

ORIGINAL

Timolyn Henry

From: David Cruthirds [dcruthirds@houston.rr.com]
Sent: Wednesday, March 30, 2005 4:09 PM
To: Filings@psc.state.fl.us
Subject: Petition to Intervene of BG LNG Services, LLC; Florida PSC Docket No. 041414-EI
Attachments: Flor.PSC.Docket.041414.BG.LNG.intervention.as.filed.doc;
 Flor.PSC.Docket.041414.EI.BG.Qualified.Representative.doc; Flor.PSC.Docket.041414.EI.DLC.affidavit.doc

Attached to this e-mail for filing in the subject docket is an electronic copy of the Petition to Intervene of BG LNG Services, LLC; the Request of BG LNG Services, LLC for Representation by Qualified Representative; and the Affidavit of David Lyles Cruthirds. These documents are being filed electronically pursuant to the instructions set forth in the "E-Filings - How To" section of the Commission's web site at www.psc.state.fl.us

a. Full name, address, telephone number, and e-mail address of the person responsible for the electronic filing:

David Lyles Cruthirds
 Attorney at Law
 4302 Cheena Drive
 Houston, TX 77096
 Business 713-726-0442
 Fax 713-726-0432
david@thecruthirdsreport.com

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 RCA _____
 SCR _____
 SEC 1

b. Docket No. 041414-EI

c. Name of the party on whose behalf the document is filed: BG LNG Services, LLC

d. The total number of pages in each attached document:

Petition to Intervene of BG LNG Services, LLC: 8 pages (inclusive of cover letter and service list)
Request of BG LNG Services, LLC for Representation by Qualified Representative: 4 pages (inclusive of service list)
Affidavit of David Lyles Cruthirds (in support of Request for Qualified Representative): 1 page

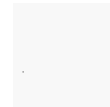
e. Brief but complete description of each attached document:

Petition to Intervene of BG LNG Services, LLC: This document is BG LNG Services LLC's petition to intervene in Florida PSC Docket No. 041414-EI, Progress Energy's petition for approval of long-term contracts for its Hines 4 Unit.
Request of BG LNG Services, LLC for Representation by Qualified Representative: This document is BG LNG Services, LLC's acknowledgement of its right to be represented by counsel licensed in Florida and BG's request for representation by its Qualified Representative (David Lyles Cruthirds, Attorney at Law).
Affidavit of David Lyles Cruthirds: This document is the affidavit of David Lyles Cruthirds in support of BG LNG Services LLC's Request for Qualified Representative. The affidavit and sets forth Mr. Cruthirds' qualifications to represent BG's interests in this proceeding.

David Cruthirds
 Attorney at Law & Regulatory Consultant

DOCUMENT NUMBER-DATE
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March 30, 2005

Ms. Blanca S. Bayo, Director Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

IN RE: PROGRESS ENERGY FLORIDA, INC.'S PETITION FOR APPROVAL OF
LONG-TERM CONTRACTS FOR HINES UNIT 4 AND ADDITIONAL SYSTEM
SUPPLY AND TRANSPORTATION
DOCKET NO. 041414-EI

Dear Ms. Bayo:

Enclosed for filing in the subject docket is the Petition to Intervene of BG LNG Services, LLC as well as the Request of BG LNG Services, LLC for Representation by Qualified Representative. These documents are submitted for filing in the captioned matter, Florida Public Service Commission Docket No. 041414-EI.

Please contact me at (713) 726-0442 if you have any questions regarding these filings.

Cordially,

s/David Lyles Cruthirds

DOCUMENT NUMBER - DATE

03106 MAR 30 05

FPSC-COMMISSION CLERK

David Lyles Cruthirds

Enclosures

ORIGINAL

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 041414-EI

IN RE: PROGRESS ENERGY FLORIDA, INC.'S PETITION FOR APPROVAL OF
LONG-TERM CONTRACTS FOR HINES UNIT 4 AND ADDITIONAL SYSTEM
SUPPLY AND TRANSPORTATION

PETITION TO INTERVENE OF BG LNG SERVICES, LLC

Pursuant to Chapter 120, Florida Statutes, and Rules 25-22.039, 28-106.201 and 28-106.205, Florida Administrative Code, BG LNG Services, LLC ("BG"), through undersigned counsel, petitions to intervene as a party in this proceeding. BG asks that it be accorded party status for all purposes, including inclusion on the official service list. BG desires to be provided copies of all materials filed or produced in the case by other parties, as well as being provided prior notice and an opportunity to participate in all hearings, meetings, settlement and status conferences, workshops, technical conferences, etc.

1.

The affected agency is the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

2.

BG is filing a Request for Representation by Qualified Representative concurrently with this Petition to Intervene, seeking permission from the Prehearing Officer to participate in this proceeding with the assistance of its Qualified Representative, David Lyles Cruthirds. Should the Prehearing Officer grant BG's request to participate with the assistance of Mr. Cruthirds, the name and addresses of BG and its Qualified Representative are provided below. Copies of all correspondence and filings should be directed to BG and its Qualified Representative at the following addresses:

David Lyles Cruthirds
Attorney at Law
4302 Cheena Drive
Houston, TX 77096

- and -

BG LNG Services, LLC c/o
David N. Keane
Vice President, Policy and Corporate Affairs
BG North America, LLC
5444 Westheimer, Suite 1200
Houston, TX 77056

3

BG is a major supplier of liquefied natural gas ("LNG") into markets in the United States and has contractual rights to capacity at existing LNG terminals at Lake Charles, Louisiana and Elba Island, Georgia. As fully explained in Progress Energy Florida's ("PEF") December 20, 2004 Petition and supporting testimony, BG has entered into a long-term contract with PEF to deliver regasified LNG to PEF at the tailgate of the Elba Island LNG Terminal.

