

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Cameron LNG, LLC

Docket No. CP06-422-001

ORDER AMENDING AUTHORIZATION  
UNDER SECTION 3 OF THE NATURAL GAS ACT

(Issued July 10, 2007)

1. On February 15, 2007, Cameron LNG, LLC (Cameron LNG) filed a request for modification of the authorization granted by the Commission's January 18, 2007 "Order Granting Authorization Under Section 3 of the Natural Gas Act."<sup>1</sup> The January 2007 Order authorized Cameron LNG to expand the liquefied natural gas (LNG) import terminal previously authorized by the Commission in Docket No. CP02-378-000, *et al.*, and currently under construction near Hackberry, Louisiana.<sup>2</sup> Among other things, the January 2007 Order authorized Cameron LNG to increase the previously authorized send-out rate of the LNG terminal from 1.5 billion cubic feet (Bcf) of natural gas per day to 1.8 Bcf per day on an interim basis while the expansion facilities are under construction and, ultimately, to 2.65 Bcf per day.

2. In its petition, Cameron LNG requests that the Commission modify its section 3 authority to permit it to increase the authorized send-out rate to 1.8 Bcf of natural gas per day before, rather than during, the construction of the expansion facilities. As discussed below, the Commission finds that Cameron LNG's proposal is consistent with the public interest and will amend Cameron LNG's section 3 authorization, subject to conditions, to permit the increase in send-out capacity to occur prior to the commencement of construction of the expansion facilities authorized by the January 2007 Order.

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<sup>1</sup> *Cameron LNG, LLC*, 118 FERC ¶ 61,019 (2007).

<sup>2</sup> *Cameron LNG, LLC*, 104 FERC ¶ 61,269 (2003).

## I. Background

3. In an order issued on September 11, 2003, in Docket No. CP02-378-000, *et al.*, the Commission authorized Cameron LNG to site, construct, and operate an LNG terminal pursuant to NGA section 3(a).<sup>3</sup> The September 2003 order also granted Cameron LNG certificate authority pursuant to NGA section 7(c) to construct, own, and operate a 35.4-mile long, 36-inch diameter pipeline from the tailgate of the proposed LNG terminal to Transcontinental Gas Pipe Line Corporation's compressor station in Beauregard Parish, Louisiana.<sup>4</sup> This order required Cameron LNG to complete construction within five years.

4. Subsequently, Cameron LNG's section 3 authorization was amended in Docket No. CP02-378-002 to allow for modification of the terminal berthing facilities to accommodate larger LNG tankers,<sup>5</sup> and in Docket No. CP02-378-004 to incorporate certain design modifications into the early stages of construction of its LNG terminal, which already had commenced, in anticipation of the expansion project subsequently approved by the Commission's January 2007 Order.<sup>6</sup>

5. In the January 2007 Order in this proceeding, the Commission authorized Cameron LNG, *inter alia*, to expand the capacity of its LNG terminal facilities to increase the authorized send-out rate from 1.5 Bcf of natural gas per day to an ultimate send-out rate of 2.65 Bcf per day, and increase the send-out rate of the LNG terminal on

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<sup>3</sup> *Id.*

<sup>4</sup> The September 11, 2003 order issued to Cameron LNG a Part 284 subpart G blanket transportation certificate and a Part 157 subpart F blanket construction certificate. The Commission later approved Cameron LNG's transfer of its NGA section 7(c) certificate authorizations to Cameron Interstate Pipeline, LLC (*Cameron LNG, LLC, et al.*, 111 FERC ¶ 61,490 (2005)).

<sup>5</sup> *Cameron LNG, LLC*, 111 FERC ¶ 61,018 (2005).

<sup>6</sup> *Cameron LNG, LLC, et al.*, 115 FERC ¶ 61,229 (2006).

an interim basis to 1.8 Bcf of natural gas per day, while the expansion project facilities are under construction.<sup>7</sup>

6. As stated above, Cameron LNG has not yet completed its terminal and, therefore, has not commenced service. In the instant request, Cameron LNG seeks authority to increase the 1.5 Bcf per day send-out rate authorized by the Commission's September 2003 Order to 1.8 Bcf of natural gas per day once the original LNG tanks authorized by that order are constructed and in operation, without regard to whether construction of the expansion project facilities authorized by the January 2007 Order to increase send-out capability to 2.65 Bcf per day has commenced. Cameron LNG requests this modification so that customers can benefit from the initial vaporization capabilities of the LNG terminal as soon as practicable. Cameron LNG explains that it should not have qualified its request in its previous application to increase the send-out rate to up to 1.8 Bcf of natural gas per day with the phrase "while the Expansion Project facilities are under construction."<sup>8</sup> Cameron LNG adds that its request does not require any change in construction or operations, but is simply a refinement of what was previously sought and granted.

## **II. Notice and Intervention**

7. Public notice of Cameron LNG's filing was issued on May 25, 2007, and published in the *Federal Register* on June 1, 2006 (72 Fed. Reg. 30,576). No party filed a motion to intervene or comments by the June 8, 2007 deadline.

