

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

Communication of Operational Information     )  
Between Natural Gas Pipelines and            )  
Electric Transmission Operators                )

Docket No. RM13-17-000

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

The Interstate Natural Gas Association of America (INGAA) hereby submits these comments in response to the Federal Energy Regulatory Commission’s (FERC or Commission) July 13, 2013 Notice of Proposed Rulemaking (NOPR) in the above-referenced docket.

INGAA is comprised of 26 members, representing the vast majority of the interstate natural gas transmission pipeline companies in the United States and comparable companies in Canada. Its United States members are regulated by the Commission pursuant to the Natural Gas Act, 15 U.S.C. §§ 717-717w. INGAA’s members, which operate approximately 200,000 miles of pipelines, provide an indispensable link between natural gas producers and natural gas consumers in the residential, commercial, industrial and electric power sectors. INGAA’s members are committed to providing safe and reliable transportation services to their diverse customers, without undue discrimination, and to maintaining a high level of customer service.

**COMMENTS**

INGAA appreciates the Commission’s responsiveness to INGAA’s<sup>1</sup> and other parties’ requests for clarification that interstate natural gas pipelines (hereinafter referred to as “pipelines”) and public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce (hereinafter referred to as “electric transmission operators”) can share certain types of non-public, operational information “for the purpose of

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<sup>1</sup> INGAA Comments, Docket No. AD12-12-000 (Jan. 7, 2013).

promoting reliable service or operational planning”<sup>2</sup> and that such communications are not unduly discriminatory or preferential under the Natural Gas Act or Federal Power Act. INGAA supports the Commission’s NOPR in this proceeding, including the types of non-public, operational information that pipelines and electric transmission operators (hereinafter referred to collectively as “transmission operators”) may share and the voluntary nature of the sharing.

INGAA also seeks further clarification from the Commission as to what “operational planning information” transmission operators permissibly may share with each other. Finally, INGAA suggests the Commission amend the proposed regulations such that the No-Conduit Rule should not apply during times of critical and imminent or ongoing system reliability emergencies.

**1. INGAA Supports the Commission’s Clarification of the Types of Non-Public, Operational Information Transmission Operators May Share and Agrees that such Communications Should Be Voluntary**

The Commission seeks comment on the scope of non-public, operational information transmission operators may share with each other under the proposed regulations, including the specific categories of information identified in paragraph 23. INGAA agrees that the scope of information transmission operators may share under the proposed regulations is appropriate and provides transmission operators with sufficient flexibility and guidance to tailor their communications. INGAA further agrees with the Commission’s decision not to create a specific list of non-public, operational information that transmission operators may share. As the Commission recognizes, transmission operators, “who have the most insight and knowledge of their systems,” should be permitted to use sound judgment as to what operational information they wish to communicate that “would promote reliable service or operational planning on their

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<sup>2</sup> NOPR at P. 1.

systems” based on the types of examples provided in the NOPR.<sup>3</sup> Information that may be most helpful to one operator may be different than what is helpful to another operator. Limiting transmission operators to sharing a finite list of information could limit communication of information a particular transmission operator finds helpful if such information is not expressly listed. Accordingly, INGAA supports the NOPR’s approach that transmission operators be allowed the flexibility to tailor what information they wish to share “based on the respective operator’s experience and understanding of the operational capability and customer demands on their respective systems.”<sup>4</sup> This flexibility allows the parties to such communications to determine what is helpful or relevant given the parameters of each particular system without overburdening transmission operators with extraneous information that does not promote reliability or operational planning.

INGAA further agrees with the NOPR that such information sharing should be voluntary. Just as transmission operators should have the flexibility to determine what operational information would promote reliable service or operational planning on their systems, the Commission should not mandate the sharing of specific non-public, operational information. This too could lead to the sharing of non-relevant information that transmission operators may not wish to receive or would not assist them in promoting reliable service or operational planning on their systems, and could in fact unnecessarily over-burden transmission operators with extraneous information.

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<sup>3</sup> NOPR at P. 23.

<sup>4</sup> NOPR at P. 24.

## **2. INGAA Seeks Further Clarification of What “Operational Planning Information” Transmission Operators Permissibly May Share**

INGAA requests further clarification as to what non-public, operational information regarding future “operational planning” transmission operators may share. As the Commission notes:

The term, “non-public, operational information” is information that is not publicly posted, yet helps transmission operators to operate and maintain either a reliable pipeline system or a reliable electric transmission system on a day-to-day basis, as well as during emergency conditions, or *for operational planning*. (Emphasis added.)<sup>5</sup>

INGAA appreciates that the Commission’s list of examples of non-public, operational information that transmission operators may share purposefully is non-exhaustive. Most, if not all, of the Commission’s examples, however, surround the sharing of near-term, known, operational planning information, such as planned maintenance or known outages. The examples do not highlight communications related to longer-term, operational planning, such as possible future changes in operations and/or facilities. Accordingly, further guidance on what non-public information transmission operators may share regarding longer-term operational planning would be helpful in order to provide transmission operators with the comfort level they need to share such information. Specifically, INGAA requests further clarification about what the Commission means by the term “operational planning information,” particularly as it relates to longer-term operational planning, and what types of information would fall under this category.

