



REGULATORY UPDATE

Commissioner LaFleur Steps Down; Commissioner Bay Becomes FERC Chair: on April 15, Commissioner Bay took over the Commission's helm. Commissioner Moeller has recently been quoted in trade press publications as stating that he is "very encouraged" by Chairman Bay's different approach; namely, that Chairman Bay involves his fellow commissioners earlier in the deliberative process for important matters. Bay "seems to be embracing the attitude that we will open up the deliberative process earlier so other commissioners could be part earlier in the decision-making process as to where a rule or particular controversial order is going," Moeller said. Noting that commissioners sometimes have just five days or so to decide how to vote on important draft orders, Moeller insisted that the change is important because FERC's rulings "come out better if we have a vibrant debate earlier in the process." Moeller said "it would be good for both the chairman and the other commissioners to be more empowered in this decision making process." Commissioner Moeller stressed that the FERC chairman is a very powerful person because he or she sets FERC's agenda, the agency's priorities and the timing of commission actions. Thus, he said Bay's decisions over the next couple of months in that regard should be watched because they will reveal FERC's philosophy under the new chairman as it tackles several important matters. You can read more about Chairman Bay's background [here](#).

DOE Issues Quadrennial Energy Review: on April 22, the DOE released the first Quadrennial Energy Review, which, among other things, called for modernization of the nation's energy infrastructure. In early 2014, President Obama asked the administration to conduct a review of the nation's energy infrastructure to address the age and capacity of the system, as well as to assess the challenges posed by climate change and cyber and physical threats. The assembled task force will spend 4 years conducting the review, publishing a report each year. Tuesday's QER was the first of these annual reports. Of note, the report found that "[c]lose to 50% of the nation's gas transmission and gathering pipelines were constructed in the 1950s and 1960s -- a build out of the interstate pipeline network to respond to the thriving post-World War II economy. Analyses conducted for the QER suggest that **natural gas interstate pipeline investment will range between \$2.6 billion and \$3.5 billion per year between 2015 and 2030**, depending on the overall level of natural gas demand. **The total cost of replacing cast iron and bare steel pipes in gas distribution systems is estimated to be \$270 billion.**" The entire 348 page QER is available [here](#), or a summary fact sheet of the QER is available [here](#).

FERC Stands by Reviews in Answer to White House Climate Guidance: FERC defended its method of reviewing natural gas and electric power projects in response to a proposal from the White House Council on Environmental Quality that asked agencies to do more to prevent climate change. "Commission staff believes that the commission's approach in conducting [National Environmental Policy Act (NEPA)] analysis related to natural gas satisfies the important goals of

appropriately analyzing potential [greenhouse gas] emissions and climate change, and of fulfilling the statutory mandates set forth in the Natural Gas Act and the Federal Power Act," wrote Ann Miles, director of the FERC Office of Energy Projects.

The Council on Environmental Quality, or CEQ, issued the [revised draft guidance](#) in December 2014. The guidance would ask federal agencies to do more to calculate potential climate impacts of actions under their oversight. The FERC comments were filed in February but posted by the CEQ earlier this week. You can review FERC's comments [here](#).

JUDICIAL UPDATE

Texas Eastern Transmission 5th Circuit Case – Withdrew Petition for Review: Texas Eastern withdrew their 5th Circuit appeal in late April regarding several Commission orders that required Texas Eastern to file tariff records that comply with the Commission's policy on reserve charge credits. Texas Eastern refused to provide full reservation charge credits for non-*force majeure* outages or during routine maintenance.

ON THE HORIZON

- Next PGC Meeting: May 8, 2015 at 1:30 p.m. ET
- Request for Clarification on Policy Statement on Cost Recovery Mechanisms and Surcharges: Due May 15
- Next Commission Meeting: May 21, 2015
- Upcoming PGC Meeting: the next in-person PGC membership and affiliate meeting will be held in Washington, D.C. on June 18th, with a dinner on the 17th. You are also invited to join us the night of June 18th at the Nationals stadium to watch the Nats take on the Tampa Bay Rays!

CONTACT INFORMATION

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