## **III. Discussion**

8. Prior to issuance of the Commission's January 2007 Order, Cameron LNG's authorized send-out rate, once its terminal is ready to begin service, was 1.5 Bcf of natural gas per day. The January 2007 Order approving Cameron LNG's terminal expansion project authorized Cameron LNG to increase the initial send-out rate of the terminal from 1.5 Bcf of natural gas per day to an interim rate of up to 1.8 Bcf of natural gas per day during the construction of the expansion facilities authorized by that order.

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<sup>7</sup> To increase Cameron LNG's send-out rate to 2.65 Bcf per day, the January 2007 Order authorized construction of the following expansion facilities: a fourth LNG storage tank; in-tank pumps; send-out pumps; submerged combustion vaporizers; unloading arms; a hot water heating system consisting of natural gas fired hot water heaters; water circulation pumps; and a shell and tube heat exchanger.

<sup>8</sup> Supplement Request of Cameron LNG at 3.

Cameron LNG has now filed a request for modification of the January 2007 Order's authorizations to permit it to increase the send-out rate to up to 1.8 Bcf per day prior to the commencement of construction of any of the expansion project facilities. Granting the request requires revision of several of the environmental conditions imposed by the January 2007 Order. Therefore, the Commission is treating Cameron LNG's request for an amendment of its NGA section 3 authorization.

9. The Commission's staff has determined that Cameron LNG has the ability to increase the send-out rate of its facility to 1.8 Bcf of natural gas per day, irrespective of the construction of the expansion facilities authorized by the January 2007 Order. The installed spare send-out pumps and the design margin of the previously authorized, installed vaporization equipment, with the modifications authorized by the Commission's previous orders, can attain the increased send-out rate of up to 1.8 Bcf per day.

10. Further, based on the Commission staff's environmental review, the requested revision to Cameron LNG's section 3 authorization will not require any ground-disturbing activities and will not have any construction-related environmental impacts. The only impact that will result from an increase in the terminal send-out rate above 1.5 Bcf per day, before the construction of any of the expansion project facilities, will be an increase in LNG vessel traffic in the Calcasieu Ship Channel. To achieve a terminal send-out rate greater than 1.5 Bcf per day and up to 1.8 Bcf per day, Cameron LNG's customers will need to increase the incoming volumes of LNG, which will necessarily be accomplished by increased vessel traffic, greater than the vessel traffic supporting the authorized send-out rate of 1.5 Bcf per day. However, the increase in vessel traffic from increasing the send-out rate to 1.8 Bcf per day will be less than the increase in vessel traffic that will occur after completion of the expansion facilities approved by the January 2007 Order. In considering increased vessel traffic in the environmental assessment (EA) for Cameron LNG's terminal expansion project and in the January 2007 Order, findings regarding increased LNG vessel traffic were based on the higher, ultimate 2.65 Bcf send-out rate following the expansion. The Commission found that the additional LNG ships associated with the operation of the terminal expansion project would not have an adverse effect on existing and future shipping within the Calcasieu Ship Channel or adverse environmental impacts.<sup>9</sup>

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<sup>9</sup> EA for Cameron LNG Terminal Expansion Project, issued on November 17, 2006 at 46 and 72-83 and 118 FERC ¶ 61,019 at PP 34-35. In the EA, the Commission staff determined that an increase in the terminal send-out rate of 2.65 Bcf per day, as proposed by Cameron LNG, would result in an increase of 156 ships in the Calcasieu Ship Channel over the number of ships resulting from the previously authorized 1.5 Bcf send-out rate.

11. Therefore, the Commission will grant Cameron LNG's request and authorize it to increase its LNG terminal's authorized send-out rate to up to 1.8 Bcf of natural gas per day before Cameron LNG starts construction of the expansion facilities authorized by the January 2007 Order, subject to conditions, as discussed below.

12. The Commission's grant of authorization in the January 2007 Order for Cameron LNG to construct the expansion facilities and to increase the initial send-out rate of the terminal from 1.5 Bcf of natural gas per day to an interim rate of up to 1.8 Bcf per day during the construction of the expansion facilities authorized by that order, and ultimately to 2.65 Bcf per day, was subject to numerous environmental conditions. Because our approval of Cameron LNG's instant request to increase the send-out rate before commencing any construction of the expansion facilities will not require any ground-disturbing activities, many of the construction-related environmental conditions in the January 2007 Order will not need to be met prior to increasing the send-out rate up to 1.8 Bcf per day.

13. However, the January 2007 Order authorizing Cameron LNG's expansion project included a number of pertinent conditions reflecting current Commission policy and legal requirements that had not been included in the original September 11, 2003 Order authorizing the construction and operation of the LNG terminal. The Commission finds it is appropriate to require that Cameron LNG satisfy several of the new conditions imposed by the January 2007 Order, specifically, those new, non-construction-related conditions, before it commissions any of its LNG terminal facilities.

