
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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FERC TO REQUIRE PIPELINE COMPANIES TO REPORT INFRASTRUCTURE DAMAGE RESULTING FROM HURRICANES, OTHER DISASTERS

The Federal Energy Regulatory Commission today revised its rules to better monitor and assess the physical state of the interstate natural gas pipeline grid and gas storage infrastructure when service is disrupted due to damage caused by a hurricane, other natural disasters or acts of terrorism.

The final rule, issued today, will require jurisdictional natural gas companies to report to the Commission damage to their facilities and report service disruptions that occur when a natural disaster or other cause results in a reduction in pipeline throughput or storage deliverability.

Chairman Joseph T. Kelliher said, "The rule fills a regulatory gap identified by the Commission last year after Hurricanes Katrina and Rita. The Commission lacked vital information on the physical condition of facilities that affected the operation of the pipeline grid. This rule will enhance our ability to mitigate critical gas service issues more quickly."

Current Commission regulations only require regulated entities to report serious service disruptions, but not damage to the affected gas infrastructure. During last year's hurricane disasters, companies kept the Commission informed about service disruptions, but FERC staff had to scramble to gather information through phone calls and other means to help the Commission assess the damage.

"While we took steps based on available information to encourage rapid repair of facilities and restoration of service, including granting of waivers of various regulations where necessary, the information gathering process was not adequate to ensure timely and accurate monitoring of gas infrastructure," the Commission's order states.

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The Commission will now require companies to file electronically more specific information on the cause and the extent of damage done to gas infrastructure, even if there is no service interruption. In addition, the Commission will require reporting of the time of damage occurrence, emergency actions taken by the company to maintain gas service, and to report when damaged facilities are fully restored to service, among other things. In addition to these damage reports, companies must continue to report serious service interruptions and restoration of service.

Companies may file the information to FERC either by e-mail or facsimile to save time and resources. The Commission said it has initiated consultation with the U.S. Department of Transportation's Office of Pipeline Safety to pursue commenters' recommendations that FERC and other federal agencies cooperate to develop a unified reporting system that would minimize duplicative reporting.

In addition, the Commission is providing an additional 10 days for pipeline companies to file with the Commission a copy of any incident reporting forms required to be filed within 30 days of an incident with the U.S. Department of Transportation which implements the Natural Gas Pipeline Safety Act of 1968. Companies will also be required to file damage reports and service interruption reports to relevant state agencies.

The final rule is effective immediately upon publication in the Federal Register.