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Docket No. RM14-2-000

Item No. M-1

FERC Approves Final Rule to Improve Gas-Electric Coordination

The Federal Energy Regulatory Commission (FERC) today took further steps to improve coordination of wholesale natural gas and electricity market scheduling as the nation increasingly relies on gas for electric generation. The Final Rule, together with prior Commission actions, will help ensure the reliable and efficient operation of both the interstate natural gas pipeline and electricity systems. This Final Rule represents the culmination of more than three years of Commission efforts to evaluate whether changes are needed to the scheduling practices of the natural gas and electric industry in order to better ensure the reliable and efficient operations of our interstate natural gas pipelines and our electricity systems.

The Final Rule adopts two proposals submitted by the North American Energy Standards Board (NAESB) to revise the interstate natural gas nomination timeline and make conforming changes to their standards. In the March 2014 Notice of Proposed Rulemaking (NOPR), the Commission proposed changes to the nomination timeline for natural gas pipelines, but provided the gas and electric industries with time to consider revisions to those proposals. Today, the Commission is adopting the proposal to move the Timely Nomination Cycle deadline for scheduling gas transportation from 11:30 a.m. Central Clock Time (CCT) to 1 p.m. CCT and the proposal to add a third intraday nomination cycle during the gas operating day to help shippers adjust their scheduling to reflect changes in demand.

The Final Rule declines to adopt the NOPR proposal to move the 9 a.m. CCT start of the gas day to 4 a.m. CCT. The Commission concluded that, while certain efficiencies could be achieved through a better alignment of the natural gas and electric operating days, the record in this proceeding does not justify changing the start time for the nationwide natural gas day. The Final Rule recognizes that several regional efforts continue to address the misalignment between the gas day and the regional electric days.

The Final Rule takes effect 75 days after publication in the *Federal Register*.

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