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**NARUC**

The National  
Association  
of Regulatory  
Utility  
Commissioners

## Technical Assistance Briefs: NARUC Inventory on Gas Curtailement Planning

Prepared by  
The Institute of Public Utilities

April 2005

Funded by the U.S. Department of  
Energy's Office of Electricity and  
Energy Assurance



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**TECHNICAL ASSISTANCE BRIEF ON  
CRITICAL INFRASTRUCTURE PROTECTION**

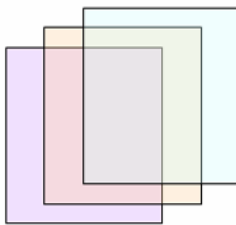
**NARUC INVENTORY ON GAS CURTAILMENT  
PLANNING: STATE PUBLIC UTILITY  
COMMISSION PARTICIPATION**

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NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS  
AD HOC COMMITTEE ON CRITICAL INFRASTRUCTURE

APRIL 2005

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**NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS  
AD HOC COMMITTEE ON CRITICAL INFRASTRUCTURE**

*Letter from the Chair*

Commissioner Connie O. Hughes, New Jersey Board of Public Utilities  
March 2005

As Chair of the NARUC Ad Hoc Committee on Critical Infrastructure, I am proud to present to public utility regulators, policymakers, utility industry leaders, and consumers, this landmark series of technical briefs on a complex set of issues pertaining to our nation's critical utility infrastructures. These documents identify key strategies for our consideration as we meet ongoing challenges within each of the electricity, natural gas, water, and telecommunications sectors.

I trust that the documents will enhance the understanding and appreciation of critical infrastructure protection, particularly with respect to the role of state public utility commissions, as well as assist in the development of appropriate policies and strategies in this vital area.

The Committee appreciates and is grateful for the assistance in preparing these reports by Dr. Janice A. Beecher, Institute of Public Utilities at Michigan State University and Dr. James B. Atkins, Regulatory Heuristics. I also acknowledge the support and funding provided by the U.S. Department of Energy's Office of Electricity and Energy Assurance under the leadership of Mr. Alex de Alvarez and assistance of Ms. Alice Lippert. I also thank the National Association of Regulatory Commissioners, the NARUC Staff Subcommittee on Critical Infrastructure, and our other state partners including the National Association of State Energy Officials, the National Conference of State Legislatures and the National Governors Association.

Commissioner Connie O. Hughes  
Chair, Ad Hoc Committee on Critical Infrastructure

This Technical Brief (Paper No. 8) is part of a series of reports prepared under the direction of the NARUC Ad Hoc Committee on Critical Infrastructure. Funding for this project was provided to NARUC by the U.S. Department of Energy in cooperation with the National Association of State Energy Officials.

The purpose of these complementary and reinforcing papers is to provide public utility commissioners and other participants in the regulatory policy community with introductory overviews, suggested protocols, and additional resources on critical infrastructure protection issues.

Paper 1. *Issue Paper on Critical Infrastructure Protection.* The federal and state roles in critical infrastructure protection are introduced and explored, with a special focus on the role of the state agencies and public utility commissions.

Paper 2. *Utility and Network Interdependencies: What State Regulators Need to Know.* As explored here, almost all utilities operate networks, and these sector networks are highly interdependent, which in turn relates to consideration of vulnerability and planning which takes on an added dimension of complexity needs, as well as regulatory considerations.

Paper 3. *A Primer on Energy Assurance for Public Utility Commissions.* The primer provides an introduction to energy assurance planning, which broadens traditional energy emergency response and planning to include critical infrastructure protection and energy and fuel shortage mitigation.

Paper 4. *State Government Organizational Issues, Roles, and Policy.* This discussion paper explores state governmental roles with respect to critical infrastructure protection, with a focus on the state public utility commissions and regulatory policy considerations.

Paper 5. *Regional Coordination and Intergovernmental Communication in the Energy Sector.* This paper highlights the importance of regional coordination and communication, focusing in particular on the protocols developed for the Energy Emergency Assurance Coordinators (EEAC) system that has identified state level energy experts for petroleum, gas and electricity.

Paper 6. *Critical Infrastructure Information Sharing Rules: Model Protocols for States.* The paper discusses both federal and state actions to date regarding the sharing of critical infrastructure information and provides a framework for future cooperation and efforts to harmonize information sharing among state commissions, the FERC and the Department of Homeland Security.

Paper 7. *NARUC Inventory on State Energy Assurance Planning.* The paper reports in detail the findings of a 2004 assessment of state commissions regarding energy assurance planning and related policy issues.

Paper 8. *NARUC Inventory on Gas Curtailment Planning.* The paper reports in detail the findings of a 2004 assessment of state commissions regarding gas curtailment planning and related policy issues.

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## EXECUTIVE SUMMARY

During 2004 and early 2005, the Institute for Public Utilities (IPU) at Michigan State University conducted a web-based inventory of gas curtailment policies for the National Association of Regulatory Utility Commissioners (NARUC). The purpose of the inventory was to catalogue the current gas curtailment policies implemented by state public utility (public service) commissions. Responses to this inventory represent commission participation or knowledge of such efforts in effect as of February 2005, and are not intended to catalog the array of all gas curtailment efforts in a particular state. Ultimately, the inventory findings can be used to improve future critical infrastructure and gas regulatory policies and strategies among federal and state agencies.

