



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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NEWS MEDIA CONTACT

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FERC Seeks More Price Transparency for Intrastate Pipeline Transactions

The Federal Energy Regulatory Commission (FERC) is seeking to improve price transparency in natural gas markets with a new rule requiring intrastate natural gas pipelines involved in interstate services to more frequently report their transportation and storage transaction information.

The new rule, issued today, takes effect April 1, 2011. It requires intrastate pipelines providing transportation services under Section 311 of the Natural Gas Policy Act of 1978 (NGPA) and Hinshaw pipelines operating under Section 1(c) of the Natural Gas Act (NGA) to report more detailed transportation and storage transaction information than they currently report and to do so on a quarterly basis. Now, their reports are filed only on an annual or semi-annual basis.

The quarterly reporting requirement will help shippers make more informed purchasing decisions, and it improves the ability of both shippers and FERC to monitor actual transactions for evidence of market power or undue discrimination.

Intrastate natural gas pipelines operate entirely within a single state and are not subject to FERC jurisdiction under the Natural Gas Act, so as to encourage intrastate pipelines to participate in the interstate pipeline network. Similarly, a Hinshaw pipeline operates within a single state, but may receive gas from outside the state without becoming subject to the Commission's NGA jurisdiction, so long as all the gas is consumed within the state and it is regulated by a state commission.

The new rule replaces the older Form 549 Intrastate Pipeline Annual Transportation Report with a new Form 549D on which the pipelines will be required to report: rates charged by the pipeline under each contract; receipt and delivery points and zones or segments covered by each contract; the quantity of natural gas the shipper is entitled to transport, store, or deliver; the duration of the contract; and whether there is an affiliate relationship between the pipeline and the shipper. The new form 549D can be filed by downloading and completing a Fillable PDF file from the Commission's website or by filing an XML (Extensible Markup Language) file. FERC will require the reports be made public and posted on its website without redaction.

FERC also is extending its cycle of periodic reviews of the rates charged by these pipelines from three to five years.

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