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# FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

October 11, 2005  
Docket No. EM06-1-000

### COMMISSION GRANTS EXEMPTION TO REROUTE NATURAL GAS SHUT IN BY HURRICANE KATRINA

The Federal Energy Regulatory Commission today granted an emergency exemption and waivers to expedite the transportation of up to 300 million cubic feet per day of offshore natural gas that is now shut in as a result of damage to a Dynegy Inc. processing plant in Venice, Louisiana, caused by Hurricane Katrina.

“This emergency action will help speed the recovery of badly damaged energy supplies in the Gulf Coast. The more natural gas that reaches the market, the less the price impact will be for homeowners this winter heating season,” said Commission Chairman Joseph T. Kelliher.

The Commission’s action grants Discovery Gas’ request to construct and operate approximately \$3 million in interconnections without triggering FERC regulations that restrict emergency transactions to 120 days. The company, whose system extends from the onshore area south of New Orleans approximately 105 miles into the Gulf of Mexico, wants to provide the service for up to a year or until the Venice processing plant comes back on stream, whichever occurs first.

Discovery Gas seeks to utilize Discovery Producer Service’s gathering line to take up to 300 million cubic feet of unprocessed gas offshore and transport the gas to an alternative processing plant in Larose, Louisiana. From there, the gas will be delivered into Texas Eastern Transmission Co.’s interstate pipeline network.

The company also proposes to construct loops and taps that would interconnect the gathering line to Texas Eastern on the upstream end and to Discovery on the downstream end. The processed gas would then be delivered into Discovery Gas Transmission’s pipeline for redelivery into the interstate pipeline grid. Discovery Gas will recover from shippers through a facilities reimbursement charge the estimated \$3 million cost of the interconnections.

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