



January 29, 2016

**Filed Electronically**

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE, Room 1A  
Washington, DC 20426

**Re: Opposition to Arlington Storage Company, LLC's Request for Extension of Time to Construct Jurisdictional Facilities, Docket No. CP13-83-000**

Dear Ms. Bose:

On behalf of intervenor Gas Free Seneca, we respectfully oppose the request by Arlington Storage Company, LLC ("Arlington") to extend its time to construct the Gallery 2 jurisdictional facilities ("Request for Extension"). Arlington has not shown good cause why it should be granted another two years to construct a facility that was authorized almost two years ago. Arlington has been on notice since May 15, 2014, that it was required to put its facility into service by May 15, 2016, *see* Order Issuing Certificate and Reaffirming Market-Based Rates, 147 FERC ¶ 61,120 (May 15, 2014) ("Certificate Order"), and yet has taken no meaningful steps to initiate construction.<sup>1</sup> The Commission should hold Arlington to the stated terms of the Certificate Order.

Arlington's submission gives no indication why good cause exists to double the time period for commencement of service originally specified in the Certificate Order. Arlington grounds its request on the delays it has experienced in obtaining an underground storage permit from the Department of Environmental Conservation, but the company has not shown that it has made any effort to move that process forward. Indeed, Arlington appears not even to have determined whether it will receive the permit "anytime soon" or whether it will need to use "legal alternatives that would enable it to construct and complete" its project. Request for

---

<sup>1</sup> *See* Arlington, Bi-Weekly Environmental Compliance Report, CP13-83-000 (Jan. 17, 2016).

Extension at 3. Arlington has had almost two years to obtain this information, and the company cannot sit on its rights and then plead good cause for another two-year grace period.<sup>2</sup>

As the Commission has recognized: “If the service authorized by a certificate is not initiated within the time period specified in the certificate, it cannot be presumed that the public convenience and necessity still require the project.” *Wyoming-California Pipeline Co.*, 70 FERC ¶ 61,041, 61,130 (Jan. 19, 1995) (noting that a finding of public convenience and necessity is “necessarily based on conditions in existence, and reasonably projected, at the time the finding [was] made”). The Commission’s public convenience and necessity determination in this proceeding is no longer sound, because the underlying market conditions upon which it was premised have changed substantially since issuance of the Certificate Order. Natural gas prices have plummeted, and the area around the storage project has not experienced the price spikes that allegedly justified expansion of Arlington’s facility. The fact that the market may be more favorable sometime in the next two years is not “good cause” for extending the deadline for Arlington’s project.

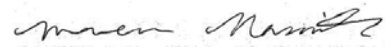
Arlington’s inability to put the Gallery 2 project into service by mid-May 2016 is a clear indication that the public convenience and necessity no longer require this project. Were there genuine demand for the storage expansion, Arlington surely would not have remained ignorant of its state permitting status. Moreover, the company admits that it will be required to conduct yet another open season in early 2016 and presents no concrete evidence that it will have customers for its facility. *See* Request of Extension at 4. The Commission therefore should deny Arlington’s request for additional time to put Gallery 2 into service.

---

<sup>2</sup> The cases cited by Arlington have no bearing here, as they all involve extensions granted because of delays caused in whole or in part by circumstances outside the company’s control. *SG Resources Mississippi, L.L.C.*, Docket No. CP02-229-000 (Dec. 15, 2004) (granting extension based on *Petition of SG Res. Miss. for Extension of Construction and In-Service Date*, Docket No. CP02-229-000 (Dec. 1, 2014) (claiming delays caused by “reluctance on the part of would-be customers” and “temporal restrictions associated with protection of threatened species”)); *Sonora Pipeline, LLC*, Docket No. CP07-74-000 (May 21, 2008) (granting extension based on delay in the development of related facilities in Mexico); *Panhandle Eastern Pipe Line Co., LP*, Docket No. CP06-428-000 (Apr. 8, 2008) (granting extension of time where wet conditions prevented construction of one segment of a larger pipeline project); *Tres Palacios Gas Storage LLC*, Docket No. CP07-90-000 (June 26, 2007) (granting extension of time for a gas storage facility that had partially completed construction but was limited by the rate at which brine could be displaced from its caverns); *Algonquin Gas Transmission, LLC*, Docket No. CP06-143-000 (Oct. 19, 2006) (granting extension of time based in part on delays caused by “complex construction logistics”); *Altamont Gas Transmission Company*, 75 FERC ¶ 61,348 (June 28, 1996) (granting extension where a project was delayed by the Commission’s rehearing process and a challenge to the project in federal court).

We thank you for your consideration of this matter.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Moneen Nasmith".

Moneen Nasmith  
Staff Attorney