



FEDERAL ENERGY REGULATORY COMMISSION

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Dominion Cove Point
Docket No. CP05-130-000

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FERC Authorizes Cove Point LNG Expansion, Caps LNG Flow on WGL System

The Federal Energy Regulatory Commission (FERC) today responded to a federal court remand by re-issuing its authorization of the construction and operation of facilities proposed by Dominion Cove Point to expand its existing LNG terminal and related pipeline, located in Cove Point, Maryland, but capping LNG flows across the WGL system at currently authorized levels.

Background

In a July 18, 2008, ruling involving a case brought against FERC by Washington Gas Light Company (WGL), the United States Court of Appeals for the District of Columbia Circuit affirmed the Commission on all but one issue when it remanded FERC orders approving the Cove Point Expansion Project.

FERC authorized the Cove Point Expansion Project on June 16, 2006. The project involves construction and operation of facilities at the existing Cove Point LNG terminal to increase the volumes of LNG that can be imported, stored, regasified and delivered. FERC also approved an expansion of the Dominion Cove Point Pipeline, which includes nearly 47.8 miles of 36-inch diameter loop pipeline in Maryland and approximately 124 miles of 20- and 24-inch pipeline in West Virginia and Pennsylvania, and various related facilities in those states and Virginia to be built and operated by Dominion Transmission.

The court agreed with FERC's conclusions that any leaks on WGL's system related to LNG deliveries were a result of defects on that system, which WGL was responsible for fixing, but remanded the case to FERC so that the Commission "can more fully address whether the Expansion can go forward without causing unsafe leakage." The court's concern was whether an increase in LNG volumes posed safety problems.

The Order

After conducting technical conferences and gathering additional data, FERC today concludes the project may go forward on condition that Cove Point limit its deliveries from the Cove Point Pipeline into its interconnection with Columbia Gas Transmission Corp.'s system at Loudoun, Va., to a maximum of 530,000 Dekatherms per day.

This cap reflects the level authorized in Cove Point's tariff. This volume is equivalent to the existing primary delivery point rights of Cove Point LNG shippers at that delivery point. This limitation on deliveries "will allow timely completion of project construction while at the same time ensuring that no additional volumes of LNG associated with the Expansion project are delivered into the [WGL's] system, thus ameliorating concerns about the safety of WGL's system," FERC said.