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ONE HUNDRED THIRTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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January 10, 2014

The Honorable Cheryl A. LaFleur
Acting Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Dear Acting Chairman LaFleur:

Thank you for appearing before the Subcommittee on Energy and Power on Thursday, December 5, 2013, to testify at the hearing entitled "Evaluating the Role of FERC in a Changing Energy Landscape."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Friday, January 24, 2014. Your responses should be e-mailed to the Legislative Clerk in Word format at Nick.Abraham@mail.house.gov and mailed to Nick Abraham, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Ed Whitfield
Chairman

Subcommittee on Energy and Power

cc: The Honorable Bobby L. Rush, Ranking Member,
Subcommittee on Energy and Power

Attachment

Additional Questions for the Record

The Honorable Ed Whitfield

1. Under former Chairman Wellinghoff, FERC's "top initiatives" included: 1) smart grid; 2) demand response; 3) integration of renewables; and 4) Order No. 1000 – transmission planning and cost allocation.
 - a. In light of Chairman Wellinghoff's departure, how might you redirect FERC's priorities during your tenure as Acting Chairman?
2. Under your leadership, how might the Commission's work differ from that of former Chairman Wellinghoff on the following critical issues:
 - a. Order 1000 transmission planning and cost allocation?
 - b. Natural gas pipeline permitting?
 - c. LNG siting?
 - d. Organized wholesale electricity markets?
3. The President has directed EPA to issue proposed regulations limiting emissions of greenhouse gases (GHG) from existing fossil fuel electric generation units by next June.
 - a. Have you or anyone at FERC had discussions with any EPA or DOE staff, or provided them information, regarding the potential reliability or price impacts of EPA regulation of GHGs from existing fossil fuel units?
 - b. Are you aware of EPA or DOE conducting any analysis of the potential reliability or price impacts of potential GHG regulations for existing fossil fuel units? If so, what is the content of such discussions and information?
4. Why does Order 1000 permit customers to be charged for transmission lines built by entities their utility does not take service from?
 - a. Do you support allocating costs for new transmission lines to entities that don't have a customer or contractual relationship with the builder of the line?
 - b. Please identify the section of the Federal Power Act that gives FERC this authority to allocate costs in the absence of a contractual relationship?
5. Please identify the provisions in the Federal Power Act that give FERC authority over local and regional transmission planning? Please define "region" for the purposes of Order 1000? Please define "benefit" for the purposes of Order 1000?
6. What metrics are you prepared to measure and report back to Congress that Order 1000 is going to lead to transmission projects being built more expeditiously would allow us to judge whether it has?
7. There is a growing level of convergence in the natural gas and electricity markets. Take New England for example, where I understand there may be a need for a new cost-sharing model to facilitate construction

of new gas pipeline capacity, the absence of which is preventing New England consumers from realizing the full benefit of the nation's burgeoning natural gas supplies.

- a. Please describe FERC's authority and ability to implement a cost-sharing model that would broaden the scope of responsibility for financing new pipeline capacity.
8. The proper design and operation of wholesale power markets are critical. Investment decisions in these markets are being made today based on existing market rules approved before the shale gas revolution, low load growth, proposed EPA rules, and the rise of intermittent renewables; in other words, under different conditions.
 - a. Please explain what FERC is doing and plans to do to review and improve market rules so that wholesale markets are sending the proper investment signals in light of structural changes impacting the power sector.
 9. Has FERC examined -- in a structured, systematic, transparent manner -- whether the experience with organized electricity markets has been a net benefit for consumers? Has anyone else? Does FERC plan to?
 10. Baseload electric generating assets have a life span of 40 to 60 years or longer. The forward capacity markets in organized electricity markets typically operate three years ahead. Do you agree there's a fundamental mismatch between the investment recovery profile of electric generating assets and the way merchant markets are structured? Do you think FERC has a role to play in addressing this problem?
 11. EIA, other data and trade group studies show greater levels of construction of generation capacity in non-RTO markets.
 - a. In a period of rapid change in the industry, is there any evidence that RTO markets, specifically the capacity markets, can best address these resource needs, while minimizing adverse impacts on the economy and consumers?
 - b. If not, what changes are most needed to RTO markets to achieve resource adequacy at least cost, in consideration of reliability, consumer impacts, fuel diversity and the environment?
 12. Between 2008 and 2012, the clearing prices in the PJM wholesale energy market during times of high energy demand declined significantly because of the drop in natural gas prices. For example, the clearing price for 150GW in PJM was about \$92 in 2008 and \$40 dollars in 2012. Similarly, the clearing price for 175GW in PJM was \$155 in 2008 and \$63 in 2012.
 - a. Has FERC calculated how much these drops in prices saved consumers during this time period?
 - b. Looking at the other side of the equation -- with these price differentials, the revenues collected by generators in PJM declined significantly. Has FERC calculated or estimated how much the revenues collected by generators in the PJM energy market decreased over the past three or four years?
 - c. Does the current structure in PJM bias towards existing generators?
 13. Under former Chairman Wellinghoff, it seems that FERC's policies promoted certain generation sources - - renewables, distributed generation, demand response -- to a degree that threatens all baseload generation.