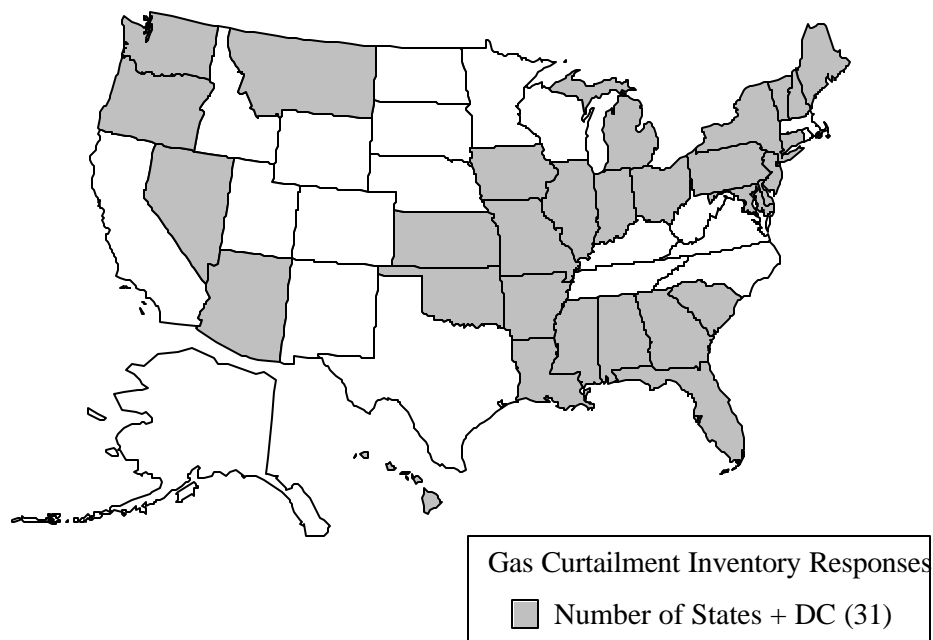
The final web-based Inventory was modified from an earlier template originally developed by the NARUC Staff Committee on Critical Infrastructure Protection and the Staff Committee on Gas. The Inventory focused on four primary areas including:

- Gas Shortage and Curtailment Authority
- Gas Curtailment Plan Filings
- Gas Usage Priorities, and
- Gas Use for Electricity Generation.

A total of thirty-one (31) commissions (30 states plus the District of Columbia) responded to the Gas Curtailment Planning Inventory (Exhibit ES-1). The responses indicated a significant variation on commission activities related to gas curtailment planning strategies. These ranged from limited and outdated gas curtailment planning to progressive efforts incorporating a diversity of state-of-the-practice gas planning activities.

### GAS SHORTAGE AND CURTAILMENT AUTHORITY

Primary authority to respond to a natural gas shortage or curtailment was evenly divided among the commissions, Governors, and shared authority. With the exception of three (3) states responding to the inventory, a strong collaborative process exists among commissions, Governors and other state agencies to respond to a natural gas shortage. Of the six (6) states where the commission has primary gas curtailment authority, gas curtailment actions involve enforcement of curtailment plans filed in a LDCs tariff. In the thirteen (13) states where the Governor has primary authority, strong inter-agency working arrangements are evident. Predominately, the commission acts as an “expert” on gas issues to the Governor generally as a member of the state Emergency Management Agency. Some of the strongest working relationships were in the eight (8) states where both the Governor and the commission share authority. In those states, commissions work directly with the Governors Office, the state Emergency Management Agency, or other energy advisory committee. Despite the broad authority outlined above, *none* of the thirty-one (31) state respondents indicated that the Governor or the commission had responded to a natural gas shortage in the last five years.



**Exhibit ES-1. Commissions that responded to the NARUC Gas Curtailment Planning Inventory in mid-2004.** States not participating in the inventory appear as white.

## GAS CURTAILMENT PLAN FILINGS

As to the question of whether commissions conduct a proceeding to approve or review gas curtailment plans, state responses were evenly distributed. Of the thirteen (13) states which conduct hearings or meetings to approve plans, eleven (11) hold docketed hearings while two (2) states hold undocketed meetings. Of the eight (8) states where no hearing is conducted, in five (5) of those states the commission staff reviews the plans once filed.

Whether or not a formal or informal hearing process is conducted, the responses indicated that a majority of the curtailment plans are reviewed by state commissions or their staff. With the exception of Louisiana, none of the other thirty (30) states responding to the inventory have any specific requirements for the frequency that LDCs must file gas curtailment plans with the commission. Louisiana requires annual plan updates. Most plans [apparently] exist as a part of the LDCs tariff, and are modified when the LDC files a rate case, or has some other modification which may be required. Of the eighteen (18) states indicating that a docketed hearing, undocketed meeting or staff review was conducted to review gas shortage plans, the majority responded that most LDCs have updated their plans since 1999, even though no specific frequency to file plans is required. However, the actual features and provisions of the curtailment plans may not have been updated or modified even though other tariff provisions may have been updated. The oldest gas curtailment plan reported dated back to 1978.

