



NEWS

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NGSA Calls FERC's OCS Rule

“A balanced, comprehensive regulatory solution that NGSA supports.”

(Washington, D.C.) The Natural Gas Supply Association (NGSA) today told the Federal Energy Regulatory Commission (FERC) that its final rule on the *Outer Continental Shelf Lands Act (OCSLA)* was, “at its core, a balanced, comprehensive regulatory solution that NGSA supports.” Skip Horvath, President of NGSA, said, “The final rule promotes greater transparency. Consistent with our views on pipeline reporting, transparency is something producers support, even when it applies to us.” The order requires OCS gas transportation service providers to make available information regarding their affiliations, rates, terms and conditions of services.

On April 10, 2000, FERC released Order No. 639, *Regulations under the Outer Continental Shelf Lands Act Governing the Movement of Natural Gas On Facilities on the Outer Continental Shelf* (Docket No. RM99-5-000). NGSA today filed with FERC a request for reconsideration or clarification on certain issues in the order.

Horvath continued, "NGSA requests that the Commission provide a greater level of certainty to producers that production facilities, along with the related agreements and services, are considered to qualify under the Commission's feeder line exemption - assuming they are considered by FERC to be subject to the OCSLA at all. Recognizing the enormous regulatory risk associated with developing offshore projects, producers believe a rebuttable presumption strikes a fair balance between the adoption of a bright line permitting exemption of production-related facilities and the industry's need for certainty."

“Also,” Horvath said, “NGSA requests clarification on a few issues intended to fine-tune the rule. Specifically, NGSA has made several suggestions to ensure that no loopholes exist in the reporting requirements that may undermine the Commission’s objectives for successful market monitoring of the OCS.

“Finally, as long as Order 637 (Final Gas Rule, *Regulation of Short Term Transportation Services, and Regulation of Interstate Natural Gas Transportation Services*, Docket Numbers RM98-10-000 & RM98-12-000) reporting requirements remain intact, NGSA supports the pipeline request, and Commission ruling, to provide pipelines regulated under the Natural Gas Act a reporting exemption,” Horvath concluded.

The purpose of Order No. 639, according to FERC, is to ensure that natural gas is transported on an open and nondiscriminatory basis through pipeline facilities located on the OCS.

NGSA represents integrated and independent companies that produce and market the majority of the natural gas produced in the United States. NGSA is actively involved in pursuing regulatory and legislative issues that affect the association’s members. Established in 1965, NGSA encourages expanded use of natural gas and supports regulatory and legislative actions that foster competitive markets.