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# FEDERAL ENERGY REGULATORY COMMISSION

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WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

December 15, 2004  
Docket Nos. CP04-47, CP04-38,  
CP04-39, and CP04-40

## COMMISSION APPROVES LNG TERMINAL NEAR PORT ARTHUR, TEXAS

The Federal Energy Regulatory Commission today approved the construction of a new liquefied natural gas (LNG) facility proposed for Cameron Parish in southwest Louisiana near Port Arthur, Texas. The proposal by Sabine Pass LNG is intended to provide competitively priced energy supplies and help with the emerging natural gas supply crunch in the United States.

The Commission also approved the construction of a new 16-mile pipeline, proposed by Cheniere Sabine Pass Pipeline Company, which will connect the LNG terminal to an existing pipeline. Sabine LNG and Cheniere Sabine Pipeline are affiliated companies.

The Sabine LNG project, the largest LNG facility ever authorized by the Commission, will receive, store and vaporize an average of 2.6 billion cubic feet per day (Bcf/d) of LNG, while the Cheniere Sabine Pipeline will transport the imported natural gas to existing intrastate and interstate pipelines throughout the country.

As part of the review process for the Sabine LNG and Cheniere Sabine Pipeline proposals, the Commission conducted an extensive environmental review and determined that, with mitigation measures, the proposals would have limited impact on the environment. The order adopts mitigation recommended in the staff's Final Environmental Impact Statement (FEIS) issued in November. The U.S. Fish and Wildlife Service, the U.S. Coast Guard, and the U.S. Army Corps of Engineers were cooperating agencies in the preparation of the EIS. The National Oceanic and Atmospheric Administration, National Marine Fisheries Service and the Louisiana Department of Wildlife and Fisheries assisted in the preparation of the EIS.

Today's action marks the third recent approval of a new LNG import terminal in

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the U.S. The other two approvals by the Commission to build new LNG terminals were to Cameron LNG, LLC in September 2003 and to Freeport LNG Development, L.P. in June 2004.

LNG is created by cooling natural gas to minus 260 degrees Fahrenheit. Then, dramatically reduced in volume by a factor of 600 to one, LNG can be moved long distances by ocean-going tankers and restored to its original gaseous form at an LNG import terminal, then moved through pipelines to markets.

LNG imports are seen as a vital part of the nation's energy supply mix as increasing demand is expected to exceed domestic supply in the near future.

R-04-58

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