A total of eleven (11) states indicated that they have the authority to levy fines or penalties on LDCs that fail to either file, or file timely gas curtailment plans, while six (6) states stated that they have no such authority. Interestingly, of the eleven (11) states that have penalty authority, eight (8) states conduct docketed hearings

## **GAS USAGE PRIORITIES**

A total of twenty-three (23) states responded that in an emergency or curtailment situation, their commission has the authority to prescribe specific actions required by LDCs to respond to the situation. Only five (5) states indicated that they had no authority.

When asked to describe the sequential actions that would be taken by a LDC if a gas curtailment plan were implemented, many states indicated that LDCs would be expected to follow their approved tariff on file with the commission. Most states follow a similar sequence of curtailment which requires (1) a call for voluntary usage reductions by all customers prior to issuing mandatory curtailment, (2) interruption of all interruptible services, (3) issue operational flow orders, and (4) implementation of penalties for violations of a failure to curtail use.

In the event of a curtailment, the majority of states responding had almost identical priorities for the use of gas. All placed a priority on protecting human health and safety. In general, priorities of usage contained in tariffs do not change under ordinary supply shortage circumstances, but during an energy emergency, priorities are implemented to ensure continued service to residential customers and other critical loads. However, there were slight variations in priorities from state to state.

In what appears to be a contradiction to an earlier question on filing of gas curtailment plans, only ten (10) states out of the thirty-one (31) responding states indicated that gas curtailment priorities are typically included in the transportation tariff (delivery) charges of LDCs. Eleven (11) responded that such priorities are not, while three (3) states did not know.

In regard to whether firm transportation customers are treated differently from full-service customers of LDCs in the event of a shortage of supply, twelve (12) states responded that firm transportation customers are treated differently from full-service customers of LDCs in the event of a shortage of supply, while nine (9) responded there is no difference in treatment. Two (2) states did not have any knowledge if differences existed. Eight (8) states did not respond to this question generally indicating that the question did not apply to their state. Concerning how firm transport vs. full service would be treated in a shortage, there appears to be no consistent method. In some states, full-service customers would be curtailed before firm transportation customers, whereas in others, firm transportation customers are on a curtailment schedule higher than the full-service firm customers of the LDC.

When asked about what actions would occur if a firm transportation customer failed to arrange for a sufficient supply to meet its needs, a number of diverse responses were provided. In the nine (9) states where no difference in treatment between firm transport and full service customers exists, responses ranged from the customer being subject to curtailment, while in another, if the supplier is short, there is a cash-out provision which varies with the deficiency level. If the supplier defaults, the customer returns to full sales service. In one state, supply is balanced by the LDC depending upon current storage and supply availability. Penalties may also be imposed if notice has been given pursuant to an Operational Flow Order. For those twelve (12) states where a difference in treatment was indicated between firm transport and full service customers, responses included that the transportation customer would be required to curtail use to the amount of supply that is delivered during an emergency. In one state, transportation customers may be allowed use of a balancing account to the extent that adequate supplies are available, and that utilities manage such decisions based on the number of factors such as non-firm contracts in place, and availability of supply

In states with residential customer choice, commissions were asked if residential customers purchasing gas from a marketer would be treated differently from full-service residential customers of the LDC in the event of curtailments or emergency. Of the nine (9) states with residential customer choice responding to this question, only one state indicated that residential customers purchasing gas from a marketer would be treated differently.

Of the thirty-one (31) states responding to the inventory, only two (2) state responded that their gas utilities do not offer interruptible contracts. Concerning the specifics on how commissions address interruptible contracts, a total of ten (10) states responded that interruptible service customers are required to have availability to alternate fuels to receive interruptible service, while thirteen (13) states responded that no alternatives are required. Three (3) states did not have any knowledge of the matter and in two (2) states, the requirements vary by LDC. Importantly, none of the commissions responded that they conduct inspections to determine the availability of alternative fuels or review alternative fuel delivery contracts to determine their feasibility, and only one state requires backup or standby service contracts for high-priority customers who subscribe to non-firm service.

## **GAS USE FOR ELECTRICITY GENERATION**

Only four (4) commissions responded that a proceeding had been conducted to exam the impact to electricity generation of a gas curtailment in their state. Also, only four (4) commissions stated that they had been involved in either a docketed or undocketed meeting to examine the impact to regional electricity generation of a gas curtailment within an adjacent state or their region. Involvement of three (3) of the four (4) states was associated with January 2004 Cold Snap Task Force where commissions, the New England ISO, NEPOOL and the National Governors Association worked jointly to review those events and gas supply issues which could affect the regional electric system reliability. A total of nineteen (19) states indicated that they had not participated in any effort looking at regional electricity-gas issues.

A total of fourteen (14) states indicated that electric generators with non-firm contracts have no priority of use during a gas curtailment and are generally curtailed prior to other users. However, there were exceptions including that gas utilized for electric generation could be within more than one priority category given the severity of the shortage or the need to maintain the reliability of the bulk electric system during an emergency. Seven (7) states indicated that either the electric generators were connected directly to interstate pipelines therefore by-passing LDCs, were regulated by FERC (not state commissions) or that electric generation with gas was not a concern. In these cases, the curtailment policies of the interstate pipelines, special contract provisions or tariff provisions would determine whether or not electric generation received priority use.

commissions were asked whether or not they differentiated between simple cycle generators used for peaking v. combined-cycle generators during a gas shortage. Seventeen (17) states responded that no differentiation was made between types of gas generation and three (3) states indicated that this information was not known. Eleven (11) states did not respond to the question. Concerning if such information would be part of an IRP or resource portfolio plan filed by the electric utility, no responses were provided to directly answer the question.

