
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket Nos. CP05-420; CP06-12
CP06-13; CP06-14; CP05-357 &
CP05-357-004; CP06-355 &
CP96-810-006; CP06-365 &
CP06-366-001, *etc.*)

COMMISSION AUTHORIZES TWO NEW LNG IMPORT TERMINALS; EXPANDS NATURAL GAS ENERGY INFRASTRUCTURE; DISMISSES COMPLAINT IN PENDING OREGON LNG PROCEEDING

The Federal Energy Regulatory Commission today approved two new liquefied natural gas (LNG) terminals that could supply approximately 3.1 billion cubic feet (Bcf) of natural gas per day to meet ever increasing demand.

FERC Chairman Joseph T. Kelliher observed: “Our natural gas markets are changing fundamentally. North American natural gas supply is no longer sufficient to meet North American demand, and LNG will play a more important role in meeting U.S. natural gas supply needs. These are significant import projects, with a combined capacity nearly equal to the projected capacity of an Alaskan gas pipeline. More importantly, we find that these projects meet our high safety standards.”

After a thorough environmental, security and safety analysis conducted by staff in cooperation with the U.S. Coast Guard and other federal, state and local agencies, the Commission granted authorization to two new onshore LNG terminals that would be located in Jackson County, Mississippi. The Commission adopted staff’s recommended conditions to its authorization to mitigate any potential adverse impacts on the environment.

The projects, which will be located adjacent to one another, are:

- **BAYOU CASOTTE ENERGY LLC** (Docket No. CP05-420) – The Commission authorized the construction and operation of a new onshore Casotte Landing LNG terminal project proposed by Chevron so that its affiliates may import and deliver up to a peak volume of 1.6 Bcf of regasified LNG per day. The vaporized LNG will reach the interstate grid

through interconnections with five interstate pipelines. The project would use a 264-acre parcel of land adjacent to Chevron's existing Pascagoula, Mississippi, oil refinery on Bayou Casotte.

- **GULF LNG ENERGY LLC AND GULF LNG PIPELINE LLC** (Docket Nos. CP06-12, CP06-13 and CP06-14). The Commission authorized the LNG Clean Energy Project proposed by Gulf LNG Energy LLC for a new onshore terminal and related facilities designed to provide a peak delivery of 1.5 Bcf per day. The project would provide vaporized natural gas to the interstate grid through a new pipeline that would connect with two interstate pipelines and a gas processing plant owned by BP. The estimated \$450 million project also would be located in Pascagoula, Mississippi.

Also today, the Commission authorized the expansion of a pipeline proposed by sponsors of the recently authorized Cheniere Creole Trail LNG project (Docket Nos. CP05-357-003 and CP05-357-004). The Commission amended its previous authorization and approved the construction and operation of an additional 18.1 miles of 42-inch pipeline in Cameron Parish, Louisiana, that will connect with another recently approved project proposed by Cheniere Sabine Pass Pipeline LP. The amended proposal would extend Chienere Trail's 116.8 mile certificated pipeline system westward from the Creole Trail's terminal site to interconnect with the terminus of the Sabine Pass pipeline system, located at Johnson's Bayou in Cameron Parish, in order to access and transport up to 2.0 Bcf per day of previously authorized regasified LNG originating from the Sabine Pass LNG terminal.

The amended Creole Trail pipeline project would also connect its facilities to additional gas suppliers and processing plants located at Johnson's Bayou through other various pipeline interconnections with Sabine Pass. The estimated cost of the project is \$101.7 million.

Also today, the Commission authorized Maritimes & Northeast Pipelines LLC (Docket Nos. CP06-355-000, CP06-355-001 & CP96-810-006) to expand its existing facilities to increase its mainline design capacity by approximately 418,000 dekatherms per day to 833,317 dekatherms per day to accommodate the importation of regasified LNG from the Canaport LNG import terminal in Canada to supply the U.S. Northeast.

In its Phase IV Pipeline Project, Maritimes proposes to construct and operate an additional 1.7 miles of 30-inch diameter pipeline loop, adjacent to its existing 30-inch diameter mainline, that will extend from the St. Croix River at the U.S.-Canada border to its Baileyville, Maine, compressor station. In addition, Maritimes proposes to construct and operate five new compressor station units with a total of 89,864 horsepower at Woodchopping Ridge, Brewer, Searsmont, Westbrook and Eliot in Maine, along with either new or upgraded metering stations located along its route in Maine.

The Commission also approved Maritimes' request to amend its Presidential Permit to permit the increased imported volumes of natural gas from Canada and to construct and operate an additional interconnection at the U.S.-Canada border near Goldboro, Nova Scotia. The proposed project will cost an estimated \$321.3 million.

In another proceeding, the Commission dismissed a complaint alleging FERC Staff violated *ex parte* contact prohibition rules by attending a December 14, 2006 meeting on environmental issues relating to Northern Star Energy LLC's proposed Bradwood Landing LNG Project, currently under FERC Staff review (Docket No. CP06-365-001, CP06-366-001, CP06-376-001 and CP06-377-001). Complainants alleged FERC Staff should not have attended the meeting that included representatives from Bradwood Landing, Northern Star, the U.S. Army Corps of Engineers, the U.S. Coast Guard, the U.S. Department of Commerce's National Marine Fisheries Service, the Nez Perce Tribe, Columbia River Inter-Tribal Fish Commission, and others.

Northern Star filed an application on June 5, 2006 to construct and operate an onshore import LNG terminal and a send-out pipeline that would import up to 1Bcf of gas per day. The project would be located in Bradwood, Clatsop County, OR. In addition, the company proposes to construct and operate a 34-mile long Bradwood Landing Pipeline that would transport the LNG from the terminal to Northwest Pipeline Corp's pipeline in Cowlitz, Washington for service to interstate markets.

The Commission found FERC Staff properly adhered to procedures and followed FERC regulations covered by Section 385.2201(e)(vi)(A), which permits off-the-record communications for the purpose of preparing an environmental impact statement (EIS) as long as a summary of the communications is promptly placed in the public record.

"Such was the procedure followed in this case, where written and oral off-the-record communications relating to the preparation of an EIS were promptly placed in the decisional record of the proceeding and noticed by the Secretary. Complainants will have an opportunity to review and comment on the information presented and discussed at the December 14, 2006 meeting, and their comments will be taken into account by the Commission as part of its preparation of its EIS," the Commission said.

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