- a. Should demand response, for example, be rewarded in the same way as steel in the ground?
 - b. Is the reliability of demand response and renewables as good as fossil fuel or nuclear capacity, which is almost always available? If not, doesn't that threaten the reliability of the grid?
14. Are centrally-dispatched markets, such as those operated by Regional Transmission Operators (RTOs), the optimal means to integrate variable energy resources at least cost? Why or why not?
15. Within regions with security-constrained economic dispatch, how is this dispatch affected by negative or zero-priced offers received from renewable energy resources?
16. A recent report commissioned by FERC as part of the National Action Plan on Demand Response noted that "Demand Response is often cited as a means of improving the reliability of the electricity system, yet there is little empirical data to demonstrate this benefit."
- a. What specific actions is FERC taking to ensure that DR is in fact supporting, rather than potentially impairing, the reliability of the electric system, particularly in regions where DR is increasingly being relied upon as a capacity resource?
17. Increasing evidence suggests that some Demand Response providers are being paid a high price to deliver demand response at a future date, but these providers then turn around and buy the product from someone else in the meantime. In many cases they never intended to deliver the service themselves in the first place, but they are able to profit from markets that, at times value DR even more than actual power plants.
- a. Does FERC support the actions being taken by certain RTOs/ISOs to ensure that DR is a physical product that can actually be delivered to ensure resource adequacy?
 - b. Is there any justification for treating DR providers differently from other capacity resources, such as generation, given that DR is in fact a newer and less understood resource with no track record to rely on?
18. Since the enactment of PURPA in 1979, FERC has never exercised its authority under Section 210 to pursue enforcement actions against a state commission in federal court, as it has chosen to do with the Idaho PUC. States clearly have authority to set the avoided cost for the purchasing utility and set terms and conditions for Qualifying Facilities (QF) that pass muster with FERC. Recently FERC has been accepting many more petitions for enforcement, and taking a more aggressive stance toward the state PUC role in determining the terms and conditions of these QF contracts.
- a. Why is FERC doing this, and what has changed in either the renewable/QF space, or with the federal-state relationship where FERC feels compelled to do this?
19. Earlier this year, Congress unanimously passed the Hydropower Regulatory Efficiency Act. Among other changes, the Act revised how FERC regulates small conduit hydro projects, and required the Commission to investigate a 2-year licensing process for non-powered dams and closed loop pumped storage projects and also conduct pilot projects.
- a. Please provide an update on the Commission's activities to date to implement these and the other provisions of the law and outline what additional steps the Commission will take in 2014.

