



Federal Energy Regulatory Commission
October 19, 2006
Open Commission Meeting
Talking Points
Commissioner Suedeen Kelly

Item C-1: Revisions to the Blanket Certificate Regulations and Clarification Regarding Rates (RM06-7-000)

- This final rule recognizes there have been some fundamental changes in the natural gas industry since the 1982 promulgation of the blanket certificate program, and expands the program **without** undermining its very purpose: that is, to expedite the processing of adding and improving gas facilities and services, while ensuring that there are no adverse impacts on existing rates, services, or the environment.
- I know that some commenters wanted us to increase the blanket cost caps, while some wanted us to lower them; similarly, some wanted us to add more eligible projects, while others wanted us to eliminate some. I think we took a balanced approach in raising the blanket cost caps, and adding projects now eligible under the blanket program. They reflect the realities of slightly increased gas utility construction materials costs, while ensuring that the nature of the blanket certificate program remains unchanged: that is, to allow a generic class of minor projects to go forward without case-specific review, based on the expectation that the projects will have minimal adverse impacts.
- Finally, as I cautioned when we issued the NOPR in this proceeding, while I agree with the clarification in the final rule that, in certain circumstances, a company may offer rate incentives to obtain early project commitments, and that the Commission's existing policies allow project sponsors to offer rate incentives under these circumstances, it must be emphasized that the risk of undue discrimination would be reduced to the extent that the rate incentives offered are clearly defined in the announcement of the open season, publicly verifiable, and equally available to all potential shippers.
- That said, I thank the staff for the fine job, and am pleased to vote this out.