

## FERC Updates Voluntary Gas Price Reporting Policy

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On April 21, 2022, the Federal Energy Regulatory Committee (FERC) revised its guidelines pertaining to the voluntary reporting of natural gas transaction prices by market participants to price index developers (e.g., NGL, S&P, OPIS, Argus, ICIS, and others). Specifically, FERC issued a Revised Policy Statement (RPS) modifying the standards for such reporting to price index developers. In doing so, FERC largely adopted policies first proposed in late 2020. The RPS is effective on December 31, 2022.

There has been a dramatic decline in voluntary reporting to price index developers by market participants of natural gas transaction prices since 2010. FERC hopes the changes in the RPS will help encourage more market participants to report their transactions to price index developers.

The RPS revises price index policy standards for market participants. It will allow market participants to report either their next-day or their next-month transactions. Previously, for those market participants choosing to report, reporting both was required. Additionally, FERC will now permit market participants that provide such data to self-audit twice per year rather than annually.

The RPS also modifies FERC price reporting standards to require price index developers to disclose when they use a market assessment other than trades at the index specified location to calculate the price index. Additionally, price index developers will need to seek approval or re-approval from FERC every seven years that they meet the standards set forth in the Initial Policy Statement (IPS). Finally, beginning six months after the effective date of the RPS, interstate natural gas pipelines and public utilities using price indices in jurisdictional tariffs will no longer be entitled to a rebuttable presumption that such indices provide for just and reasonable rates, unless the referenced price index developer has obtained the IPS-related FERC approval.

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National Law Review, Volumess XII, Number 129

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