

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeen G. Kelly.

Expediting Infrastructure Construction  
To Speed Hurricane Recovery

Docket No. EM06-5-001

ORDER EXTENDING DEADLINE FOR CONSTRUCTION OF FACILITIES  
PURSUANT TO TEMPORARY WAIVER OF REGULATIONS RAISING BLANKET  
CERTIFICATE LIMITS

(Issued February 22, 2006)

1. On November 18, 2005, the Commission issued an order in this docket waiving its regulations, on a temporary basis, to raise the limitations on the costs for projects that natural gas pipelines may construct without prior specific authorization under their Part 157, Subpart F blanket certificates.<sup>1</sup> In order to expedite the construction of infrastructure which may serve to provide access to additional supplies of natural gas following the loss of natural gas production, processing, and transportation infrastructure in the Gulf Coast region as a result of Hurricanes Katrina and Rita, the Commission increased the costs of projects that can be constructed under the automatic provisions of blanket certificates from \$8.0 million to \$16.0 million, and under the prior notice provisions from \$22.0 million to \$50.0 million. In addition, the Commission expanded the definition of “eligible facilities” to include mainline facilities for this purpose. Under the terms of the November 18, 2005 Order, these temporary waivers apply only to those projects constructed and placed in service by October 31, 2006. However, the Commission believes it is appropriate to extend, until February 28, 2007, the time by which projects constructed pursuant to the waivers must be placed into service.

2. While recovery of production and processing capacity in the Gulf has been significant, according to the Minerals Management Service, 400 MMcf/d of natural gas production are expected to remain offline prior to the start of the next hurricane season.<sup>2</sup> It was the Commission’s intent that the waivers granted in the November 18, 2005 Order

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<sup>1</sup> See 18 C.F.R. §§157.201 - 157.218 (2005).

<sup>2</sup> EIA, *Short-Term Energy Outlook*, February 2006 edition.

would expedite the construction of infrastructure to access additional supplies of natural gas, thus mitigating the price impact on users of that gas. We initially granted the waivers for essentially a one-year period, the end of which coincides with the beginning of the 2006-2007 winter heating season. On reflection, we believe that projects which cannot be completed in time to provide service at the start of the heating season, might still deliver the benefits associated with additional gas supply if they are placed into service before the end of the heating season. Thus, we find it is in the public interest to extend the previously granted waivers of the limitations in blanket certificate regulations to those projects that will be built and placed into service by February 28, 2007.

The Commission orders:

The temporary waiver of the cost limitation and eligible facility provisions of the Part 157, Subpart F blanket certificate regulations set forth in the Commission's November 18, 2005 Order in this docket shall be applicable to facilities constructed and placed into service by February 28, 2007.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.