

**18 CFR****§ 152.1 Exemption applications and blanket certificates.**

(a) Application for exemption from the provisions of the Natural Gas Act and the rules and regulations of the Commission issued pursuant thereto may be made by any person as defined in the Natural Gas Act engaged in, or authorized to engage in the transportation in interstate commerce or the sale in interstate commerce for resale, of natural gas received by such applicant from another person within or at the boundary of a State, if all of the natural gas so received is ultimately consumed in such State: *Provided*, That the natural-gas rates (including rates for sales for resale) and service of the applicant and its natural-gas facilities are subject to regulation by a State Commission, as defined in the Natural Gas Act, and that such State Commission is exercising that jurisdiction.

(b)(1)(i) For purposes of the Commission's regulations implementing the Natural Gas Act, "vehicular natural gas" or "VNG" means natural gas that will be used, in either a gaseous or liquefied state, as fuel in any self-propelled vehicle.

(ii) For purposes of the Commission's regulations implementing the Natural Gas Act, vehicular natural gas, or VNG, is deemed to be ultimately consumed in the state in which the gas is physically delivered into the vehicle's fuel tank regardless of whether the tank is attached to the vehicle at the time it is filled.

(2)(i) Blanket certificates of public convenience and necessity are issued pursuant to section 7(c) of the Natural Gas Act to all persons that engage in sales for resale of VNG that are subject to the Commission's authority under section 1(b) of the NGA, such authorization to be effective upon that person's engagement in the jurisdictional sale. A blanket certificate issued under this paragraph (b)(2)(i) is a certificate of limited jurisdiction which will not subject the certificate holder to any other regulation under the Natural Gas Act jurisdiction of the Commission by virtue of transactions under the certificate. Such certificate will not impair the continued validity of any Natural Gas Act exemption from Commission jurisdiction.

(ii) A blanket certificate issued under paragraph (b)(2)(i) of this section authorizes the holder to make sales of VNG for resale in interstate commerce at market rates.

(iii) Abandonment of the sales service authorized in paragraph (b)(2)(i) of this section is authorized pursuant to section 7(b) of the Natural Gas Act upon the expiration of the contractual term or upon termination of each individual sales arrangement.

(Sec. 1(c), 68 Stat. 36; 15 U.S.C. 717(c))

[Order 306, 30 FR 12729, Oct. 6, 1965, as amended by Order 543, 57 FR 32894, July 24, 1992]

**§ 152.2 Form of application; service.**

The application must be filed with the Secretary of the Commission in accordance with filing procedures posted on the Commission's Web site at <http://www.ferc.gov>. A copy of the application shall be served on the State Commission which has jurisdiction over the applicant and upon each wholesale customer of the applicant.

[Order 737, 75 FR 43404, July 26, 2010]

**§ 152.3 Contents of application.**

Every application shall set forth in the order indicated, the following:

(a) The exact legal name of applicant.

(b) The name, title, and postoffice address of the person to whom correspondence in regard to the application shall be addressed.

(c) A statement of pertinent facts as to the existing service, if any, or authorized service by applicant, including a showing that all of the natural gas which applicant receives from out-of-State sources is and will be ultimately consumed within the State in which the operations sought to be exempted are conducted.

(Secs. 3, 16, 52 Stat. 822, 830; 15 U.S.C. 717b, 717o)

[Order 173, 19 FR 4276, July 13, 1954, as amended by Order 317, 31 FR 432, Jan. 13, 1966; Order 433, 50 FR 40345, Oct. 3, 1985; Order 737, 75 FR 43404, July 26, 2010]

#### **§ 152.4 Certificate from State Commission.**

Applications for exemption under §152.3 shall contain, or there shall be separately filed, a certificate from the appropriate State Commission that the natural-gas (a) rates (including rates for sales for resale), (b) service, and (c) facilities of the applicant are subject to the regulatory jurisdiction of the State Commission and that the State Commission is exercising such jurisdiction.

(Sec. 1(c), 68 Stat. 36; 15 U.S.C. 717(c))

[Order 306, 30 FR 12729, Oct. 6, 1965]

#### **§ 152.5 Applicability of exemption.**

Nothing in this part shall be construed to relieve any person exempted from the provisions of the Natural Gas Act by section 1(c) thereof from compliance with valid State regulatory requirements. If an exemption from the provisions of the Natural Gas Act is effective pursuant to section 1(c), the exempted person shall be responsible for calling to the attention of the State Commission by which it is regulated and of the Federal Energy Regulatory Commission any future operations in which it may engage which may make the exemption inapplicable to it. The exempted person shall also be responsible for calling to the attention of the Federal Energy Regulatory Commission any changes, amendment, or judicial or administrative interpretation of the State law pursuant to which it is regulated, which may make the exemption inapplicable to it.