- b. What feedback did the Commission receive from the October workshop on the 2-year licensing process? Do you believe that FERC will be able to implement pilot projects in 2014? If not, why not?
 - c. Did the workshop and comment period reveal any additional licensing issues (either at FERC or any other agency) that Congress would need to address through legislation to better effectuate the intent of the 2-year process? If so, please outline the issues.
 - d. How is the process for excluding small conduit hydro projects from FERC licensing working? Please provide numbers on determinations sought as well as those granted and or denied, and statistics on the length of time these proceedings have taken.
20. Have any of you or any other Commissioner had contact with the White House regarding the President's Climate Action Plan? If so, please describe the nature of the contact.
- a. Have any of the activities undertaken by FERC been identified by the Administration as climate-related activities? If so, please identify.
21. Were you surprised to see that DOE's most recent Order granting authorization to export LNG partially denied Freeport LNG's request solely on the basis of the volume referred to in their FERC application?
- a. Freeport LNG cited the "nameplate" volume capacity in their FERC application. What steps would they be required to take with FERC if they find they are capable of exceeding that? Can they amend their application?
 - b. What precedent has DOE set by denying a request based on a FERC application? Do you believe DOE's basis was appropriate?
22. Other than for environmental reasons, do you believe that FERC has the authority to deny an application for an LNG export facility?
23. The license for the Catawba- Wateree Hydroelectric facility located in North and South Carolina expired on August 31, 2008. In 2006, well before the license expired, the project owner and operator timely submitted a relicensing application to FERC, along with a Comprehensive Relicensing Agreement (CRA) that was negotiated with more than 70 public and private stakeholders from North and South Carolina. On July 8, 2013, the National Marine Fisheries Service issued a final Biological Opinion for the project as part of the Section 7 consultation process under the Endangered Species Act.
- All the federal requirements seem to have been cleared, allowing FERC to now proceed to make a final determination on the relicensing application and issue the new license.
- a. What is the status of the Catawba-Wateree relicense application?
 - b. What is the Commission's sense of when a final determination of the application will be made so that the surrounding region can finally, after five years of waiting, start to see the economic, public and environmental benefits that will flow from the CRA being implemented as part of the new license?
24. In May 2013, Big Rivers Electric Corporation ("Big Rivers") submitted to the Midcontinent Independent System Operator, Inc. ("MISO") an Attachment Y notification for Big Rivers' Coleman Generation Station ("Coleman"). In that notification, Big Rivers announced that it would suspend operation of Coleman from September 1, 2013 through December 31, 2015. MISO has determined that continued

operation of Coleman is necessary for reliable delivery of the full amount of power to the Century aluminum smelter that is adjacent to Coleman. Consequently, MISO has entered into a System Support Resource ("SSR") Agreement with Big Rivers to enable Coleman's continued operation. The SSR Agreement was filed with the Commission on November 1, 2013, in Docket No. ER14-232-000. The SSR Agreement anticipates monthly costs in excess of \$3 million, nearly all of which will be borne by Century. This SSR filing comes on the heels of several other SSR filings by MISO. The costs of these other SSR filings are also being borne by customers in the Midwest.

- a. Have MISO and the Commission adequately explored all feasible alternatives to the Big Rivers SSR agreement and other such agreements to reduce or eliminate the need to impose SSR costs on Century or other Midwest consumers?
- b. Please identify the actions that the Commission has undertaken to explore the following as feasible alternatives to Big Rivers' SSR and other SSRs:
 - i. Live-line transmission maintenance;
 - ii. Planning, design, and construction of new transmission facilities; and
 - iii. Special Protection Schemes

The Honorable Fred Upton

1. We often have FERC staff testify before this Committee rather than a FERC Chairman or Commissioner. FERC staff usually explains that they are testifying on their own behalf, and expressing their own views and "not those of the Commission or of any individual Commissioner." This can be problematic. We need to be able to rely on FERC staff's testimony as reflective of the agency's collective views so that we are informed of FERC's position on certain policies and legislation.
 - a. Will you commit to helping us resolve this disconnect for future hearings featuring FERC staff?
2. At a hearing last month on H.R. 3301, the North American Energy Infrastructure Act, Jeff Wright from FERC testified about certain concerns with the legislation which involved confusion over whether the legislation would prohibit FERC from fully complying with Section 3 and Section 7 of the Natural Gas Act.
 - a. If we were to amend the legislation to specifically state that nothing in HR 3301 would affect the need to fully comply with the Natural Gas Act, do you believe that FERC would no longer have concerns with the legislation?
3. A key goal in FERC's Strategic Plan, 2009-2014, calls for safe, reliable, and efficient infrastructure development to integrate new resources.
 - a. Are you supportive of FERC's goal for infrastructure development included in the plan?
 - b. What enhancements or changes would you consider to this goal?
 - c. What other changes to FERC's Strategic Plan do you think may be needed?
4. Since states have their own transmission planning processes, why does FERC believe it's necessary to layer on a new federal process? Shouldn't planning for new transmission be overseen by the body that

has the authority to approve or disapprove the resulting plans? Isn't that body the state – rather than FERC?

