

National Energy  
Board



Office national  
de l'énergie

File OF-EI-Gas-GL-W159-2014-01 01  
20 August 2014

Mr. Jonathan M. Liteplo  
Fasken Martineau DuMoulin LLP  
2900 - 550 Burrard Street  
Vancouver, BC V6C 0A3  
Facsimile 604-631-3232

Mr. Ben Thompson  
Vice President  
WesPac Midstream – Vancouver LLC  
2355 Main Street, Suite 210  
Irvine, CA USA 92614  
Facsimile 949-222-0992

Dear Messrs. Liteplo and Thompson:

**WesPac Midstream – Vancouver LLC  
20 June 2014 Application for a Licence to Export Natural Gas –  
National Energy Board Information Request No. 1**

In examining evidence submitted in the above-referenced Application, the National Energy Board (NEB or Board) has found that additional information is required, as set out in the attached Information Request (IR) No. 1.

Please respond by no later than noon, Calgary time on **11 September 2014** by e-filing your response through the NEB's Regulatory Documents link on the NEB website.

If any parties make submissions on the merits of the Application in accordance with the Notice of Application and Comment Period, WesPac Midstream – Vancouver LLC is directed to serve a copy of its response to the IR on those parties.

Yours truly,

*Original signed by*

Sheri Young  
Secretary of the Board

Attachment

**WesPac Midstream – Vancouver LLC**  
**Application for a Licence to Export Liquefied Natural Gas**  
**pursuant to Section 117 of the *National Energy Board Act***  
**Filed 20 June 2014 (Application)**

**National Energy Board**  
**Information Request No. 1 to WesPac Midstream – Vancouver LLC (WPMV)**  
**File OF-EI-Gas-GL-W159-2014-01 01**

**1.1 Clarify the Maximum Term Quantity Requested**

- Reference:**
- i. Application of WesPac Midstream – Vancouver LLC, Section I, Paragraph 1, PDF Page 2 of 12, [A3Y4Q6](#)
  - ii. Application of WesPac Midstream – Vancouver LLC, Section I, Paragraph 1, PDF Page 2 of 12, [A3Y4Q6](#)
  - iii. Application of WesPac Midstream – Vancouver LLC, Section I, Paragraph 1, PDF Page 2 of 12, [A3Y4Q6](#)
  - iv. Navigant, Supply and Demand Market Assessment, Executive Summary, PDF page 5 of 48, [A3Y4Q7](#)

**Preamble:** Reference i) states that WPMV is requesting an annual quantity that “shall not exceed 146 Bcf which is approximately 4.14 billion cubic metres,” subject to the annual tolerance.

Reference ii) states that WPMV is requesting a 15% tolerance above the annual quantity of 4.14 billion cubic metres in any 12-month period.

Reference iii) states that total term quantity “shall not exceed 3,650 Bcf which is approximately 103.303 billion cubic metres.”

Reference iv) states that for the purposes of the Supply and Demand Market Assessment, a maximum gross feedstock requirement of 460 MMcf/d has been assumed, after accounting for losses in the liquefaction process (i.e. 2.5%) and the maximum average tolerance allowance permitted over the license term (i.e. 12.5%).

- Request:**
- a) Confirm that the applied-for annual quantity of natural gas export is 4.14 billion cubic metres, and with the 15% tolerance, the maximum annual quantity could be as much as 4.76 billion cubic metres (approximately 168 Bcf) per year.
  - b) Confirm that the applied-for term quantity of natural gas exports without tolerance is 103.50 billion cubic metres– calculated from 4.14 billion cubic metres annual quantity over 25 years. If this is not the case please provide a reconciliation of the term quantity requested for the 25 year term.
  - c) Confirm with the maximum 15% tolerance permitted over the licence term, the maximum term export quantity could be as much as 119.025 billion cubic metres (approximately 4,200 Bcf), which is based on 460 MMcf/d over 25 years.

## 1.2 Export of Bunker Fuel Volumes

- Reference:**
- i. Application of WesPac Midstream – Vancouver LLC, Section II, Paragraph 8, PDF Page 5 of 12, [A3Y4Q6](#)
  - ii. [NEB Part VI Regulations](#)

**Preamble:** Reference i) states that the WesPac LNG Marine Terminal will provide a means of loading LNG produced at the Tilbury LNG Plant onto LNG carrier ships for bulk transport and export from Canada and provide a means of loading LNG onto barges for marine bunkering (ship fueling) activities, which may also involve the export of LNG.

The current Part VI Regulations (Reference ii) indicate that these bunker fuel volumes are an export.

- Request:**
- a) Does the statement “which may also involve the export of LNG” refer to barges being loaded with LNG as fuel, rather than bulk transport of LNG for export?
  - b) If so, are bunker fuel volumes included in the requested quantity of gas to be exported over the term of the licence?

### 1.3 LSU IR – Legal Status

**Reference:**

- i. Application of WesPac Midstream – Vancouver LLC Cover Letter, [A3Y4Q5](#)
- ii. Application of WesPac Midstream – Vancouver LLC, Section I, Paragraph 1, PDF, Page 2 of 12, [A3Y4Q6](#)
- iii. Application of WesPac Midstream – Vancouver LLC, Section II, Paragraph 4, Page 4 of 12, [A3Y4Q6](#)
- iv. [National Energy Board Act](#), Sections 116, 117

**Preamble:**

References i) and ii) identify the Applicant as WesPac Midstream – Vancouver LLC.

Reference iii) states that the Applicant is a limited liability company registered under the laws of the State of Delaware and is a wholly owned subsidiary of WesPac Midstream LLC.

Reference iv) provides that “no person shall export or import any oil or gas except in accordance with a licence issued under this Part.”

**Request:**

Please clarify the Applicant’s ability to hold a gas export licence as a limited liability company registered under the laws of the State of Delaware.

#### **1.4 Clarify the Export Point(s) Applied For**

- Reference:**
- i. Application of WesPac Midstream – Vancouver LLC, Section I, Paragraph 1, PDF Page 3 of 12, [A3Y4Q6](#)
  - ii. Application of WesPac Midstream – Vancouver LLC, Section II, Paragraph 3, PDF Page 5 of 12, [A3Y4Q6](#)
  - iii. Application of WesPac Midstream – Vancouver LLC, Section II, Paragraph 1, PDF Page 6 of 12, [A3Y4Q6](#)

**Preamble:** Reference i) states that the Applicant is requesting two export points with one being at “the hose connector of the pump at the truck rack where ISO LNG shipping containers or truck tankers are filled with LNG for export via marine vessel or truck at the natural gas liquefaction plant located at Tilbury Island in Delta, British Columbia, Canada.”

Reference ii) states that “LNG will be loaded into LNG ISO containers by way of truck racks at the Tilbury LNG Plant, for transportation and export on ships and barges by way of several existing cargo terminals in the Metro Vancouver area.”

Reference iii) states that LNG exports under the applied-for licence “could commence by way of LNG ISO shipping containers or truck tankers as soon as the Board grants the licence.”

**Request:** Please explain why an export point is needed at the hose connector of the pump at the truck rack where ISO LNG shipping containers or truck tankers are filled with LNG rather than a point along the international border at which LNG leaves Canada.