
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

NEWS MEDIA CONTACT:

Tamara Young-Allen
202-502-8680

FOR IMMEDIATE RELEASE:

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Docket No. CP04-395-000,
et al.

COMMISSION AUTHORIZES LNG TERMINAL PROPOSED FOR SAN PATRICIO COUNTY, TEXAS

The Federal Energy Regulatory Commission today authorized the construction and operation of a new liquefied natural gas (LNG) terminal and related pipeline facilities proposed by Vista del Sol LNG Terminal LP and Vista del Sol Pipeline LP, affiliates of ExxonMobil Corp.

The Commission said the Vista del Sol project is supported by historical and projected trends in natural gas demand and supply. Natural gas prices have tripled in recent years in the face of growing demand as traditional sources of domestically produced gas appear to be in long-term decline. This has set the stage for LNG imports to become an increasingly important contributor to the Nation's energy supply and economy.

The proposed project would be constructed in San Patricio County, Texas. Vista del Sol plans to import, store and vaporize approximately 1.1 billion cubic feet (bcf) per day of LNG, with a peak storage capacity of 1.4 bcf per day. The proposal calls for Vista del Sol LNG Terminal to construct a new onshore marine terminal and associated facilities, while Vista del Sol Pipeline would construct and operate 25 miles of pipeline that would transport, through interconnections with several existing interstate and intrastate pipelines, up to 1.4 bcf of gas daily throughout the United States.

As part of its review process, the Commission conducted extensive environmental, safety and security analyses. The Commission concluded that, with mitigation measures, the proposals would have limited adverse environmental impact. Today's order adopts the recommended mitigation measures detailed in the Commission Staff's Final Environmental Impact Statement (FEIS) issued in April.

Staff reviewed public comments and consulted with the following cooperating agencies in preparation of the FEIS: U.S. Coast Guard, U.S. Department of Homeland Security, U.S. Department of Transportation, U.S Army Corp of Engineers, U.S. Department of Interior, Fish and Wildlife Service, U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service, U.S. Environmental Protection Agency, and the Texas Coastal Coordination Council.

The Commission in recent months has approved four other projects that propose to construct and operate new LNG terminals: Cameron LNG LLC in September 2003, and an expansion in April 2005, for a project near Hackberry, LA; Freeport LNG Development LP in June 2004 for a project near Freeport, TX; Cheniere Sabine Pass LNG LP in December 2004 for a project near Port Arthur, TX; and Cheniere Corpus Christi LNG Project in April 2005 for a project near Corpus Christi, TX.

LNG is created by supercooling natural gas to minus 260 degrees Fahrenheit. With this dramatic reduction in volume (by a factor of 600 to one), LNG can be transported over long distances by ocean-going tankers and regasified at an LNG import terminal for shipment by pipeline to markets.

Further information on today's order and LNG matters in general is available at www.ferc.gov.