
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket No. CP07-4-000, *et al.*

COMMISSION APPROVES NEW NATURAL GAS STORAGE FACILITY

The Federal Energy Regulatory Commission today authorized a new salt dome natural gas storage facility and related pipeline facilities proposed by Mississippi Hub LLC. The MS HUB Gas Storage Project would be located in Simpson and Jefferson Davis Counties, Mississippi, and would help store and supply natural gas, including regasified liquefied natural gas, to consumers throughout the United States.

In addition, the Commission granted MS HUB's request to charge market based rates for its services from the storage facility.

FERC Chairman Joseph T. Kelliher observed: "There is a great deal of concern about natural gas price volatility. One of the best ways to guard against volatility is by increasing gas storage capacity. The Commission is acting to encourage expansion of gas storage capacity, and has adopted pricing reforms to that end. The projects we approve today are large storage projects with high deliverability that offer a hedge against price volatility."

Mississippi Hub, a limited liability company authorized to do business in Mississippi and Louisiana, plans to construct and operate two 8.76 billion cubic feet (Bcf) capacity subsurface caverns along with new gas compression, withdrawal facilities and other facilities designed to provide storage for up to a total of 17.34 Bcf of gas. Each cavern will have a working capacity of 6 Bcf with deliverability of up to 1.2 Bcf per day. Each cavern will also be able to receive injection gas at a rate of an estimated 0.6 Bcf per day.

The project will also include the construction and operation of new 36-inch diameter pipeline segments totaling 11.31 miles that will connect with interstate pipelines in four pipeline corridors in order to deliver gas volumes to and from the storage facility.

A bidirectional pipeline will connect the storage facility with two interstate pipelines, Southern Natural Gas Co. and Gulf South Pipeline Co. and one intrastate

pipeline, CrossTex Energy.

MS HUB must notify the Commission if future circumstances significantly affect its present market power status. The Commission conditioned its approval of the market-based rates subject to re-examination in the event that: (1) MS HUB adds storage capacity beyond the capacity authorized today; (2) an affiliate increases storage capacity; or (3) if an affiliate links storage facilities to MS HUB; or (4) MS HUB, or an affiliate, acquires an interest in, or is acquired by, an interstate pipeline connected to MS HUB. Should any of the events occur, the Commission ordered MS HUB to notify the Commission within 10 days of acquiring the information of any changes and set out the format in which the information should be filed.

In its authorization of the MS HUB project, the Commission adopted the environmental and engineering conditions recommended by FERC Staff to mitigate any potential adverse impacts. The Commission ordered MS HUB to make its facilities available within 24 months after the issuance of its order and to complete all facility construction within five years after the order date.

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