

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
William L. Massey, and Nora Mead Brownell.

AES Ocean Express LLC

Docket Nos. CP02-90-000,
CP02-90-001,
CP02-91-000,
CP02-91-001,
CP02-92-000,
CP02-92-001,
CP02-93-000,
CP02-93-001

ORDER AMENDING PRELIMINARY DETERMINATION

(Issued June 11, 2003)

1. On May 14, 2003, AES Ocean Express LLC (Ocean Express) submitted a "request for clarification" of a preliminary determination on non-environmental issues issued on April 10, 2003.¹ The April 2003 order addressed non-environmental issues associated with the Ocean Express application for NGA Section 3 and 7 authorizations to build a new 54.3-mile long pipe to bring up to 842,000 Dth of gas per day from an underwater interconnect at the US-Bahamian EEZ boundary to delivery points in Broward County, Florida. The April 2003 order provided for Ocean Express to complete its proposed project within two years of the issuance of a final order in this proceeding. Ocean Express requests that this be extended to three years. We will amend the April 2003 order to provide the additional time requested.

2. This order has no impact on our consideration of environmental issues; these issues will be addressed in a subsequent order in this proceeding. Final approval and issuance of the requested authorizations depend on a favorable environmental review, and nothing in this order limits our actions with respect to that assessment.

¹103 FERC ¶ 61,030 (2003).

Background and Proposal

3. Ocean Express proposes to build and operate 54.3 miles of 24-inch pipe to bring gas from an offshore receipt point at the boundary between the Exclusive Economic Zone of the United States and the Commonwealth of the Bahamas to onshore delivery points in Broward County, Florida. An affiliate of Ocean Express plans to construct a liquefied natural gas (LNG) terminal in the Bahamas to receive, store, and regassify LNG. Regassified volumes will be transported from the new terminal facilities through a new 40.4-mile long, 24-inch diameter pipe to an interconnect with the offshore terminus of the proposed Ocean Express pipeline.

April 2003 Preliminary Determination

4. Ordering Paragraph (F) of the April 2003 order states that any authority issued in a final order in this proceeding will be conditioned on Ocean Express placing its proposed facilities into service within two years of the final order. The April 2003 order observes that the proposed Ocean Express facilities are expected to take eight months to complete, whereas the Bahamian facilities, *i.e.*, the new LNG terminal and pipe from the terminal to the interconnect with the proposed Ocean Express line, are expected to take 24 to 28 months to construct.

5. In its request, Ocean Express states that the Bahamian facilities "most likely" cannot begin construction until after the Commission issues a final order authorizing the Ocean Express proposed pipeline. Thus, although the Ocean Express facilities can be completed well within the two years specified in Ordering Paragraph (F) of the April 2003 order, the nonjurisdictional facilities that Ocean Express will rely on may require more than two years to complete. Ocean Express asks that the Commission recognize and accommodate this by permitting up to three years between issuance of a final order in this proceeding and Ocean Express placing its proposed facilities in service.

Commission Response

6. In our April 2003 order, while we acknowledged that nonjurisdictional facilities were expected to take more than two years to complete, we did not anticipate that construction of those facilities might not commence until issuance of a final order in this proceeding. In recognition of the interdependence of the separate US and Bahamian projects, we will modify Ordering Paragraph (F) of our April 2003 order to provide Ocean Express with up to three years from a final order in this proceeding to complete its proposed project.

The Commission Orders:

Ordering Paragraph (F) of the April 10, 2003 order in this proceeding is amended to read as follows:

Any certificate, authority, or approval issued in a final order in this proceeding will be conditioned on placing the proposed facilities in service within three years of the final order and on Ocean Express' compliance with all regulations under the NGA including, but not limited to, Parts 154 and 284, and paragraphs(a), (c), (e), and (f) of Section 157.20 of the Commission's regulations.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.