



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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FERC Approves AES Sparrows Point LNG Terminal, Mid-Atlantic Express Pipeline

The Federal Energy Regulatory Commission (FERC) today approved, with conditions, a new liquefied natural gas (LNG) import terminal and connecting interstate pipeline proposed by AES Sparrows Point LNG, LLC and Mid-Atlantic Express, LLC that will bring 1.5 billion feet per day (Bcf/d) of natural gas to serve rising demand in the northeastern United States.

“When FERC reviews a proposed LNG import project, our primary concern is assuring public safety,” FERC Chairman Joseph T. Kelliher said. “We have done so in this order, by attaching 169 conditions that will protect public safety and mitigate any adverse environmental impact and assure the AES Sparrows Point LNG Project will provide service in a safe and secure manner and provide fuel to generate electricity and heat homes. I realize this is not a popular decision, but it is the correct decision, rooted in a voluminous record and based on sound science.”

AES plans to construct and operate the new import terminal and related facilities at an industrial port setting at Sparrows Point, southeast of Baltimore in Baltimore County, Maryland. The number of ships transiting to and from the Sparrows Point terminal is projected to increase commercial marine traffic in the Chesapeake Bay by 5 to 7 percent.

The project includes facilities capable of unloading LNG ships, storing up to 480,000 cubic meters of LNG, vaporizing the LNG and sending out natural gas at a base-load rate of 1.5 Bcf/d.

FERC also authorized Mid-Atlantic Express to construct and operate an estimated 88 miles of 30-inch diameter natural gas pipeline, of which about 48 miles would be located in Baltimore, Harford and Cecil Counties, Maryland, with the other 40 miles in Lancaster and Chester Counties, Pennsylvania, ending in Eagle, Pa.

After a thorough analysis of all potential environmental impacts, safety and security concerns and a review of public comments, FERC will impose 169 mitigation conditions, incorporating all mitigation conditions recommended by FERC’s environmental staff in the December 2008 Final Environmental Impact Statement (EIS). Staff concluded that the Sparrows Point LNG Terminal and Pipeline Project, with appropriate recommended mitigating measures, would have mostly limited adverse environmental impacts.

FERC staff worked with various local, state and federal agencies including the U.S. Coast Guard, the U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency in preparation of the EIS.

In response to concerns raised by FERC staff and various landowners about the proposed pipeline route, FERC adopted the staff’s recommended route variations that address conflicts in very congested areas through the northern portion of the pipeline route in Pennsylvania where there has been significant residential growth.

FERC also will require site-specific residential plans for approximately 160 residences located within 50





feet of the construction site.

FERC conducted extensive public outreach on this project, conducting or participating in eight public meetings. This includes three scoping meetings, three comment meetings, and two public meetings attended by the Director of the Office of Energy Projects. FERC analyzed more than 500 public comments over the course of 32 months – eight months of pre-filing and 24 months of processing the application. The public record in this proceeding exceeds 25,000 pages.

FERC denied requests from commenters who had sought additional time to submit comments on the Final EIS. The order states that under review procedures that began with the April 2006 pre-filing of the Sparrows Point proposal, the public has had notice, opportunities for review and adequate time to comment using FERC's electronic filing procedures or via letters sent by postal mail or through participation in several public scoping sessions hosted by FERC staff in Maryland and Pennsylvania communities located along the proposed project's route.

In response to concerns raised by the public and the Department of the Interior, the FERC order clarifies that construction of the project cannot commence until project sponsors comply with the environmental conditions specified in the order.

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