

137 FERC ¶ 61,034
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
John R. Norris and Cheryl A. LaFleur.

Southern LNG Company, L.L.C.

Docket No. CP06-470-000

ORDER VACATING SECTION 3 AUTHORIZATION

(Issued October 11, 2011)

1. On August 2, 2011, Southern LNG Company, L.L.C. (Southern LNG) filed a motion requesting that the Commission vacate a portion of the order issued in *Southern LNG, Inc.*, 120 FERC ¶ 61,258 (2007) (2007 Order).
2. The 2007 Order authorized, among other things, Southern LNG, under section 3 of the Natural Gas Act (NGA),¹ to expand the storage capacity of its liquefied natural gas (LNG) import terminal on Elba Island, in Chatham County, Georgia, by 8.44 Bcf and its vaporization capacity by 900 MMcf per day in two phases. The first phase (Phase A) consisted of construction of a new LNG storage tank, installation of submerged combustion vaporizers, and modification of the existing unloading docks to provide service to Shell NA LNG LLC.² The vaporization and storage portions of Phase A were placed in service in March and July 2010, respectively.³
3. The second phase (Phase B) consisted of construction of an additional LNG storage tank and installation of submerged combustion vaporizers with a firm send-out capacity of 495 MMcf per day to provide LNG terminalling service to BG LNG Services, LLV (BG). Southern LNG entered into a precedent agreement with

¹ 15 U.S.C. § 717(b) (2006).

² 2007 Order, 120 FERC ¶ 61,258 at P 4.

³ See February 26, 2010 Letter Order (authorizing Southern LNG to place into service certain Phase A facilities, including submerged combustion vaporizers) and June 30, 2010 Letter Order in CP06-470 (authorizing Southern LNG to place into service the LNG tank D-5 system for Phase A).

BG for the entire firm capacity of Phase B.⁴ According to Southern LNG's motion to vacate, the precedent agreement with BG anticipated that, subject to certain conditions precedent, the parties would execute a service agreement to subscribe to capacity associated with Phase B.⁵

4. Southern LNG states that, by letter dated June 30, 2011, BG notified Southern LNG that it could not satisfy or waive one of the conditions precedent. Therefore, the facilities associated with Phase B of the expansion project are no longer necessary.⁶

5. Since Southern LNG does not plan to construct and operate the facilities associated with Phase B of the expansion project, it no longer requires the related section 3 authorization. Therefore, the Commission will grant Southern LNG's motion to vacate that portion of the 2007 Order that authorized the facilities associated with Phase B of the expansion project.

The Commission orders:

The authorization issued to Southern LNG under section 3 of the NGA to construct and operate the facilities associated with Phase B of its Elba Island expansion project is vacated in part as described above.

By the Commission. Commissioners Spitzer and Moeller are not participating.

(S E A L)

Kimberly D. Bose,
Secretary.

⁴ 2007 Order, 120 FERC ¶ 61,258 at P 6.

⁵ Southern LNG Motion at 2.

⁶ Southern LNG Motion at 3.