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**FEDERAL ENERGY  
REGULATORY COMMISSION**

NEWS

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Docket Nos. RM07-10-000, RM08-2-000

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**FERC Launches Plans to Make Gas Markets Transparent, Monitor Price Formation**

The Federal Energy Regulatory Commission (FERC) today approved a final rule and proposed a new rule to increase transparency in the wholesale markets for physical natural gas.

The final rule will require certain natural gas market participants to file information annually on their wholesale, physical natural gas transactions.

In a Notice of Proposed Rulemaking (NOPR), FERC seeks public comment on a plan to require both interstate and certain major, non-interstate pipelines to post daily information on capacity, actual flows and scheduled flows.

**Final Rule on Annual Transaction Reporting, RM07-10-000**

"Today's final rule exercises our new authority under the Energy Policy Act of 2005 to facilitate transparency of price and availability of supply in natural gas markets," FERC Chairman Joseph T. Kelliher said. "This annual reporting requirement will establish the size of physical gas markets, the relative importance of indexed and fixed price transactions, and identify the major traders. In that manner, it will make the natural gas price formation process more transparent. This rule is another tool that will boost our efforts to carry out Congress' mandate to protect consumers by protecting the integrity of the markets for physical gas."

The final rule introduces a new annual reporting requirement, Form No. 552, for any buyer or seller of more than 2.2 million mmBtus (million British Thermal Units) of physical natural gas each year to report aggregate volumes of relevant transactions. Each such market participant will report the following information about its physical natural gas transactions for the previous calendar year:

- ☐ the total volume of sales and purchases;
- ☐ the volumes of transactions that were priced at fixed prices; and
- ☐ the volumes of transactions that were reportable to price index publishers.

A market participant also will indicate whether it sells gas under a blanket sales certificate and whether it reports transactions to a price index publisher.

A market participant operating under blanket sales certificate authority, buying less than 2.2 million mmBtus and selling less than 2.2 million mmBtus must file Form No. 552 for identification and certain reporting purposes but will not be required to report aggregate volumes of relevant transactions. A market participant buying less than 2.2 million mmBtus and selling less than 2.2 million mmBtus and that does not operate under blanket sales certificate authority does not have to file the form.



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Form No. 552 must be filed by May 1 of each year, starting in 2009 for transactions delivered in the previous year.

### **Proposed Rule on Pipeline Posting Requirements, RM08-2-000**

FERC seeks public comment on a proposal to require both interstate and certain major non-interstate pipelines to post on a daily basis capacity, scheduled flow information and actual flow information. The proposal would facilitate transparency of price and availability of natural gas by providing a complete picture of daily supply and demand information across the United States.

Under this proposal, interstate pipelines would be required to post daily actual flow information in addition to their currently required posting of capacity and daily scheduling information. This will provide consistent information about physical flows of natural gas through the U.S. pipeline system.

Certain major non-interstate pipelines would be required to post the same information on a daily basis: capacity; scheduled flow information; and actual flow information. The posting requirement will apply to a smaller universe of non-interstate pipelines than under the earlier proposed rule.

Both the final and the proposed rule stem from earlier FERC proposals in an April 2007 NOPR. Today's final rule adopts, with a few changes and clarifications, the annual reporting proposal.

Comments on the proposed pipeline posting requirements must be filed within 45 days of publication in the *Federal Register*. Reply comments are due within 75 days of publication in the *Federal Register*. Comments may be submitted electronically by following the procedures outlined in the 'eFiling' link on FERC's website, [www.ferc.gov](http://www.ferc.gov) or by postal mail to FERC, Office of the Secretary, Washington, DC, 20426. All comments must cite the NOPR docket number, RM08-2-000.

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