



Federal Energy Regulatory Commission
July 18, 2013
Open Commission Meeting
Staff Presentation
Item M-1

"Good morning Mr. Chairman and Commissioners.

"M-1 is a draft Notice of Proposed Rulemaking that proposes revisions to the Commission's regulations to authorize expressly the sharing of non-public, operational information between interstate natural gas pipelines and electric transmission operators.

"The draft NOPR follows up on comments the Commission has received on information sharing and communication issues between the natural gas and electric industries, both in writing and at a staff technical conference held earlier this year. In their comments, several industry participants stated that system reliability and contingency planning in both industries could be further enhanced by the sharing of non-public, operational information directly between pipelines and electric transmission operators. Several industry participants also indicated, however, that there is general reluctance to share such information because of concerns that doing so could be a violation of current laws, regulations or tariffs.

"While communications occur today in the normal course of business among pipeline and electric transmission operators, and those communications have served a valuable and necessary purpose to help ensure reliability, the increased reliance on gas-fired generation may make even greater information sharing between the industries desirable. To provide certainty to the industries and remove barriers—real or perceived—to the sharing of non-public, operational information, the draft NOPR proposes to revise the Commission's regulations to authorize expressly the exchange of non-public, operational information between electric transmission operators and interstate natural gas pipelines when such information is for the purpose of promoting reliable service or operational planning. The proposed regulations seek to remove barriers to the sharing of non-public, operational information not just during emergencies, but also for day-to-day operations, planned outages, and scheduled maintenance.

"The draft NOPR states that in using the term "non-public, operational information" natural gas pipelines and electric transmission operators would be permitted to share information dealing with actual, anticipated, or potential effects on the ability to provide electric and gas service based on the respective operator's experience and understanding of the operational capability and customer demands on their respective systems. Non-public, operational information may also include generator, pipeline, or transmission-specific information. The draft NOPR does not propose a specific list of non-public, operational information that can be shared, but is intended to provide flexibility to individual operators—who have the most insight and knowledge of their systems—to determine what operational information, if any, would promote reliable service or operational planning on their systems.

"The draft NOPR also proposes new protections, in addition to safeguards that are already in place, to ensure that any non-public, operational information shared under the proposed regulations remains confidential and to ensure that information is shared among pipeline and electric transmission operators in a manner that is consistent with the prohibition on undue discrimination. Specifically, the draft NOPR proposes to adopt a No-Conduit Rule which prohibits recipients of the non-public, operational information from subsequently disclosing, or using anyone as a conduit for the disclosure of, that information to any other entity.

“Comments on the draft NOPR will be due thirty days after publication in the Federal Register.

“This concludes our presentation, we are happy to take any questions you may have.”