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FERC Chairman Bay's First Commission Meeting Eventful

by Joseph Donovan

In the first Federal Energy Regulatory Commission meeting with new Chairman Norman Bay at the helm, the Commission addressed two controversial issues. First, the Commission voted not to shift the start of the gas day. Referencing the difference in position between the electric and natural gas pipeline industry positions, the Commissioners approved a draft final rule that keeps the gas day start at 9 a.m. (Central time zone). The Commission did, however, shift the timely nomination cycle deadline for scheduling gas transportation from 11:30 a.m. (Central) to 1 p.m. (Central), and revised the intraday nomination timeline. The Order and final rules have not yet been released. The final rules will become effective 75 days after publication in the Federal Register.

Second, the Commission voted on a new policy statement that, among other things, puts in place a cost-tracking mechanism for the natural gas pipelines that it initially proposed last November. The cost-tracking mechanism is intended to make it easier for pipeline companies to recover the cost of environmental and safety upgrades, and was largely viewed unfavorably by the pipeline customers. The policy statement will take effect on Oct. 1, 2015. ■

If you would like more information about the Keystone XL pipeline project, contact Joseph Donovan at 202.507.5151 or jdonovan@stradley.com.

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