(Sec. 1(c), 68 Stat. 36; 15 U.S.C. 717(c))

[Order 306, 30 FR 12729, Oct. 6, 1965, as amended by Order 737, 75 FR 43404, July 26, 2010]

### **NATURAL GAS ACT**

#### **§ 717f. Construction, extension, or abandonment of facilities**

##### **(a) Extension or improvement of facilities on order of court; notice and hearing**

Whenever the Commission, after notice and opportunity for hearing, finds such action necessary or desirable in the public interest, it may by order direct a natural-gas company to extend or improve its transportation facilities, to establish physical connection of its transportation facilities with the facilities of, and sell natural gas to, any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public, and for such purpose to extend its transportation facilities to communities immediately adjacent to such facilities or to territory served by such natural-gas company, if the Commission finds that no undue burden will be placed upon such natural-gas company thereby: Provided, That the Commission shall have no authority to compel the enlargement of

transportation facilities for such purposes, or to compel such natural-gas company to establish physical connection or sell natural gas when to do so would impair its ability to render adequate service to its customers.

**(b) Abandonment of facilities or services; approval of Commission**

No natural-gas company shall abandon all or any portion of its facilities subject to the jurisdiction of the Commission, or any service rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity permit such abandonment.

**(c) Certificate of public convenience and necessity**

**(1)**

**(A)** No natural-gas company or person which will be a natural-gas company upon completion of any proposed construction or extension shall engage in the transportation or sale of natural gas, subject to the jurisdiction of the Commission, or undertake the construction or extension of any facilities therefor, or acquire or operate any such facilities or extensions thereof, unless there is in force with respect to such natural-gas company a certificate of public convenience and necessity issued by the Commission authorizing such acts or operations: Provided, however, That if any such natural-gas company or predecessor in interest was bona fide engaged in transportation or sale of natural gas, subject to the jurisdiction of the Commission, on February 7, 1942, over the route or routes or within the area for which application is made and has so operated since that time, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission within ninety days after February 7, 1942. Pending the determination of any such application, the continuance of such operation shall be lawful.

**(B)** In all other cases the Commission shall set the matter for hearing and shall give such reasonable notice of the hearing thereon to all interested persons as in its judgment may be necessary under rules and regulations to be prescribed by the Commission; and the application shall be decided in accordance with the procedure provided in subsection (e) of this section and such certificate shall be issued or denied accordingly: Provided, however, That the Commission may issue a temporary certificate in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate, and may by regulation exempt from the requirements of this section temporary acts or operations for which the issuance of a certificate will not be required in the public interest.

**(2)** The Commission may issue a certificate of public convenience and necessity to a natural-gas company for the transportation in interstate commerce of natural gas used by any person for one or more high-priority uses, as defined, by rule, by the Commission, in the case of—

**(A)** natural gas sold by the producer to such person; and

**(B)** natural gas produced by such person.

**(d) Application for certificate of public convenience and necessity**

Application for certificates shall be made in writing to the Commission, be verified under oath, and shall be in such form, contain such information, and notice thereof shall be served upon such interested parties and in such manner as the Commission shall, by regulation, require.

**(e) Granting of certificate of public convenience and necessity**

Except in the cases governed by the provisos contained in subsection (c)(1) of this section, a certificate shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operation, sale, service, construction, extension, or acquisition covered by the application, if it is found that the applicant is able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of this chapter and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, sale, operation, construction, extension, or acquisition, to the extent authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied. The Commission shall have the power to attach to the issuance of the certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require.

**(f) Determination of service area; jurisdiction of transportation to ultimate consumers**

**(1)** The Commission, after a hearing had upon its own motion or upon application, may determine the service area to which each authorization under this section is to be limited. Within such service area as

determined by the Commission a natural-gas company may enlarge or extend its facilities for the purpose of supplying increased market demands in such service area without further authorization; and

**(2)** If the Commission has determined a service area pursuant to this subsection, transportation to ultimate consumers in such service area by the holder of such service area determination, even if across State lines, shall be subject to the exclusive jurisdiction of the State commission in the State in which the gas is consumed. This section shall not apply to the transportation of natural gas to another natural gas company.

**(g) Certificate of public convenience and necessity for service of area already being served**

Nothing contained in this section shall be construed as a limitation upon the power of the Commission to grant certificates of public convenience and necessity for service of an area already being served by another natural-gas company.

**(h) Right of eminent domain for construction of pipelines, etc.**

When any holder of a certificate of public convenience and necessity cannot acquire by contract, or is unable to agree with the owner of property to the compensation to be paid for, the necessary right-of-way to construct, operate, and maintain a pipe line or pipe lines for the transportation of natural gas, and the necessary land or other property, in addition to right-of-way, for the location of compressor stations, pressure apparatus, or other stations or equipment necessary to the proper operation of such pipe line or pipe lines, it may acquire the same by the exercise of the right of eminent domain in the district court of the United States for the district in which such property may be located, or in the State courts. The practice and procedure in any action or proceeding for that purpose in the district court of the United States shall conform as nearly as may be with the practice and procedure in similar action or proceeding in the courts of the State where the property is situated: Provided, That the United States district courts shall only have jurisdiction of cases when the amount claimed by the owner of the property to be condemned exceeds \$3,000.