



NEWS

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NGSA: FERC Approach to Posting of Pipeline Flow Data Facilitates Transparency and Supports Integrity of Market

(Washington, D.C.) – New requirements governing the daily posting of the scheduled flow of natural gas on pipelines will provide market participants with enhanced insight into supply and demand fundamentals influencing price formation, completing the Federal Energy Regulatory Commission’s (FERC) efforts to facilitate transparency in the physical natural gas markets, according to comments filed today by the Natural Gas Supply Association (NGSA).

“FERC has taken a constructive approach that enhances transparency without distorting competition or efficiency in the market,” said David Murphy, NGSA analyst for energy markets and government affairs. “With implementation of requirements on posting pipeline flow data, the Commission will achieve the final step in facilitating transparency in the physical natural gas market.”

The new flow posting requirements were imposed in FERC Order No. 720 as part of the Commission’s efforts to further expand information about physical market transactions and fundamentals; the flow data complements the annual transaction data collected in FERC’s new Form 552 earlier this year and extensive market data already available on the Commission’s Web site.

In its filing, NGSA also asked FERC to consider the following clarifications to flow posting requirements:

- Adopt a standard conversion factor of 1,000 British thermal units per Standard Cubic Foot for the threshold determination of whether a point must post;
- Increase the *de minimis* flow threshold on certain pipelines to 12,000 MMBtu per day in recognition of divergence between actual flow and design flow capacity;
- Confirm that the posting obligation is for aggregated flow information and consider adopting an exemption procedure to protect confidentiality concerns in locations with a single market participant;

Overall, the association praised the Commission's decision to require the posting of scheduled pipeline flow data, "In addition to providing the market with important information regarding underlying supply and demand fundamentals, the availability of pipeline flow information will have the added benefit of spurring new innovative services resulting in more efficient pipeline grid utilization and infrastructure development decisions."

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NGSA represents integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. customers.

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