

**Chairman Kelliher on Hurricane Recovery Assistance
November 17, 2005**

"Hurricanes Katrina and Rita did severe damage to our energy infrastructure. Twenty percent of U.S. natural gas supply comes from the offshore Gulf, and much of that production remains shut in because of infrastructure damage caused by the hurricanes. That loss of production has been contributing to high natural gas prices.

"Our action today will speed recovery from the hurricanes, and help bring additional gas supplies to market just when consumers need them the most.

"The order temporarily waives certain requirements to expedite the construction of natural gas infrastructure and mitigate supply disruptions.

"Specifically, the order increases cost caps for projects that may be constructed under the automatic authorization provision of Part 157 blanket certificate regulations from \$8 to \$16 million, and under the prior notice provisions from \$22 to \$50 million. The increased limits will apply to projects providing increased or alternative uses for natural gas supplies.

"The order also expands the definition of "eligible facilities" that can be constructed under blanket certificates to include mainline facilities; extensions of mainline facilities, including compression and looping, that alter the capacity of a mainline; and temporary compression that raises the capacity of a mainline.

"The temporary waivers and expanded eligibility standards will apply only to those projects constructed and placed into service by October 31, 2006.

"This action follows on the heels of Commission approval of emergency orders authorizing more efficient use of our existing gas infrastructure. We are focused on natural gas prices and we doing what we can do to help in the recovery process. We note that the decrease in the amount of Gulf gas production that is shut in is in part the result of some of our emergency orders."