## INTRODUCTION

During 2004 and early 2005, the Institute for Public Utilities (IPU) at Michigan State University conducted a web-based inventory of gas curtailment policies for the National Association of Regulatory Utility Commissioners (NARUC). The purpose of the inventory was to catalogue the current gas curtailment policies implemented by state public utility (public service) commissions. Responses to this inventory represent commission participation or knowledge of such efforts in effect as of February 2005, and are not intended to catalog the array of all gas curtailment efforts in a particular state. Ultimately, the inventory findings can be used to improve future critical infrastructure and gas regulatory policies and strategies among federal and state agencies.

The final web-based inventory was modified from an earlier template originally developed by the NARUC Staff Committee on Critical Infrastructure Protection and the Staff Committee on Gas. The inventory focused on four primary areas including:

- Gas Shortage and Curtailment Authority
- Gas Curtailment Plan Filings
- Gas Usage Priorities, and
- Gas Use for Electricity Generation.

A copy of the inventory form can be found in Appendix A.

## INVENTORY FINDINGS

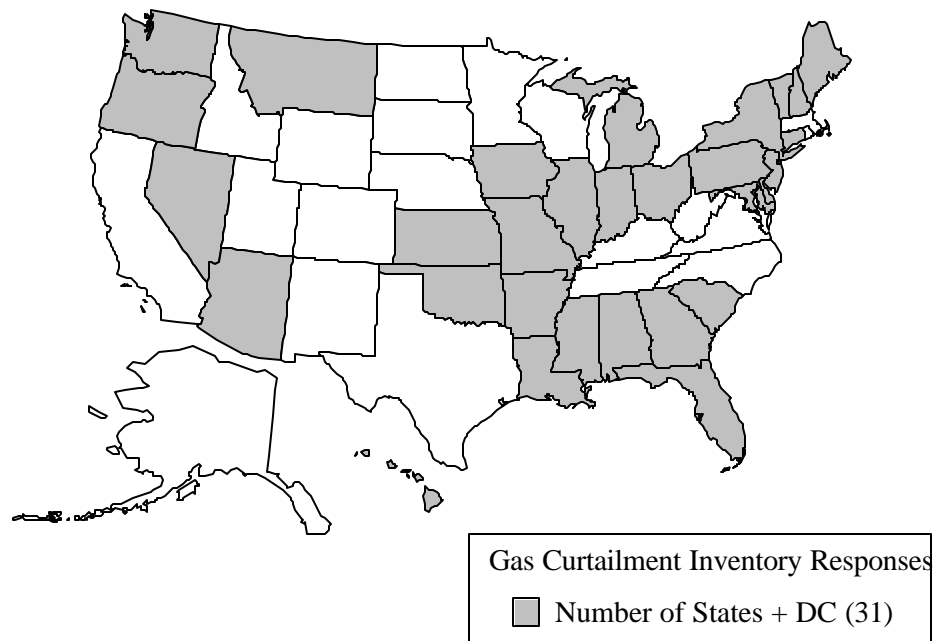
A total of thirty-one (31) commissions (30 states plus the District of Columbia) responded to the Gas Curtailment Planning Inventory. Refer to Exhibit 1. The responses indicated a significant variation on commission activities related to gas curtailment planning strategies. These ranged from limited and outdated gas curtailment planning to progressive efforts incorporating a diversity of state-of-the-practice gas planning activities.

### GAS SHORTAGE AND CURTAILMENT AUTHORITY

**Question 1.** In your state, does your Governor or the Commission have primary authority to respond to a natural gas shortage or require the curtailment of gas usage? (Such authority could include an Energy Emergency Act, disaster declaration or other grants of authority)

#### **Response to Question 1**

Regarding primary authority to respond to a natural gas shortage or require the curtailment of gas usage, an even distribution in authority was observed. In five (6) states (Alabama, Arkansas, Georgia, Nevada, Oklahoma and South Carolina) the commission has primary authority, while in thirteen (13) states (Connecticut, Florida, Hawaii, Illinois, Iowa, Louisiana, Maine, Maryland, Montana, Oregon, Pennsylvania, Vermont and Washington) the Governor has primary authority.



**Exhibit 1. Commissions that responded to the NARUC Gas Curtailment Planning Inventory in mid-2004.** States not participating in the inventory appear as white.

