	188,207,859	178,302,182	168,396,505
4	Working Capital	1,981,135	1,981,135	1,981,135
5	Less Deferred Income Taxes	0	(3,583,874)	(6,411,152)
6	Rate Base	<u>\$190,188,994</u>	<u>\$176,699,443</u>	<u>\$163,966,488</u>
7	Rate of Return	15.58%	15.58%	15.58%
8	Return	<u>\$29,632,731</u>	<u>\$27,530,968</u>	<u>\$25,547,087</u>

Note: Line 8 is equal to line 6 multiplied by line 7. However, the numbers on the page yield a slightly different result due to rounding.

Calculation of Depreciation Expense and Accumulated Depreciation Expense

Line No.	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
1	Depreciable Plant	\$198,113,535	\$198,113,535	\$198,113,535
2	Depreciation Rate	5%	5%	5%
3	Annual Depreciation Expense	<u>\$9,905,677</u>	<u>\$9,905,677</u>	<u>\$9,905,677</u>
4	Accumulated Depreciation Expense	<u>\$9,905,677</u>	<u>\$19,811,354</u>	<u>\$29,717,030</u>

Taxes Other Than Income

Line No.	<u>Description</u> (a)	<u>Year 1</u> (b)	<u>Year 2</u> (c)	<u>Year 3</u> (d)
1	Property (Ad Valorem) Taxes	\$2,065,245	\$2,023,097	\$1,980,949
2	Payroll Taxes	0	0	0
3	Franchise Taxes	0	0	0
4	Total Taxes Other Than Income	\$2,065,245	\$2,023,097	\$1,980,949

Payroll taxes are assumed to be included in our O&M assumption

No franchise taxes are assumed to be incurred

Capital Structure and Rate of Return

Line No.	<u>Description</u> (a)	<u>Percent of Total Capital</u> (b)	<u>Cost of Capital</u> (c)	<u>Weighted Cost of Capital</u> (d)	<u>Pre-Tax Cost of Capital</u> (e)
1	Long-Term Debt	50.00%	7.75%	3.88%	3.88%
2	Common Equity	50.00%	14.00%	7.00%	11.71%
3	Total	100.00%		10.87%	15.58%

Depreciation and Depletion Rates

EXPLANATORY STATEMENT

For purposes of developing the rates set forth in Exhibit N, a straight-line depreciation rate of 5.00 percent was used. This depreciation rate is based on an estimated 20-year life for the Pipeline based on the expected contract term(s) with the shipper(s). Given that the lateral is expected to deliver to a single point, this approach seems most appropriate.