BG's contract with PEF is part of the package of agreements that PEF has asked the Florida Public Service Commission ("FPSC" or "Commission") to approve. The Commission's decisions regarding the BG-PEF agreements in this proceeding will have a direct and substantial impact on BG's rights and obligations under the BG-PEF contract and other business interests. BG, therefore, has a substantial and direct interest in this proceeding that will be affected by the Commission's actions and decisions in this matter.

4.

This proceeding was initiated by PEF's December 20, 2004 filing of a petition for approval of natural gas supply and transportation agreements structured to deliver firm supplies of regasified LNG from the Elba Island LNG Terminal to PEF's Hines Energy Complex located in Polk County, Florida. PEF seeks a Commission determination that entering into agreements is reasonable, prudent action designed to maintain reliable and adequate long-term fuel supplies for PEF's Hines Unit 4, and other facilities located in Florida. Commissioner and Prehearing Officer Rudolph Bradley issued Order No. PSC-05-0128-PCO-EI on January 31, 2005 establishing procedures and the schedule for the Commission's consideration of PEF's Petition. The hearing on the merits is scheduled for April 29, 2005.

5.

BG supports PEF's request that the Commission approve the contract related to PEF's firm, long-term fuel supply for its Hines Unit 4. The BG-PEF contract was negotiated at arm's-length as part of a fair and balanced competitive procurement process. As PEF discussed in its December 20, 2004 Petition, there was a very careful and extensive analysis undertaken to

determine the best supply option available to PEF. It was determined by that analysis that the BG-PEF contract represents the best supply alternative available to PEF in light of price and non-price factors.

BG also supports PEF's request for prompt approval of PEF's petition by June 15, 2005 in order that the related pipeline facilities are completed in time to meet the May 2007 projected in-service date for the Cypress project.

6.

As further mentioned in PEF's December 20, 2004 Petition, the BG-PEF contract along with the pipeline agreements entered into by PEF, will provide geographical diversity of natural gas supply by providing an east coast alternative to the supply sources currently located in the Gulf of Mexico. This east coast alternative will enhance PEF's system reliability by mitigating supply disruptions caused by hurricanes or other inclement weather, since it is less likely that both the east and gulf coasts will be affected by supply interruptions at the same time. The contract also provides a greater degree of certainty of meeting the commercial in-service date for PEF's Hines Unit 4 than other new construction alternatives. Elba Island is an existing and operating LNG facility with the capacity to handle the gas supply.

Additionally, as PEF mentioned in its December 20, 2004 Petition, there are long-term benefits associated with the BG and pipeline contracts. These new contracts will bring a third major natural gas pipeline system into Florida from the north. The resultant increase in pipeline capacity into Florida enables the consideration of additional new sites for future gas-fired electric generating capacity. BG believes this additional pipeline capacity will ultimately lower the cost of transportation for future gas-fired electric generation capacity. The BG-PEF contact also adds

LNG to the supply mix of natural gas for Florida, which opens up access to the world market for gas supply, thereby increasing competition in gas supply and ultimately contributing to the downward pressure on long-term commodity prices.

In order for this project, which provides a much needed new source of natural gas supply and pipeline capacity to the State of Florida, to come to fruition there is a considerable amount of capital cost involved that must be recouped. As PEF stated in its answers to the Commission's Interrogatories, an LNG project entails considerable upfront capital investment. This investment includes finding and producing natural gas reserves; building a liquefaction plant; construction of LNG ships; and construction of regasification facilities that transform the LNG back into a gas. This investment can easily total more than \$1 billion.

As PEF's commitment is approximately 40% of the overall Cypress Project, BG believes it is in the public interest to pre-approve the BG-PEF and pipeline transportation contracts. BG is concerned that without pre-approval, the State of Florida will be denied a new long-term source of natural gas supply and pipeline capacity; supply and capacity that will ultimately benefit all of Florida's natural gas consumers.

7.

BG has a direct and substantial interest in this proceeding and seeks the opportunity to appear and be heard. BG does not anticipate filing testimony in the case but reserves the right to file testimony, briefs or other appropriate filings in order to protect BG's interests should the need arise. BG seeks the opportunity to be heard on this matter, whether through participation in settlement discussions, hearings, status conference, etc.

For the reasons enumerated above, BG seeks to intervene in this matter and be granted full party status. BG's Petition to Intervene is timely filed and BG's participation in the case will not prejudice any party or unduly delay the proceeding. BG looks forward to working cooperatively and collaboratively with PEF, Commission Staff and other parties in this important proceeding.

Respectfully submitted:

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By: s/David Lyles Cruthirds

David Lyles Cruthirds
Texas Bar No. 05195450

CERTIFICATE OF SERVICE

I hereby certify that I have, this 30th day of March 2005, served copies of the foregoing pleading upon the parties listed below, by depositing same, postage prepaid, with the United States Mail, through their counsel of record at their addresses reflected in the record.

Adrienne E. Vining, Esquire
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia A. Christensen, Esquire
Office of the Public Counsel
c/o The Florida Legislature
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Tallahassee, FL 32399-1400

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Progress Energy Service Company, LLC
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Carlton Fields Law Firm
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Tampa, FL 33601-3239

s/David Lyles Cruthirds
David Lyles Cruthirds