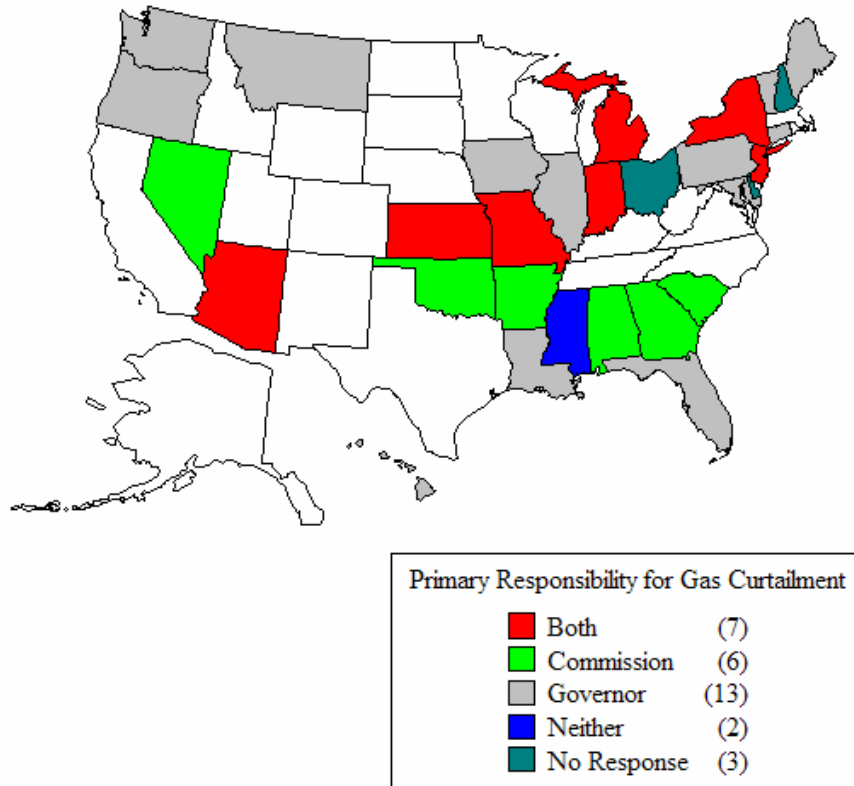
The commission and the Governor share authority in eight (8) states (Arizona, Indiana, Kansas, Michigan, Missouri, New Jersey, and New York) and only one (1) state and the District of Columbia indicated that neither the commission nor the Governor had primary authority. Exhibit 2 shows who has primary authority (by state) to respond to a natural gas shortage or require the curtailment of gas usage.

In addition, Mississippi responded that no plans are being considered, and no legislation has been filed, requiring Local Distribution Company (LDCs) to file curtailment plans in the future. Also, it should be noted that in Hawaii the Governor has primary authority. However, Hawaii has no gas supplies.

**Question 2.** Does the Commission participate with the Governors Office or other state agencies in a collaborative process to assist in the response to a natural gas shortage?

2a. Briefly explain the Commission's role in the overall process

2b. Please summarize the most critical actions, measures or processes available to the Governor or Commission to respond to a natural gas shortage?



**Exhibit 2. Primary authority to respond to a natural gas shortage or require the curtailment of gas usage. (Question 1).**

2c. In the last five years, has the Governor or the Commission responded to a natural gas shortage?

2d. If so, what year(s)?

**Response to Question 2**

***Collaborative Efforts and Curtailment Processes***

With the exception of three (3) states responding to the inventory, a strong collaborative process exists among commissions, Governors and other state agencies to respond to a natural gas shortage. Of the six (6) states where the commission has primary gas curtailment authority, Alabama, South Carolina (and perhaps Georgia) indicated that they do not collaborate with the Governor or other state agencies. Gas curtailment actions would involve enforcement of curtailment plans filed as a part of a LDCs tariff. Arkansas responded that the commission has the statutory authority to take appropriate steps to protect the health and safety of utility customers. Once notified of a shortage by the utility, the Oklahoma commission notifies the Governor’s office, Department of Human Services, Chamber of Commerce, Speaker of the House, Senate President Pro Tempore. If the

shortage is expected to be prolonged, the utility will provide regular updates to the commissioners and staff. Generally, the utility notifies large industrial customers of the shortage and any impacts it is expected to have on such customers.

In the thirteen (13) states where the Governor has primary authority, strong inter-agency working arrangements are evident. Predominately, the commission acts as an “expert” on gas issues to the Governor generally as a member of the state Emergency Management Agency. Some of the most critical actions, measures or processes available to Governors to respond to a natural gas shortage include:

**Iowa.** The Governor, under Iowa Code Chapter 473.8, can order usage curtailments, set asides, etc. that are consistent with any federal directives that may be in place. While the Iowa Utilities Board does not have specific authority, the Board has certain broad authority that would allow the Board to address the situation.

**Maine.** Upon the issuance of an energy emergency proclamation and after consulting with the Executive Department and the State Planning Office, the Governor may exercise all the powers granted in this chapter, except as specifically limited by paragraph C. ( 37-B M.R.S.A. §742 B.) The powers of the Governor include, without limitation, the authority to:

- Establish and implement programs, controls, standards, priorities and quotas for the allocation, conservation and consumption of energy resources;
- Regulate the hours and days during which nonresidential buildings may be open and the temperatures at which they may be maintained;
- Regulate the use of gasoline and diesel-powered land vehicles, watercraft and aircraft;
- After consulting, when appropriate, with the New England Governors and upon the recommendations of the Maine Public Utilities Commission, regulate the generation, distribution and consumption of electricity;
- Establish temporary state and local boards and agencies;
- Establish and implement programs and agreements for the purposes of coordinating the emergency energy response of the state with those of the Federal Government and of other states and localities.

However under paragraph D, during a declared energy emergency, the Governor is not be authorized to suspend or to modify orders, rules, standards or classifications issued or enforced by the Department of Environmental Protection or the Maine Land Use Regulation Commission, but may call the Board of Environmental Protection into extraordinary session to consider temporary waivers or suspensions of rules and standards related to air and water quality necessary to relieve the existing energy shortages.

