

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Storage Reporting Requirements of Interstate)
and Intrastate Natural Gas Companies) Docket No. RM11-4-000

**COMMENTS OF THE
INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA**

Per the Notice of Proposed Rulemaking (NOPR) issued in this docket on September 15, 2011¹ and published in the Federal Register on September 22, 2011,² the Interstate Natural Gas Association of America (INGAA) comments to support the Commission’s proposed elimination of interstate pipelines’ semi-annual storage reports.

The Commission promulgated the requirement for semi-annual storage reporting³ nearly 20 years ago.⁴ Over the succeeding years, the Commission adopted a number of additional storage reporting requirements, to the point where, as the Commission correctly observed, nearly all the information contained in the original report is duplicated elsewhere.⁵ The semi-annual storage report has become redundant,⁶ and eliminating this redundancy is fully consistent not only with the Commission’s longstanding policies against unnecessary burden and expense,⁷ but

¹ 136 FERC ¶ 61,172 (2011).

² 76 Fed. Reg. 58741.

³ 18 C.F.R. § 284.13(e).

⁴ See NOPR, P 3, 76 Fed. Reg. at 58742.

⁵ *Id.*, P 13, 76 Fed. Reg. at 58743.

⁶ Responding to the Notice of Inquiry (NOI) that preceded the NOPR, the Independent Oil & Gas Association of West Virginia, Inc. (IOGA) claimed to be “sensitive to the cost and burden of reporting” and noted that “[i]t makes sense to have as few reports as possible.” IOGA NOI comments, pp. 5-6. Yet, nowhere did IOGA acknowledge the near total overlap between the information contained in the semi-annual storage report and the information interstate pipelines provide in their transactional reports and index of customers, let alone their annual Form 2 reports.

⁷ NOPR, P 12, 76 Fed. Reg. at 58743.

also with national policies calling for federal independent regulatory commissions⁸ and agencies⁹ to streamline their regulations.

As the Commission acknowledges in the NOPR, there are precisely two data elements that are contained in the semi-annual storage reports and provided nowhere else: injection and withdrawal quantities by customer and total revenue by customer.¹⁰ Regarding per-customer injections and withdrawals, the Commission rightly concluded that the central regulatory objectives behind pipeline reporting — fostering competition and enhancing market transparency — were far better met through requirements the Commission adopted in Order No. 637:

[T]he primary value of information about volumes of gas injected into and withdrawn from storage is to permit shippers to monitor the availability of storage capacity and whether shippers or the pipeline are withholding storage capacity. Section 284.13(d) requires interstate pipelines to provide on their websites “equal and timely access to information relevant to the availability of all transportation services whenever capacity is scheduled, including * * * in storage fields, whether the capacity is available directly from the pipeline or through capacity release.” **While these postings do not provide individual shipper injection and withdrawal information, they appear far more useful to shippers because they provide information about the availability of capacity at the time shippers are seeking to schedule capacity.** By contrast, the semi-annual storage reports are not filed until up to 30 days after the completion of each injection and withdrawal season.¹¹

Regarding per-customer revenues, the Commission noted that of the parties commenting on the NOI only two — the American Public Gas Association (APGA) and IOGA — favored continued reporting. Each commenter tailored its support: APGA promoted per-customer reporting by market-based storage providers and IOGA promoted per-customer reporting by cost-based storage providers. But neither APGA nor IOGA could square its position with

⁸ Exec. Order No. 13579, 76 FR 41587 (2011).

⁹ Exec. Order No. 13563, 76 FR 3821 (2011).

¹⁰ NOPR, P 17, 76 Fed. Reg. at 58744; see also Spectra Entities NOI comments, Exhibit A (filed Feb. 22, 2011) (providing table listing items contained in the semi-annual storage report and indicating redundancies with other Commission-required reports).

¹¹ NOPR, P 18, 76 Fed. Reg. at 58744 (emphasis supplied) (footnotes omitted).

promoting competition or transparency. As the Commission noted, APGA could not explain “how per-customer revenue information would significantly enhance the Commission and the parties’ ability to determine whether a market-based interstate storage provider should have its authorization to charge market-based rates reviewed.”¹² Similarly, the Commission found that IOGA “ha[d] not shown that the benefit of reporting per-customer revenue information in addition to the per-unit rate information already posted on a daily basis outweighs the burden of such a reporting requirement.”¹³

Continued reporting of per-customer injections, withdrawals and revenues not only fails to foster competition and transparency, continued reporting may actually hinder it. As the American Gas Association (AGA) noted in its NOI comments, customer-specific reporting can compromise a customer’s bargaining power by broadcasting its demand for storage:

Under certain circumstances, the reporting of a customer’s storage revenues in a quarter may result in a competitive disadvantage for the shipper. For example, an analysis of a customer’s storage revenue information may indicate the customer’s overall storage position. If the position (long or short) were made public, the customer may be less able to negotiate for storage services to address that position on competitively advantageous terms.¹⁴

INGAA raised similar concerns in its NOI comments, pointing out that customer-specific information on injections, withdrawals and revenues does not shed light on prevailing competitive conditions but could impair an individual shipper’s bargaining position by revealing how it is using its storage capacity.¹⁵

All but two elements of the semi-annual storage report are redundant of other pipeline reports, and the two elements that are not redundant have no demonstrated utility for monitoring

¹² NOPR, P 19, 76 Fed. Reg. at 58744-45.

¹³ NOPR, P 21, 76 Fed. Reg. at 58745.

¹⁴ AGA NOI comments, p. 7.

¹⁵ INGAA NOI comments, pp. 6-7.

competition or fostering market transparency. The report is rightly eliminated, and INGAA urges the Commission to do so.

Respectfully submitted,

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November 21, 2011