14. Therefore, as a condition to the Commission's granting of Cameron LNG's current request to increase its authorized initial send-out rate, Cameron LNG must comply with the following environmental conditions of the January 2007 Order, set forth in the Appendix to this order, before the commissioning of any LNG terminal facilities: (1) Condition No. 12 (whale protection measures); (2) Condition No. 15 (waterway suitability assessment); (3) Condition No. 22 (Emergency Response Plan); (4) Condition No. 23 (Cost-Sharing Plan); and (5) Condition No. 40 (coordination with U.S. Coast Guard regarding security).<sup>10</sup>

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<sup>10</sup> The Commission clarifies that all of the conditions of the January 2007 Order, including these five conditions, apply to the Cameron LNG's expansion project and must be met before commencement of construction of any of the expansion facilities authorized by the January 2007 Order; however, only the five conditions set forth in the Appendix to this order must be met prior to any pre-construction increase in the terminal send-out rate as authorized herein.

15. Based on the Commission Staff's environmental review of Cameron LNG's request, the Commission concludes that if operated in accordance with Cameron LNG's petition filed on February 15, 2007, approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

16. The Commission on its own motion, received and made a part of the record all evidence, including the application submitted in support of the authorization sought in this proceeding. Upon consideration of this record,

The Commission orders:

(A) Cameron LNG's authorization pursuant to section 3 of the NGA is amended to increase the authorized initial send-out rate of its LNG terminal from 1.5 Bcf to up to 1.8 Bcf of natural gas per day, as discussed herein and subject to the conditions set forth in the appendix to this order.

(B) Except as provided herein, the January 2007 Order shall remain in full force and effect, and the environmental conditions of the January 2007 Order apply to Cameron LNG's expansion project approved by that order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

## APPENDIX

### Environmental Conditions

This order's authorization for Cameron LNG to increase its LNG terminal send-out above 1.5 billion cubic feet (Bcf) of natural gas per day is subject to the following conditions:

1. **Prior to commissioning any LNG terminal facilities**, Cameron LNG shall have in place whale protection measures to ensure that:
  - a. any whale accidentally struck, any dead whale carcass spotted, and any whale observed entangled in fishing gear shall be reported immediately to the U.S. Coast Guard (Coast Guard) noting the precise location and time of the accident or sighting; and
  - b. in the event of a strike or sighting, the following information shall be provided to the Coast Guard: location and time of the accident or sighting, wind speed and direction; speed of the vessel; size of the vessel; water depth; description of the impact; fate of the animal, if known; and species and size, if known.
2. Cameron LNG shall annually review its waterway suitability assessment relating to liquefied natural gas (LNG) vessel traffic for the LNG terminal; update the assessment to reflect changing conditions which may impact the suitability of the waterway for LNG marine traffic; provide the updated assessment to the cognizant Coast Guard Captain of the Port/Federal Maritime Security Coordinator (COTP/FMSC) for review and validation and if appropriate, further action by the COTP/FMSC relating to LNG vessel traffic; and provide a copy to the Federal Energy Regulatory Commission (FERC) staff.
3. **Prior to Commissioning any LNG terminal facilities**, Cameron LNG shall develop an Emergency Response Plan and coordinate procedures with the Coast Guard, state, county, and local emergency planning groups, fire departments, state and local law enforcement, and appropriate federal agencies. This plan shall include at a minimum:
  - a. designated contacts with state and local emergency response agencies;
  - b. scalable procedures for the prompt notification of appropriate local officials and emergency response agencies based on the level and

- c. severity of potential incidents;
- c. procedures for notifying residents and recreational users within areas of potential hazard;
- d. evacuation routes/methods for residents and other public use areas that are within any transient hazard areas along the route of the LNG vessel transit;
- e. locations of permanent sirens and other warning devices; and
- f. an "emergency coordinator" on each LNG vessel to activate sirens and other warning devices.

The Emergency Response Plan shall be filed with the Secretary for review and written approval by the Director of the Office of Energy Projects (OEP) **prior to commissioning of any LNG terminal facilities.** Cameron shall notify FERC staff of all planning meetings in advance and shall report progress on the development of its Emergency Response Plan at 3-month intervals.

4. The Emergency Response Plan shall include a Cost-Sharing Plan identifying the mechanisms for funding all project-specific security/emergency management costs that will be imposed on state and local agencies. In addition to the funding of direct transit-related security/emergency management costs, this comprehensive plan shall include funding mechanisms for the capital costs associated with any necessary security/emergency management equipment and personnel base. The Cost-Sharing Plan shall be filed with the Secretary for review and written approval by the Director of OEP **prior to commissioning of any LNG terminal facilities.**
5. **Prior to commissioning of any LNG terminal facilities,** Cameron shall coordinate with the Coast Guard to define the responsibilities of Cameron's security staff in supplementing other security personnel and in protecting the LNG tankers and terminal.