

**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  
AMERICAN PUBLIC GAS ASSOCIATION**

Pursuant to the Notice of Inquiry (“NOI”) issued by the Federal Energy Regulatory Commission (“Commission” or “FERC”) in the above-captioned proceeding on December 16, 2010, the American Public Gas Association (“APGA”) hereby submits its response to the Commission’s request for comments regarding whether the Commission should modify the semi-annual storage reports required of interstate and intrastate natural gas companies pursuant to 18 CFR §§ 284.13(e) and 284.126(c) of the Commission’s regulations

APGA is the national, non-profit association of publicly-owned natural gas distribution systems, with over 700 members in 36 states. Overall, there are some 950 publicly-owned systems in the United States. Publicly-owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

**EXECUTIVE SUMMARY**

APGA commends the Commission’s effort to increase transparency in storage reporting, in an effort to match the steps toward transparency made in other aspects of natural gas reporting. As stated in the NOI (at P 8), “semi-annual storage reports are now the only significant report required of regulated entities for which the Commission has not established a

standardized electronic format and required to be public.” The APGA supports the Commission’s proposal to adopt a standardized electronic form for storage reports for both interstate and intrastate pipelines and expressly require that the information be made public. There is no greater tool in leveling the playing field and in combating undue discrimination in the marketplace than publicly available data, made available in a standardized format, regarding relevant activities in the marketplace.

### **COMMENTS**

As the Commission points out in the NOI (at PP 4-5), it has made great strides in recent years in fostering a transparent marketplace by requiring jurisdictional entities under the Natural Gas Act and Federal Power Act to report relevant data in standardized electronic format, which information is made available to the public. The two threshold questions asked in the NOI (P 11, questions 1 and 2) are whether the gas storage reporting requirements should be standardized into an electronic form with standard fields and definitions and whether the reported data (be it semi-annual or quarterly) should be made public.

APGA has promoted transparency in the natural gas markets since long before it was fashionable to do so. APGA, whose members are largely captive customers of interstate pipelines, well understands that customers of monopolies – and make no mistake about it, interstate pipelines are monopolies vis-à-vis their captive customers – are at a severe disadvantage in acquiring transportation and storage services on a non-discriminatory basis and at just and reasonable rates without access to all relevant market data. The Commission has taken substantial steps in recent years to ensure that such data is available to itself and all market participants. That is both commendable and also consistent with the Commission’s increased reliance on market forces to shape policies.

The one area in which the Commission has fallen short in its efforts is with regard to storage. The storage data that is reported is not done in standardized electronic format and is not necessarily available to the public (except to the extent reported pursuant to Order No. 735). There are no persuasive reasons for all storage data not to be at least as available to the public in standardized form as all other salient market data. Storage is a critically important link in the natural gas marketplace chain from production to consumption, and the absence of standardized, publicly available data undermines the Commission's transparency goals and certainly hinders the efforts of customers in the marketplace, especially those without substantial purchasing power and/or tethered to a single pipeline provider, to make sure they are able to access storage products on a non-discriminatory basis at just and reasonable (or, as the case may be, fair and equitable) rates.

The NOI asks (P 11, question 3) whether since storage is done dynamically year-round, storage data should only be filed in the quarterly reports, versus semi-annually by injection and withdrawal season. Unless there are customers that can make a compelling case for retention of the existing semi-annual reporting requirement by injection/withdrawal season, APGA supports the quarterly reporting approach, with all data from the semi-annual reports rolled into the quarterly reports (and, of course, any duplication removed). It seems to make sense, given the nature of storage withdrawal/injection today, to have the data reported quarterly, as with all other relevant data, and that any overlap in data requirements be removed.

The NOI asks (P 11, question 4) about data elements to be included in the storage reports for interstate pipelines. APGA is not aware of any compelling reason for the Commission to differentiate between the interstate and intrastate market as to data elements, and thus would suggest that the data elements be the same and include all current data elements from Form No.

549D and the seasonal reports, plus any data determined in this docket to be important to full market transparency.

The NOI also asks (P 11, question 6) whether the requirement that section 311 and Hinshaw pipelines report revenues received from each storage customer (which was removed from the quarterly because it was required in the seasonal report) be retained for interstate and intrastate storage companies. This data needs to be reported, so the question as to where it appears depends upon whether the Commission continues to have storage reporting done on both a quarterly and seasonal basis or adopts a quarterly reporting basis for all storage providers. The Commission asks whether such data needs to be reported by market-based storage providers. APGA believes so, because it is this sort of data that will indicate whether such market-based data providers have acquired market power and thus should have their market-based rate authorization reviewed.

### **CONCLUSION**

In accordance with the comments above, APGA urges the Commission to require standardized storage reports by interstate and intrastate entities and to make the data provided publicly available. The Commission's proposal will extend necessary market transparency to an important function in the natural gas marketplace and hence is in the public interest.

Respectfully Submitted,

AMERICAN PUBLIC GAS ASSOCIATION

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February 22, 2011