

FERC Authorizes Information Sharing by Gas Pipelines, Electric Utilities

The Federal Energy Regulatory Commission (FERC) today issued a final rule allowing interstate natural gas pipelines and electric transmission operators to share non-public operational information to promote the reliability and integrity of their systems.

With the increasing reliance on natural gas as a fuel for electric generation, ensuring robust communications between transmission operators in the electric and natural gas industries will help both systems operate reliably and effectively, FERC said.

Today's rule authorizes interstate natural gas pipeline and electric transmission operators to voluntarily share nonpublic, operational information. To protect against undue discrimination and ensure that the shared information remains confidential, the rule also adopts a No-Conduit Rule that prohibits recipients of the information from disclosing it to an affiliate or a third party.

The final rule states that the No-Conduit rule applies only to the information that an interstate natural gas pipeline or an electric transmission operator exchange pursuant to this final rule. Therefore, the No-Conduit Rule does not affect current communications among interstate and intrastate natural gas pipelines, local distribution companies and gatherers regarding conditions affecting gas flows between these physically interconnected parties, nor does it affect communications between transmission system operators and load serving entities. In response to comments, the final rule states that electric transmission operators can seek Commission authorization if they wish to share information received from an interstate pipeline with a local distribution company.

The final rule takes effect 30 days after publication in the Federal Register.

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