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Docket Nos. RM14-2-000, EL14-22-000, EL14-23-000, EL14-24-000, EL14-25-000, EL14-26-000, EL14-27-000, RP14-442-000

FEDERAL ENERGY REGULATORY COMMISSION NEWS

FERC Proposes Reforms to Improve Gas-Electric Coordination

The Federal Energy Regulatory Commission (FERC) today initiated further steps to improve the coordination and scheduling of natural gas pipeline capacity with electricity markets in light of increased reliance on natural gas by electric generators.

The Commission issued a Notice of Proposed Rulemaking (NOPR) to gather public comments on its proposals to revise the natural gas operating day and scheduling practices used by interstate pipelines to schedule natural gas transportation service. The proposed revisions include starting the natural gas operating day earlier, moving the Timely Nomination Cycle later, and increasing the number of intra-day nomination opportunities to help shippers adjust their scheduling to reflect changes in demand.

The NOPR provides 180 days for the natural gas and electric industries to reach consensus on standards, including any modifications to the Commission's proposed revisions through the North American Energy Standards Board. Public comments on the Commission's proposals, as well as comments on any consensus standards, are due within 240 days.

In two separate but related orders, FERC established proceedings under the Federal Power Act (FPA) and Natural Gas Act (NGA).

The Commission initiated investigations under section 206 of the FPA into the day-ahead scheduling practices of the regional transmission organizations and independent system operators to determine if they are just and reasonable and to ensure that these entities' scheduling practices correlate with any revisions to the natural gas scheduling practices that may be adopted by the Commission in a Final Rule stemming from the NOPR. All filings must be submitted to FERC within 90 days of publication of the Final Rule (Docket Nos. EL14-22-000, EL14-23-000, EL14-24-000, EL14-25-000, EL14-26-000, EL14-27-000).

In a third order, the Commission initiated an NGA section 5 show cause proceeding requiring all interstate natural gas pipelines to revise their tariffs to provide for the posting of offers to purchase released pipeline capacity in compliance with 18 CFR §284.8(d) of the Commission's regulations, or to otherwise demonstrate full compliance with that regulation. All filings must be submitted to FERC within 60 days of the issuance of the order (Docket No. RP14-442-000).

"This past winter has highlighted the critical and growing interdependence of natural gas pipelines and electricity markets," Acting Chairman Cheryl LaFleur said. "Today's orders take steps to recognize and address that interdependence to optimize the use of our gas and electric networks for the benefit of all customers. We look forward to receiving comments from a wide range of stakeholders."

"Today's set of orders build upon our earlier efforts to better coordinate the actions of the natural gas and electricity industries, with particular emphasis now on improving the scheduling practices of the natural gas transportation and electricity markets," Commissioner Philip Moeller said. "I appreciate the extensive efforts undertaken to date by various industry groups, and urge all stakeholders to review our proposals and suggest potential improvements."

Comments on the NOPR may be filed electronically using FERC's eFiling procedures within 240 days of publication in the *Federal Register*. Instructions are found at www.ferc.gov under the "Documents and Filings" tab.

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