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FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

NEWS MEDIA CONTACT:

Tamara Young-Allen
202-502-8680

FOR IMMEDIATE RELEASE

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COMMISSION ACTS TO STRENGTHEN NATURAL GAS INFRASTRUCTURE BY EXPANDING ELIGIBILITY OF BLANKET CERTIFICATE ACTIVITIES

The Federal Energy Regulatory Commission today approved a final rule expanding the scope of blanket certificate eligibility for natural gas infrastructure projects and raising the limits for project costs.

"Today's action will eliminate regulatory barriers and speed needed development of energy infrastructure that will ultimately benefit our nation's energy consumers," Commission Chairman Joseph T. Kelliher said. "Our actions reflect the changing nature of the natural gas market, including the need for more storage capacity and increased use of liquefied natural gas," he said.

The final rule would extend blanket certificate eligibility to mainlines, storage field facilities, and facilities transporting revaporized liquefied natural gas, or synthetic or natural gas. Currently, these types of facilities are excluded from the blanket certificate program, which only covers a limited set of facilities and services, such as natural gas transportation and storage, and is further restricted to projects that come within authorized cost levels.

Blanket certificates are granted to companies that have previously obtained a certificate of public convenience and necessity under section 7 of the Natural Gas Act. Companies with blanket certificates may improve or upgrade their existing facilities, or construct certain new facilities without the need for further case-by-case certificate authorization for each project.

The rule permits new types of projects that may be constructed under a blanket certificate. These new projects will be subject to prior-notice review procedures so that the public and FERC staff may ensure the new activities do not adversely affect existing customers' rates and services or have an adverse impact on the environment.

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The rule expands the timeframes for landowner notification under the automatic authorization provision from 30 days to 45 days, and from 45 days to 60 days for projects eligible for the prior notice procedures.

The rule raises the cost limits that apply to eligible blanket certificate projects from the current \$8.2 million to \$9.6 million for automatic authorizations and from \$22.7 million to \$27.4 million for prior-notice projects.

In addition, the rule renders moot the joint petition submitted by Kinder Morgan Inc. and Northern Natural Gas Co. requesting that mainline facilities serving ethanol plants be eligible for inclusion in the blanket program. The relief sought by the petitioners is effectively granted by today's Commission action revising the blanket certificate program to include mainline facilities regardless of their intended purpose.

Among other things, the rule also clarifies that a natural gas company is not necessarily engaged in an unduly discriminatory practice if it charges different customers different rates for the same service based on the date customers commit to service.

The rule takes effect 60 days after publication in the *Federal Register*.

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