**Maryland.** Governor can declare a state emergency with mandatory curtailment of residential, commercial and industrial consumption. The State of Maryland also works in a regional framework with the Federal Energy Regulatory Commission (FERC) and PJM to urge dual fuel generators to switch fuels.

**Oregon.** The Governor, by executive order, may order involuntary curtailments, adjustments or allocations in the supply and consumption of energy resources to all suppliers and customers. (ORS 176.795) the commission is authorized under ORS 757.720(2) on its own motion without a hearing to establish a plan for curtailment of any person's load.

**Vermont.** The Governor possesses plenary powers to deal with emergencies, which is contained in Vermont's Energy Emergency Plan. Among other things, the Plan provides for emergency orders to (1) curtail interruptible customers and direct industrial users that have alternative fuel capacity, (2) restrict thermostat temperatures, including reductions to plant protection levels, and (3) curtail normal private and public sector operations to effect reductions in natural gas consumption.

**Washington.** Chapter 43.21G of the Revised Code of Washington provides emergency powers to the Governor in the event of energy supply emergencies. Upon the declaration of a condition of energy supply alert, the Governor presents proposed plans for programs, controls, standards, and priorities for the production, allocation, and consumption of energy to the Legislative Joint Committee on Energy Supply. Executive actions may include allocation of resources to critical sectors such as healthcare, residential customers, emergency agencies or other areas where services to the public are especially essential. The Governor also has the authority to suspend or modify existing rules of the Washington Administrative Code to the extent that such actions are deemed desirable.

Of the seven (7) states where both the Governor and the commission share gas curtailment authority, commissions work directly with the Governors Office, the state Emergency Management Agency, or other energy advisory committee. Some of the most critical actions, measures or processes available to the Governor and commission to respond to a natural gas shortage include:

**Arizona.** The Governor may exercise police powers, while the Arizona Corporation Commission may approve utility gas curtailment plans.

**Michigan.** Subsequent to a declaration of an emergency, the Governor has the authority to divert natural gas supplies so as to protect the public health and safety.

**New Jersey.** The New Jersey board of Public Utilities has authority for responding to natural gas shortages, and may ascertain the supply situation from the LDCs and advise the Governor in issuing an Executive Order. The New Jersey Board of Public Utilities may order gas curtailments, and the Governor may order the shutdown of various facilities that utilize natural gas.

**Kansas.** The Governor during a declared State of Emergency has broad powers. Such powers including but are not limited to:

- Suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business, or the orders or rules and regulations of any state agency which implements such statute
- Utilize all available resources of the state government
- Commandeer or utilize any private property.

### ***Recent Curtailment History***

Despite the broad authority outlined above, *none* of the thirty-one (31) state respondents indicated that the Governor or the commission had responded to a natural gas shortage in the last five years. This includes states in the Northeast that were subject to the January 2004 Cold Snap.

## **GAS CURTAILMENT PLAN FILINGS**

**Question 3.** 3a. If gas curtailment plans are required to be filed with the Commission, does the Commission conduct a proceeding to approve or review the plan?

3b. If you responded no, does the Commission staff review the plan?

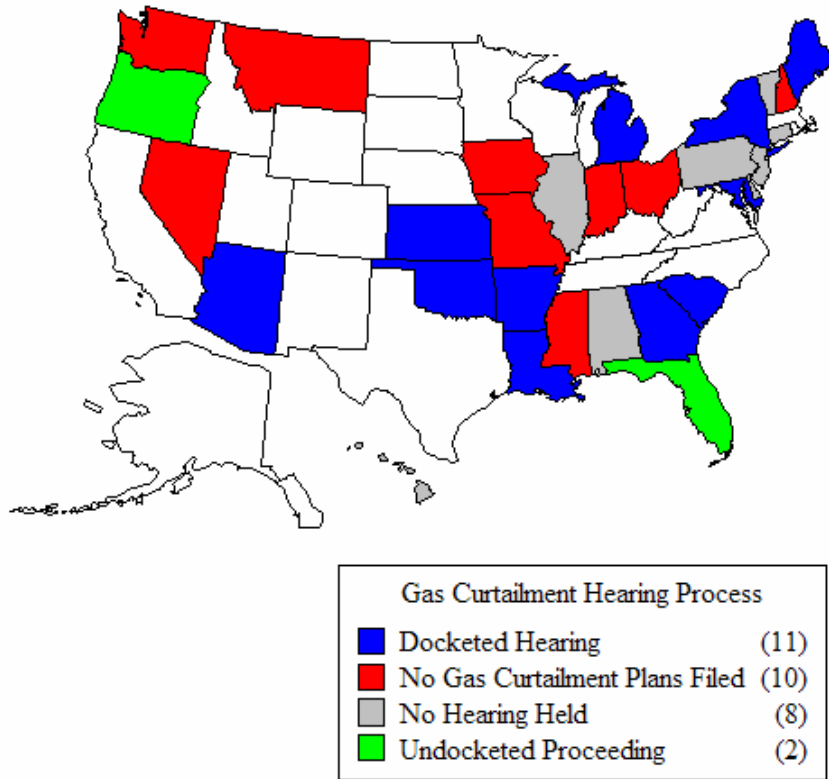
### **Response to Question 3**

Exhibit 4 shows the responses to Question 3a which were evenly distributed regarding the process by which gas curtailment plans are required to be filed with the commission. Of the thirteen (13) states which conduct hearings or meetings to approve plans, eleven (11) hold docketed hearings while two (2) states hold undocketed meetings.

