



FEDERAL ENERGY REGULATORY COMMISSION

November 20, 2008

Docket No. RM08-2-000

Item No. G-1

Chairman Joseph T. Kelliher

Statement of Chairman Joseph T. Kelliher on Pipeline Posting Final Rule

"Today, the Federal Energy Regulatory Commission (FERC) issues a final rule that will improve the transparency of wholesale natural gas markets in the United States, by requiring the dissemination of greater information about natural gas flows through the pipeline network.

This final rule is rooted in new authority granted FERC by the Energy Policy Act of 2005, namely the transparency provisions added to the Natural Gas Act. Significantly, the transparency authority was discretionary – we were authorized to act to improve transparency of wholesale natural gas markets, but not required to act. We were careful in our use of this new transparency authority, soliciting the views of market participants on what types of information would improve market transparency.

We also carefully weighed the burdens of transparency requirements on market participants. That is reflected in the final pipeline posting rule, since we have adjusted the types of information that must be disclosed by pipelines, significantly reducing the regulatory burden of the rule.

This is our second exercise of our new transparency authority with respect to wholesale natural gas markets. Last December, we issued a final rule that would improve price transparency of wholesale natural gas sales. The Energy Policy Act of 2005 also provided FERC with authority to improve the transparency of wholesale power markets, discretionary that we have not yet exercised.

It is important to recognize that our transparency authority allows FERC to collect information from a much broader universe than our traditional regulated community. We are authorized to collect information from market participants, rather than the more narrow classes of "natural gas companies" and "public utilities". The final rule explains our interpretation of the statutory provisions in this area.

There are no other transparency proposals pending before the agency, but FERC remains willing to use this authority in the future if it determines there is a need for greater transparency in wholesale natural gas or power markets."