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ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLOMBIA

OF COUNSEL TO
MUNGER CHADWICK
ATTORNEYS AT LAW

October 7, 2013

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, DC 20426

Re: Sierrita Gas Pipeline LLC, FERC Docket Nos. CP13-73-000 and CP13-74-000

Dear Secretary Bose:

This letter is written on behalf of Santa Margarita Ranch, Inc. ("SMR") and the Altar Valley Conservation Alliance ("AVCA") in response to the September 27, 2013 letter filed in the above-referenced dockets on October 3, 2013 by MGI Supply, Ltd. ("MGI"). In that regard, MGI asked the Commission and its Staff

"to employ whatever tools are available to them to expedite the remaining regulatory process for these [all construction-related Commission] authorizations to facilitate a target start of construction date for the Sierrita Pipeline Project in early June of 2014."

While MGI's request on its face does not specifically ask for the issuance of the Final Environmental Impact Statement ("Final EIS") on or before February 7, 2013, which was the subject of Sierrita Gas Pipeline LLC's ("Sierrita") September 30, 2013 letter to Secretary Bose, nonetheless to the extent that MGI's request by implication necessitates an issuance date of the Final EIS well in advance of the currently scheduled April 18, 2014 issuance date it is still subject to the same underlying fundamental flaws that were discussed in SMR's and AVCA's October 1, 2013 letter to Secretary Bose in response to Sierrita's aforesaid letter.

In that regard, and with reference to the first paragraph on page 2 of MGI's September 27, 2013 letter, the complained of potential economic cost attributed to unused capacity on the Sasabe-Guaymas pipeline actually highlights the presumptuousness of MGI and those parties responsible for initiating construction of that pipeline before they knew whether or not the Commission would in fact approve the international boundary crossing point at Sasabe, Arizona

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proposed by Sierrita. As MGI and those other parties should know as sophisticated business entities, a given proposal within the context of a comprehensive regulatory permitting process should not be presumed to be the equivalent of an assured ultimate result. Similarly, the operators of the Puerto Libertad Plant may have planned for a fuel conversion date of September 30, 2014, but as with many planning undertakings, target dates are precisely that . . . “targets” and not assured events.

Further, MGI represents in the second paragraph on the second page of its letter that it “had no indication that the hoped-for timing of the permitting process in the US was in jeopardy.” Given its previous representation of a substantial interest in the Project, it is reasonable to assume that MGI could (and should) have been carefully and closely monitoring filings and developments in the above-referenced dockets since Sierrita’s Applications were filed. Had MGI done so, it would have been aware of the need for the Commission Staff to frequently and sometimes repeatedly ask Sierrita for more information, which directly affects the process timeline. Thus, MGI’s implied claim of “surprise” should carefully be examined.

Finally, while neither MGI in its September 27, 2013 letter nor Sierrita in its September 30, 2013 letter have expressly stated that failure by Sierrita to complete its proposed pipeline facilities in the United States by the September 30, 2014 in service date referenced in MGI’s letter could be treated as a breach of Sierrita’s contractual obligations under its Transportation Service Agreement (“TSA”) with MGI, it would not be unreasonable to infer such an implication reading between the lines of those letters as they interrelate with one another. In that regard, in a December 13, 2012 letter to Secretary Bose, AVCA expressed its concern that El Paso Natural Gas Company’s (“El Paso”) having entered into a Transportation Precedent Agreement (“TPA”) was an inappropriate and untimely commitment of resources, and a violation of CEQ’s regulation (40 CFR 1506.1) on limitations of actions that an applicant can take during the course of the NEPA process. In connection with the foregoing, the TSA between Sierrita and MGI raises a similar concern. In response to AVCA’s aforementioned letter, El Paso stated as follows:

“Second, the TPA is clearly conditioned upon receipt of all necessary certificates and permits. These precedent conditions permit both parties to be released from their obligations to perform under the agreement if the Commission does not issue a certificate order or presidential permit, or if the Commission places overly-restrictive conditions on a certificate order.”

While neither SMR nor AVCA is privy to the content of the TPA or the TSA terms and conditions, one would assume that El Paso and Sierrita were astute enough to also include language releasing them from the timing for performance of their respective obligations thereunder, in the event that the Commission’s processing of and final decision upon Sierrita’s Applications in the above-referenced dockets did not coincide with Sierrita’s requested decisional timelines. Thus, for this reason as well, the aforesaid September 30, 2014 projected or “target” in service date should not be a factor in the timing of the issuance of either a Final EIS or the ultimate decision(s) by the Commission with respect to these dockets.

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In conclusion, for the reasons discussed in their October 1, 2013 letter to Secretary Bose, and as discussed above in this letter, SMR and AVCA urge the Commission and its Staff to not advance the date for issuance of the Final EIS until the Commission Staff has had ample opportunity to conduct and complete that comprehensive environmental analysis required under the National Environmental Policy Act ("NEPA") and the Commission's process for implementing its responsibilities under NEPA.

Respectfully submitted,



Lawrence V. Robertson, Jr.

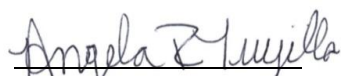
Attorney for Santa Margarita Ranch, Inc.
and the Altar Valley Conservation Alliance

cc: Jeff C. Wright, Director, Office of Energy Projects (OEP)
Lauren H. O'Donnell, Director, Division of Gas Environment & Engineering, OEP
Alma Griselda Cervantes Padilla, Director General, MGI Supply, Ltd.

Certificate of Service

Pursuant to Rule 2011 of the Commission's Rules of Practice and Procedure, 18 CFR § 385.2010 (2012), I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 7th day of October 2013.



Angela R. Trujillo, CLA
Certified Paralegal
Lawrence V. Robertson, Jr.