
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

NEWS MEDIA CONTACT:
Tamara Young-Allen
(202) 502-8680

FOR IMMEDIATE RELEASE:
March 24, 2004
Docket No. CP04-58-000

COMMISSION ASSERTS EXCLUSIVE JURISDICTION FOR LIQUEFIED NATURAL GAS FACILITIES

Regulatory authority for the siting and construction of liquefied natural gas (LNG) import terminals rests exclusively with the federal government, the Federal Energy Regulatory Commission concluded in an order issued today.

The Commission clarified its authority in an order responding to the California Public Utilities Commission's (CPUC) claim that California has jurisdiction over LNG facilities within its borders. The CPUC believes that Sound Energy Solutions (SES), an applicant to FERC for a proposed LNG import facility at the Port of Long Beach, must submit an application to the CPUC for the proposed LNG terminal.

The Commission expressed its intention to continue to work closely with the CPUC, other California state and local agencies, federal agencies, and the public in reviewing the proposed Long Beach LNG project. The Commission noted that FERC staff and the Port of Long Beach are working on a joint environmental analysis of the project. In addition to potential impact on the environment and cultural resources, the analysis will take into consideration tanker operation, marine facilities, safety and terminal siting construction and operation.

"We acknowledge the legitimate concerns of the CPUC regarding matters of safety and security and give our assurance that the evaluation of the proposed project will include thorough and rigorous review of these issues," the Commission said.

In a related action, the Commission today announced the formation of a new branch within FERC's Office of Energy Projects devoted to LNG issues. The LNG Engineering Branch will be responsible for the Commission's LNG inspection program and ensuring coordination among other relevant agencies, including the U.S. Coast Guard and the Department of Transportation's Office of Pipeline Safety. Creating the new branch reflects LNG's importance for the nation's energy infrastructure and economy.