5. Federal statute divides the jurisdiction of FERC and CFTC between cash markets and derivatives markets, respectively. Section 720 of the Dodd-Frank Wall Street Reform and Consumer Protection Act required CFTC and FERC to negotiate a memorandum of understanding by January 2011 that would integrate energy market oversight and improve information sharing between the two commissions. As of this letter, FERC and CFTC had failed to negotiate such a memorandum because, according to a letter sent to Congress this August by then-FERC Chairman Jon Wellinghoff, “the two agencies disagree over whether the CFTC should provide FERC with certain data that we believe is critical to our surveillance program to detect and deter energy market manipulation.”
 - a. I understand that to complete its investigations, FERC often must request trading data from CFTC. Is it true that CFTC often takes more than two months to supply that requested data?
 - b. I understand that CFTC and FERC technical staff have discussed giving FERC investigators the ability to download this data electronically and instantaneously. Is FERC aware of any technical reason why this information sharing is not yet occurring?
 - c. A letter from then-Chairman Wellinghoff suggests that information sharing is vital to its investigations. When was the last time any of you met with a commissioner of the CFTC to express in person the importance of information sharing?
6. When it comes to trading in natural gas and electricity markets, and without simply reciting statutory language, what is your understanding of how FERC defines market manipulation?
7. Is it your understanding that FERC must prove “fraud” under the Natural Gas Act and Federal Power Act to make a finding of market manipulation?
8. What is your understanding of what constitutes “impairing a well-functioning market” as FERC has used that term in Order No. 670?
9. Do you think market participants have fair notice of how FERC defines market manipulation? Do you think market participants have fair notice of how FERC defines “impairing a well-functioning” market?
10. FERC has been criticized recently by energy expert Professor William Hogan from Harvard University for not giving market participants adequate notice of what constitutes market manipulation. Do you agree with Professor Hogan’s conclusion that this lack of clarity is going to imperil the natural gas and electric markets?
11. The Commonwealth of Puerto Rico is shifting its reliance on oil to natural gas as its primary source of electricity generation, reducing its cost of electricity to 22 cents per kilowatt hour by 2015. The Aguirre Offshore GasPort Project (AOGP) is a key element to this strategy. As the Commonwealth initiates the authorization process, what efforts has FERC been engaged in with the Puerto Rico Electric Power Authority (PREPA) and other agencies within Puerto Rico and what challenges are the agencies likely to encounter in completing this project?

The Honorable Ralph Hall

1. In most instances, FERC has been appropriately respectful of the limits of its jurisdiction when it comes to non-jurisdictional entities such as electric cooperatives and others. However, there have been occasions where FERC has crossed that line, at least in the eye of some observers, or has come so close that the jurisdictional limits are for all practical purposes nullified. One example would be some of the orders issued earlier this year on the regional Order 1000 compliance filings. In some of those orders, such as the WestConnect order issued in March, FERC made certain rulings regarding cost allocation for transmission projects that overrode or dismissed the concerns raised by the non-jurisdictional entities about whether they can participate in regional planning without being subject to binding cost allocation. Going forward, how will FERC improve its treatment of non-jurisdictional entities while still pursuing its efforts to overhaul transmission planning?
2. In September, 2013, Chair Whitfield together with 11 other Republican subcommittee members sent a letter to former FERC Chairman Wellinghoff asking the Commission to expand its examination of centralized capacity markets. The letter asked for this examination in light of the Commission's expressed goals in its Order No. 2000: to "promote efficiency in wholesale electricity markets and to ensure that electricity consumers pay the lowest price possible for reliable service."

Commissioner Norris recently issued a statement noting that a great deal of his time since he joined FERC in 2010 has been consumed with regulatory proceedings involving capacity markets, particularly those in the 3 Eastern RTOs. The same is certainly true for market participants, both those that have unbundled and especially those that remain vertically integrated. For such entities, which include many IOUs as well as electric co-ops and public power, meeting their load-serving obligations through self-supply, whether that be owned generation and/or through purchase power contracts, is the best way to achieve that Order No. 2000 goal; and preserving their right and ability to do so is their primary challenge in all these many regulatory proceedings.

Is there any reason why the right to self-supply cannot continue to exist within the capacity markets as currently constructed? Put differently, wouldn't limiting the ability of non-FERC-jurisdictional entities to make their own decisions regarding how best to meet their systems' needs fall outside the line of FERC's jurisdiction? And how would FERC justify such a limitation, given the stated goal of reliable service at the lowest possible cost?

