



**Federal Energy Regulatory Commission
February 15, 2007
Open Commission Meeting
Statement of
Commissioner Marc Spitzer**

Item C-6 & C-7: Gulf LNG Energy, LLC (CP06-12-000 *et al.*) & Bayou Casotte Energy LLC (CP05-420-000)

"The U.S. Department of Energy estimates that natural gas consumption in the United States will increase at an annual rate of 1.5 percent until 2025. Moreover, as overall onshore and shallow water production in the Southeast declines, and the average price of natural gas (and the associated costs of electrical generation) for industrial, commercial, and residential customers increases, new supplies, including natural gas and LNG are needed to supplement these shortages. Consequently, the Commission has set as its number one goal, the promotion of the development of a strong energy infrastructure. As part of that mission, the Commission has committed to maintaining a reliable and safe infrastructure and to protect safety at liquefied natural gas facilities.

Today, we fulfill both of those mandates by our certification of the LNG Clean Energy Project and the Casotte Landing LNG Project located in Jackson County, Mississippi. As certificated, the projects will provide needed additional natural gas supplies to wholesale and end-use consumers in the southeastern United States.

In consideration of the public's safety concerns regarding LNG projects and as part of the fulfillment of its environmental mandate, the Commission also consulted with the Coast Guard, the entity ultimately responsible for the approval of a site specific safety and security plan, to ensure that the Commission's draft and final environmental impact statements considered all the relevant safety issues. Among other things, the reports evaluated the impact of an LNG cargo tank breach and concluded that the risk to the public from accidental causes was negligible at both facilities. In any event, the Coast Guard states that there is sufficient capability within the port community responsible to responsibly manage the safety and security risks of these projects.

For these reasons, I support these orders."