



Federal Energy Regulatory Commission
April 19, 2007
Open Commission Meeting
Talking Points of
Commissioner Suedeen G. Kelly

**Item M-1: Transparency Provisions of Section 23 of the Natural Gas Act
(Docket Nos. RM07-10-000 and AD06-11-000)**

- The transparency provisions in the Energy Policy Act of 2005 direct the Commission to assure the integrity of the wholesale markets and assure fair competition by facilitating price transparency in those markets. In furtherance of this goal, today's Notice of Proposed Rulemaking (NOPR) would require intrastate pipelines, which are not within the Commission's Natural Gas Act jurisdiction, to post daily capacity and volume information at their major receipt and delivery points and mainline segments. This information is needed to track daily flows of natural gas throughout the United States, because intrastate pipelines transport or buy and sell wholesale natural gas that eventually enters or at least impacts the interstate natural gas market. In addition, supply and demand in intrastate markets has a direct effect on prices of gas destined for interstate markets because intrastate and interstate pipelines draw on the same sources of supply. I recognize that complying with this new reporting requirement would impose a burden on intrastate pipelines, and I am interested in the comments we receive on this proposal, but I believe that this additional information would provide significant benefits.
- This NOPR also proposes to require buyers and sellers of more than a *de minimis* volume of natural gas to report aggregated numbers and volumes of relevant transactions in an annual filing. I am interested in the comments we receive in response to this proposal, including whether reporting this information by calendar year is adequate and whether a monthly breakdown may provide a better understanding of the physical natural gas market.