3. In the Energy Policy Act of 2005 Congress enacted Federal Power Act section 211A which gave FERC certain limited jurisdiction over large transmitting electric cooperatives that are otherwise not generally FERC-jurisdictional. Since then FERC has at least twice declined to impose 211A on a generic basis and has not to date imposed 211A conditions on a single co-op. Do you commit to following that precedent, reserving 211A to be used only if and when needed on an individual case basis?
4. At last Thursday's hearing, we discussed a new technology that has been developed in Texas which will improve the usefulness of LPG- type products by enabling more hydrocarbon constituents to be mixed into them. As I understand it, LPG is a process patented in 1913 by Dr. Walter Snelling of the U.S. Bureau of Mines. FERC and DOE's predecessor agency determined that this product, like other NGLs was not natural gas and not subject to regulation. Since that time, in Texas and throughout the country, LPG has been produced, transported, consumed and freely exported without the need for regulation by the Federal Energy oversight agencies.

LPG is an important contributor to Texas' economy and, with the Shale Gas Revolution, is becoming increasingly valuable. I am not aware of any significant problems that have arisen during the 100 years or so that this regulatory approach has been followed.

My question is this. If there is a new proprietary process that increases the value and utility of LPG-type operations by enabling additional constituents found in petroleum or wellhead gas to be mixed in and if the product of that process is similar in characteristics to LPG, why doesn't it make sense to regulate that process in the same way you regulate LPG, and for that matter, what words in the law prevent you from taking that approach?

I ask that you answer this question as promptly as practicable as I am advised by colleagues on the Committee that uncertainty is delaying deployment of these new technologies and achievement of the very substantial environmental and economic benefits which they offer.

The Honorable John Shimkus

1. Are you aware that the United States Military Academy (USMA) at West Point is at capacity for electric power and how would you describe this situation?
2. Has the transmission system at USMA been substantially upgraded since the 1970s?
3. What are the expected improvements for a typical transmission system that is 40 years old?
4. Is there a general calculation used by utilities to forecast demand increase that would drive the upgrade of infrastructure?
5. Is the age of the transmission system supporting USMA a concern?
6. Are utilities obligated to provide power requisite with current and future demand?
7. Who is responsible for the funding of upgrades?
8. Are utility companies obligated to submit master plans or capital improvement plans? If so, what has been submitted with regard to USMA?
9. How does USMA's electric energy use affect the neighboring communities, such as Highland Falls and Fort Montgomery?

The Honorable Michael C. Burgess

1. Commissioners, I join many of my colleagues who are concerned about a growing trend within Federal agencies to expand their jurisdiction without being given the authority by the Congress. Just because some long time government employee or employees may be predisposed one way or another, we are a nation of laws and even agencies are not exempt from the limitations placed on them by statutes we have passed that give them their jurisdiction.

There seems to be a good deal of uncertainty as to how FERC and DOE are regulating natural gas and natural gas export and exactly what "natural gas" is. I hope that, as new processes for recovering, transporting and storing hydrocarbons are developed, FERC and DOE will adhere to a strict construction of the statutory definition and not try to reach out and regulate products which are liquid, like LPGs, or which are specially manufactured to meet customer needs. Do you agree that we should interpret the law wherever possible in ways which minimize regulatory impediments?

The Honorable David B. McKinley

At our hearing on December 5th, we discussed the definition of “natural gas,” the application of that definition to Natural Gas Liquids and the effect of that application on new “solvation” technologies which produce liquid mixtures of selected natural gas and NGL constituents. I understand that these mixtures are similar in characteristics to LPG but can be effectively used to capture and transport any or all of the gas constituents that come out of the wellhead. As I noted, this technology can be extremely useful in capturing and recovering the significant volume of gas that is currently being flared in West Virginia and in alleviating the glut of certain gas constituents like ethane that currently exists in our region.

It is my understanding that the deployment of this technology in my state and others (Mr. Hall raised similar issues in his questioning) is being delayed by uncertainty as to whether FERC and DOE will treat this new mixture of gas and NGL constituents as a liquid like LPG and thus not subject to export controls and other regulatory strictures applicable to “natural gas” or, in the alternative, whether the natural gas definition will be stretched to cover this new technology and delay its implementation. I was heartened by the Chairman’s assurance that there are no plans to redefine natural gas under the Natural Gas Act but would like answers to the following questions in order to resolve the uncertainties which are currently impeding the deployment of these new technologies.

