
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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COMMISSION ADOPTS FINAL RULE REQUIRING PRE-FILING PROCESS FOR NEW LNG IMPORT FACILITIES

The Federal Energy Regulatory Commission today adopted a final rule requiring potential developers of new liquefied natural gas (LNG) terminals to initiate pre-filing procedures at least six months prior to filing a formal application with the Commission.

Initiating the rulemaking was the Commission's first formal action under the recently enacted Energy Policy Act of 2005. The new law requires the Commission to issue within 60 days of the law's August 8, 2005, enactment rules mandating the Commission's previously voluntary pre-filing process for LNG facility proposals.

Commission Chairman Joseph T. Kelliher said: "Congress set a lot of ambitious targets for implementation of the Energy Policy Act. The earliest deadline for the Commission was the mandate to issue a final LNG pre-filing rule within 60 days. Today, we meet that deadline on time and on schedule. This important rule should promote early identification and resolution of issues surrounding authorization of LNG import facilities, and will facilitate community involvement."

The final rule adopts the procedures the Commission proposed in August. The rule establishes mandatory pre-filing procedures for all applicants seeking to site, construct and operate new LNG terminals and related facilities, such as pipelines, that would transport the revaporized LNG to markets across the U.S.

The final rule also establishes mandatory pre-filing procedures for applicants seeking to expand existing LNG facilities, if the Commission's Director of Energy Projects decides the process would be appropriate. The rule establishes criteria that the Director would use to make such a determination.

The final rule will require applicants to submit as much detail as is feasible for their LNG project. This would include the proposed project's conceptual design and

engineering features as well as extensive information about the potential environmental, security and safety impacts. Under the rule, a formal application must be submitted at least 180 days after the date the Commission's Director of the Office of Energy Projects issues notice of the initiation of the prospective applicant's pre-filing process. The filing must also include specific information that may have been requested by FERC Staff.

As required by the Energy Policy Act, the rule encourages prospective applicants to cooperate and coordinate with State and local government officials to address safety and security considerations. The final rule will require the prospective applicants for LNG facilities to submit a list of relevant federal and state agencies, and identify the agency designated by the state's governor to consult with the Commission regarding either a proposed LNG project or proposed modification to an existing LNG project that would raise new safety concerns. In addition, the prospective applicants must demonstrate that the designated agency is aware of the applicant's intention to use the pre-filing process.

As contemplated in the notice of proposed rulemaking, the Commission does not impose the mandatory pre-filing procedures for new or expanded natural gas facilities that do not involve LNG. Applicants for non-LNG-related gas infrastructure, such as interstate pipelines, storage facilities, compression or metering stations, may continue to elect to use the pre-filing procedures.

Of the fourteen proposals pending before the Commission for new LNG terminals or facilities, three are currently in the pre-filing process. They are: the Broadwater LNG Project proposed for offshore NY State (Docket No. PF05-4-000), Gulf LNG Clean Energy proposed for the Pascagoula, MS area (Docket No. PF05-5-000), and Northern Star LNG proposed for Columbia County, Oregon (Docket No. PF05-10-000).

The final rule takes effect 30 days after publication in the Federal Register (www.gpoaccess.gov).