Hearing processes were not necessarily linked to ultimate jurisdiction over gas curtailment planning and curtailment authority. For states where the commission has primary gas curtailment authority, four (4) states have docketed hearings while one (1) state does not hold a hearing (Exhibit 5a). For states where the Governor has primary gas curtailment authority, three (3) states have docketed hearings, two (2) states hold an undocketed meeting, and five (5) states do not hold a hearing (Exhibit 5b).

For states where the Governor and the commission share authority, four (4) states have docketed hearings and one (1) state does not hold a hearing (Exhibit 5c).

Responses to Question 3b demonstrated that of the eight (8) states where no hearing is conducted, in five (5) of those states (Alabama, Connecticut, Hawaii, Pennsylvania, and Vermont) the commission staff reviews the plans once filed. Whether or not a formal or informal hearing process is conducted, the responses indicate that a majority of the curtailment plans are reviewed by state commissions or their staff. However, ten (10) states did not respond to the question suggesting that no gas curtailment plans are required to be filed with the commission.



**Exhibit 4. Responses regarding the type of gas curtailment hearing process conducted by commissions, or if a hearing is held to review plan filings (Question 3a).**

**Exhibit 5a. Gas Curtailment Hearing Processes**

State	Primary Authority Question 1a	Hearing Process Question 3a
Alabama	Commission	No
Arkansas	Commission	Docketed
Georgia	Commission	Docketed
South Carolina	Commission	Docketed
Oklahoma	Commission	Docketed

**Exhibit 5b. Gas Curtailment Hearing Processes**

State	Primary Authority Question 1a	Hearing Process Question 3a
Connecticut	Governor	No
Florida	Governor	Undocketed
Hawaii	Governor	No
Illinois	Governor	No
Louisiana	Governor	Docketed
Maine	Governor	Docketed
Maryland	Governor	Docketed
Oregon	Governor	Undocketed
Pennsylvania	Governor	No
Vermont	Governor	No

**Exhibit 5c. Gas Curtailment Hearing Processes**

State	Primary Authority Question 1a	Hearing Process Question 3a
Arizona	Both	Docketed
Kansas	Both	Docketed
Michigan	Both	Docketed
New Jersey	Both	No
New York	Both	Docketed

**Question 4.** If gas curtailment plans are required to be filed, please complete the following questions.

4a. How often are these plans required to be filed with the Commission?

4b. When were these gas curtailment plans last filed, reviewed or updated? If your State has multiple LDCs, please list the LDC, whether the plan was filed, updated and/or reviewed for each LDC and the year of the action.

4c. Does the Commission have the ability to levy fines or penalties on LDCs that fail to either file, or file timely gas curtailment plans?

## **Response to Question 4**

### ***Filing Frequency***

With the exception of Louisiana, none of the other thirty (30) states responding to the inventory have any specific requirements for the frequency that LDCs must file gas curtailment plans with the commission. Louisiana requires annual plan updates. Most plans [apparently] exist as a part of the LDCs tariff, and are modified when the LDC files a rate case, or has some other modification which may be required. One exception was Vermont. Although Vermont has no required filing frequency, the single LDC which serves Vermont (VGS) files annual updates with the commission. Further, VGS has committed to filing an integrated resource plan (IRP) in November 2004 that will address reliable supply issues.

### ***Plan Update and Review***

As indicated in Question 3, a total of eighteen (18) states indicated that a docketed hearing, undocketed meeting or staff review was conducted to review gas shortage plans. Of these eighteen (18) states, the majority responded that most LDCs have updated their plans since 1999, even though no specific frequency to file plans is required as mentioned above.

