

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish  
Policies and Rules to Ensure Reliable, Long-  
Term Supplies of Natural Gas to California

R.04-01-025  
(Filed January 22, 2004)

In the matter of:  
Informational Proceeding and Preparation of  
the California Energy Commission 2005  
*Integrated Energy Policy Report* and  
California Public Utilities Commission Natural  
Gas Order Instituting Rulemaking 04-01-025

Energy Commission  
Docket No. 04-IEP-01

**COMMENTS OF CRYSTAL ENERGY, LLC  
ON THE  
NATURAL GAS QUALITY SPECIFICATIONS WORKSHOPS**

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February 15, 2005

Attorneys for Crystal Energy, LLC

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Pursuant to the Administrative Law Judge's December 23, 2004 Ruling Regarding Notice of New Workshop Dates, Crystal Energy, LLC (Crystal) respectfully submits the attached letter (Attachment A) as its pre-workshop comments in response to the natural gas quality specifications workshops scheduled for February 17 and 18, 2005. Crystal is concurrently filing this letter with the California Energy Commission in the respective captioned docket as well.

Dated: February 15, 2005

Respectfully submitted,

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Attorneys for Crystal Energy, LLC

# **ATTACHMENT A**



February 11, 2005

JAMES D. BOYD  
Commissioner and Associate Member  
of the 2005 Integrated Energy Policy  
Report Committee

JOHN L. GEESMAN  
Commissioner and Presiding Member  
of the 2005 Integrated Energy Policy  
Report Committee

MICHAEL R. PEEVEY  
President, CPUC

**RE: Energy Commission Docket No. 04-IEP-01; CPUC Docket No. R.04-01-025  
Workshop on Natural Gas Quality Issues**

Dear Commissioners:

On February 17 and 18, 2005, the California Public Utilities Commission, California Energy Commission and other entities, will convene a technical conference to discuss natural gas quality and natural gas interchangeability issues. Crystal Energy LLC (“Crystal”) submits these pre-workshop comments pursuant to the “Notice of Workshop on Natural Gas Quality Issues” issued on December 23, 2004.

Crystal Energy, LLC is in the process of seeking the permits necessary to construct and operate the Crystal Clearwater Port project. The Crystal Clearwater Port project is located about 13 miles offshore Ventura County, California. The cooled natural gas will be transported by ship to a platform, where it will be converted back into vapor form useful to California natural gas customers. The natural gas will be delivered from the platform to shore in a state of the art pipeline using an existing pipeline corridor. It will then come onshore at an existing industrial facility before entering the Southern California Gas Company (SoCal Gas) pipeline system. The natural gas will provide Ventura County and California with a clean, secure and abundant source of energy that will help meet the state’s energy needs well into the future.

Crystal is supportive of industry and governmental efforts to identify gas quality specification that will help ensure a consistent and reliable supply for all natural gas customers.

Crystal will only import natural gas that will meet the specifications of the California Air Resources Board (“CARB”). Crystal does not request any changes to current gas quality specifications contained in the CARB regulations.

As for any possible future changes to natural gas specifications, Crystal wants to reiterate that natural gas suppliers value certainty and stability. The quality specifications for natural gas should be clearly articulated and consistently applied to all suppliers. Any proposed changes should be discussed in an open public process that provides full notice and an opportunity to be heard by all affected parties. LNG suppliers utilizing Crystal's Clearwater Port to provide a long term, low cost, reliable and safe natural gas supply to California will make substantial investments to ensure compliance with the applicable quality specifications. Changes in gas quality standards that are swift or capricious undermine the certainty and stability necessary for a vigorous and well-functioning gas market. Accordingly, the consideration of possible changes in natural gas quality standards, if necessary, should have as its hallmark close consultation with all potentially affected parties and an open, public process, as is the tradition and practice of your agencies. Crystal is committed to continuing to be an active and productive participant in any proceedings regarding natural gas specifications.

Crystal appreciates the opportunity to submit comments on these gas quality and interchangeability issues.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul Soanes". The signature is written in a cursive, flowing style.

**Paul Soanes**  
**President**

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of “Comments of Crystal Energy, LLC on the Natural Gas Quality Specifications Workshops” on all known parties to R.04-01-025 by transmitting an e-mail message with the document attached to each party named in the official service list that provided an email address and by mailing the document to each party named in the official service list that did not provide an email address.

Executed on February 15, 2005 at Sacramento, California.

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Eric Janssen

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R.04-01-025  
February 15, 2005

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