1. My understanding is that both DOE and FERC have historically concluded that NGLs such as Propane, Ethane and LPG are not “natural gas” and may be produced, transported and exported without being subject to the facility siting and other regulatory restrictions which apply to natural gas. Are you aware of any policy reason for deviating from this approach and regulating either NGL facilities (particularly those other than pipelines) or the transportation and use of NGLs in a manner different than that which has been historically followed? Hasn’t the current approach been essentially problem free? Is there any reason to expand jurisdiction and move into an area which has been problem free?
2. As a matter of policy, should the mixtures created by new technologies which alter LPG, by incorporating into it additional hydrocarbon constituents found in wellhead gas, be treated like LPG, to which it is most similar in characteristics, or like pipeline quality natural gas, which is subject to regulation by FERC and DOE? Shouldn’t it be our policy to minimize regulatory interference with business decisions where there is no demonstrated need for regulation?
3. As a matter of law, how can it be determined that a process which mixes various constituents of wellhead gas, including Methane, into Propane and other NGLs to create a mixture of natural gas and natural gas liquids which is similar in characteristic to LPG, is either “natural gas unmixed” or a “mixture of natural and artificial gas” within the meaning of the Natural Gas Act of 1938.

As I indicated at the hearing, uncertainty regarding these issues is delaying deployment of important new technologies which can be of great import in preventing waste and environmental harms while, at the same time, creating jobs and helping West Virginia’s economy.

The Honorable Jerry McNerney

1. In California, we have a number of statutory and regulatory requirements that not only require development of new generation, but also the type of new generation. Is it the Commission’s intent to let the ISOs (or in our case the States) lead in deciding whether capacity markets are necessary and, if so, to design them to reflect the unique features of the relevant market?

2. My understanding is that some of the current capacity markets require local utilities to buy from the market. Public power utilities in Northern California just built a highly efficient and clean gas plant in my district. Will they be able to utilize this resource and self-supply, rather than being forced onto the market?
3. There has been recent discussion about whether FERC might push for lower returns for transmission investment. Can you comment on what you see FERC's role being at this time in providing a clear, consistent market signal for the transmission investment that this Committee has believed to be important for a number of years?

The Honorable Eliot L. Engel

The Commission has been focused on implementing policies which provide significant advantages to demand response resources relative to traditional generation, presumably because of their superior environmental impact. Yet, in some areas up to 1/3 of this demand response isn't the type use reduction and demand side management we normally conceive of when we're talking about demand response. Instead, a great deal of this actually appears to be load shifting rather than demand reduction and the load is being shifted from low emitting generation sources to inefficient, diesel-fueled, backup generators, that don't have environmental controls.

1. How this is consistent with the purported environmental benefits DR is supposed to bring?

A second problem seems to be that when this bundled demand response commits to provide system reliability 3 years ahead of time, it simply does not show up when it is needed.

2. What is the Commission doing to ensure these demand response resources are real, and are fully committed to meet their obligations for providing system reliability?

The Honorable Gene Green

The liquefied petroleum gas (LPG) industry is an important component of the Texas oil and gas industry. In Texas, the Railroad Commission administers and enforces state laws and rules related to LPG, while the Environmental Protection Agency is responsible for oversight and regulation of emissions and clean air standards, and the U.S. Department of Transportation regulates some aspects of transportation.

1. New technologies have now entered the marketplace for producing LPG-like products, called Compressed Gas Liquids that are customized blends of gas and gas liquids. How can we ensure that these new Compressed Gas Liquids products and facilities are similarly regulated to the LPG industry?

The Honorable Mike Doyle

Manufacturing companies argue that they are overpaying for natural gas as a result of interstate pipeline rates. FERC needs to assure consumers that pipeline companies are charging a "just and reasonable" rate as required under the Natural Gas Act.

1. What is FERC doing to ensure that consumers are not overcharged?

The Natural Gas Supply Association conducts a study every year using Form 2 data that pipelines are required to file with the FERC. The latest report indicated that that pipelines are overcharging by \$3.4 billion. This seems to be a problem in the sense that these dollars are coming from consumers. .

2. Some have suggested that one way to address the issue would be reform of the Natural Gas Act to ensure that customers (after proving that they have been overcharged by interstate pipelines) can receive a refund back to the date of a filed complaint – a change that would give gas customers the same protections afforded under law to electricity customers since 1988. What are your thoughts on this?