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<sup>5</sup> NOPR at P. 23.

### **3. Transmission Operators Should Not Be Required to, but May, Include Generators in Three-Way Communications**

The Commission seeks comment on whether the proposed rule should require that, to the extent non-public, operational information exchanged between transmission operators involves customer-specific information (such as information about individual generators), the transmission operators *must* seek to include the customer as part of a three-way communication.<sup>6</sup> INGAA does not believe electric transmission operators and pipelines should be required to include generators in three-way communications. The administrative burden of requiring each conversation that may occur to be documented and/or include the affected generator would serve to limit conversations and have a chilling effect on the communications the Commission intends to foster through the proposed regulations. It may well be counterproductive to include a requirement in the Final Rule that pipelines and electric transmission operators include generators in all discussions related to customer-specific information as it may limit conversations.

There are times, however, when a pipeline needs to confirm with a generator information received from an electric transmission operator, as well as situations where an electric transmission operator and a pipeline may need specific or additional information regarding the availability of a generator's gas supplies or a generator's ability to run. Therefore, while INGAA does not support mandatory three-way conversations as noted above, it recommends that pipelines and electric transmission operators should be *permitted* to include generators as part of a three-way communication.

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<sup>6</sup> NOPR at P. 25.

#### **4. The Commission Should Facilitate Communications Directly between Generators and Electric Transmission Operators**

The Commission in its NOPR seeks comment on whether additional regulations are needed to require a generator to share information with its electric transmission operator to inform it of the possibility that the generator's natural gas service may be disrupted. INGAA takes no position on what communications should be required between generators and electric transmission operators or whether the Commission should promulgate regulations to require a generator to share information with its electric transmission operator. Nonetheless, as discussed at the February 13 and the April 25 FERC technical conferences in Docket No. AD12-12-000, the generator is in the best position to inform its electric transmission operator whether it has the necessary resources – both fuel and transportation – to fulfill its electric power commitments. Therefore, it is reasonable to expect that generators and electric transmission operators voluntarily would share information that would promote reliability. Information regarding a generator's gas supply and its ability to fulfill its dispatch obligations is a matter for discussion between generators and electric transmission operators. It should not be assumed that this information will be a part of communications between electric transmission operators and pipelines, since pipelines do not know whether a generator has secured sufficient fuel supply to cover its real-time dispatch obligations, or from what marketer or other source a generator has secured supply.

Pipelines will continue to communicate permissible, operational information with electric transmission operators, for the purpose of promoting reliable service, but the critical role generators play in communicating important operational information with and to their electric transmission operators and pipeline transporters should not be minimized. A generator may have pertinent information that an electric transmission operator needs to support electric reliability.

Therefore, INGAA encourages the Commission to consider how it may facilitate communications between electric transmission operators and generators that are necessary to confirm a generator's ability to perform its dispatch obligations.

#### **5. The No-Conduit Rule Should Not Apply during Times of Critical and Imminent or Ongoing System Reliability Emergencies**

Finally, INGAA requests that Commission consider additional regulatory language regarding the sharing of information during an emergency. While the Commission states that the proposed regulations would apply to day-to-day operations as well as emergency conditions or for operational planning,<sup>7</sup> INGAA believes there should be no limit on the sharing of non-public, operational information between transmission operators during an emergency, including communications between third parties. INGAA suggests that the Commission waive the proposed No-Conduit Rule during critical and imminent or ongoing emergency situations in order to ensure reliability, subject to a record of the exchange as soon as practicable after the fact.<sup>8</sup> For example, during a critical and imminent or ongoing emergency, transmission operators should be able to speak to a local distribution company, a marketer who can provide supply and a specific generator in order to remedy an emergency situation that threatens reliability.

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<sup>7</sup> NOPR at P. 23.

<sup>8</sup> See for example, 18 C.F.R. § 358.7(h)(1), "Exclusion for a recordation of certain exchanges," of the Standards of Conduct Rule. "Notwithstanding the requirements of §§ 358.5(a) and 358.6, a transmission provider's transmission function employees and marketing function employees may exchange certain non-public transmission function information, as delineated in § 358.7(h)(2), in which case the transmission provider must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record can be made of the exchange as soon as practicable after the fact. The transmission provider shall make the record available to the Commission upon request. The record may consist of handwritten or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, must be retained for a period of five years."

## **6. Conclusion**

INGAA appreciates the Commission's clarification that interstate pipelines and electric transmission operators can share certain types of non-public, operational information for the purposes of promoting reliable service and operational planning and that such communications are reasonable and not unduly discriminatory or preferential under the Natural Gas Act or Federal Power Act. INGAA supports the Commission's NOPR in this proceeding, consistent with the comments and request for clarification above.

Respectfully submitted,

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