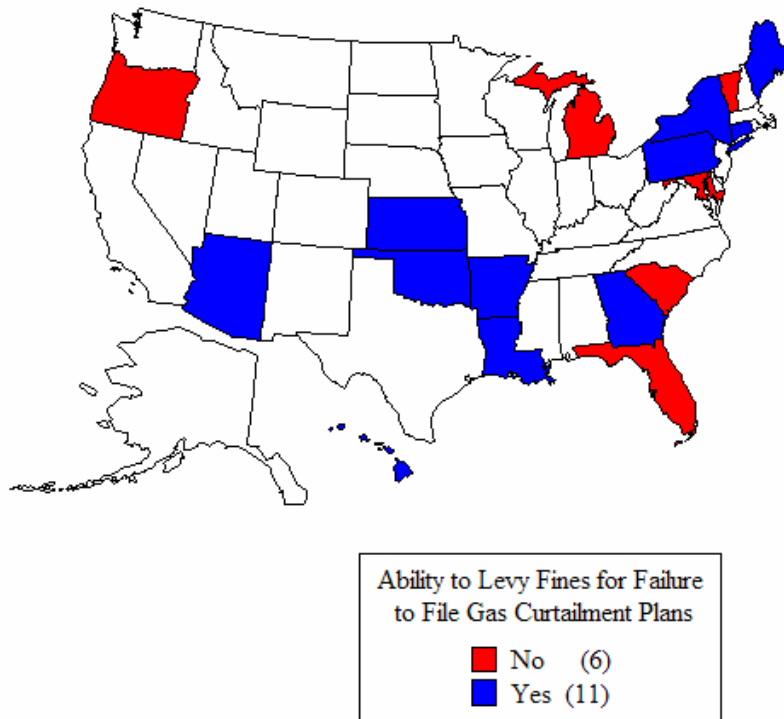
In contrast, certain responses to the inventory indicate some potential concerns as to when these gas curtailment plans were last filed, reviewed or updated. Arizona provides insight into the concern. Arizona has two large LDCs. For one LDC, their curtailment plan was most recently reviewed in a rate proceeding which culminated in a commission decision in 1997. For the other LDC, their curtailment plan was most recently reviewed in a rate proceeding which culminated in a commission decision in 2003. However, it appears that the actual features and provisions of the curtailment plans have been largely unchanged for a much longer time, at least 10 to 15 years. A handful of very small LDCs in Arizona do not have specific gas curtailment provisions in their tariffs. In New York, LDCs last filed revised plans with the commission in 1997, while in Michigan and Alabama, one LDC in each state last filed an update in 1995 and 1994, respectively. South Carolina's three (3) LDCs had the oldest filings on record-1990, 1988 and 1978. Exhibit 6 shows the range of years (oldest to most recent) of when the LDCs gas curtailment plans were last filed, reviewed or updated in each responding state.

### ***Penalty Authority***

A total of eleven (11) states indicated that they have the authority to levy fines or penalties on LDCs that fail to either file, or file timely gas curtailment plans, while six (6) states stated that they have no such authority. These responses are shown in Exhibit 7. Interestingly, of the eleven (11) states that have penalty authority, eight (8) states (Arkansas, Arizona, Georgia, Kansas, Louisiana, Maine, New York and Oklahoma) conduct docketed hearings (refer to Question 3a above).

**Exhibit 6. Year(s) in which Gas Curtailment Plan or Tariff was Last Updated**

State	Year(s) in which Gas Curtailment Plan or Tariff was Last Updated	State	Year(s) in which Gas Curtailment Plan or Tariff was Last Updated
South Carolina	1978-1990	Oregon	Prior to 1999
Maine	1999	Vermont	2001
Michigan	1995-2002	Pennsylvania	2001
New York	1997	Connecticut	2003
Arizona	1997-2003	Oklahoma	2000-2002
Georgia	2002	Alabama	1994-2004
Arkansas	2001-2002	Hawaii	2003
Florida	1998		



**Exhibit 7. Responses regarding commission authority to levy fines or penalties on LDCs that fail to either file, or file timely gas curtailment plans (Question 4c).**



**Questions 6.** Please describe the sequential actions that would be taken by a LDC if a gas curtailment plan were implemented in your State? This could include such actions as (1) a call for voluntary usage reductions by all customers prior to issuing mandatory curtailment; (2) interruption of all interruptible services; (3) issue operational flow orders; and (4) penalties for violations of a failure to curtail use.

### **Response to Question 6**

Many states indicated that LDCs would be expected to follow their approved tariff on file with the commission, which specifies how any gas curtailment would be [sequentially] implemented. Most states follow a similar sequence of curtailment. Representative examples include:

**Connecticut.** The commission uses a slightly different approach including (1) a call for voluntary usage reductions by all customers, (2) operational flow orders issued, (3) interruption of all interruptible services, and (4) interruption of large firm customers.

**Iowa.** The response from Iowa presents information on the current interstate regulatory environment and market effects on gas curtailment planning. The Iowa Energy Emergency Plan sets forth some language regarding response to a gas shortage or curtailment. However with major gas users purchasing beyond the LDC, and the LDC acting as a local transporter, it is questionable as to effectiveness of the state plan. From the State of Iowa's perspective, sequential actions that ultimately impact priority of use during a shortage or curtailment would vary on a case-by-case basis. LDC tariffs may provide a general privilege but it depends on gas ownership, and tariffs do not have specific details on priority of use.

**Michigan.** Michigan's response is typical which requires (1) a call for voluntary usage reductions by all customers prior to issuing mandatory curtailment, (2) interruption of all interruptible services, (3) issue operational flow orders, and (4) implementation of penalties for violations of a failure to curtail use.

**New Jersey.** The sequence requires that (1) interruptible service customers be turned off (2) call for voluntary usage reductions, (3) mandatory conservation, and lastly (4) involuntary load reduction.

**Ohio. The commission** has an elaborate pre-emergency procedure which requires written reports to customers and the media on the status of any shortage, and actions which are required to conserve and/or reallocate gas. During emergency situations, the commission, by order, may protect gas priority uses set forth in paragraph (B) of rule 4901:5-25-01 of the Administrative Code, and the public health, safety or welfare by implementing the four increasingly restrictive action stages.

**Oklahoma.** Sequential actions utilized are (1) Call for voluntary usage reductions by certain customers, (2) Interruption of some or all interruptible services, and (3) Penalties for violations or failure to curtail use.

**Vermont.** Vermont's Energy Emergency Plan provides for emergency orders to (1) curtail interruptible customers and direct industrial users that have alternative fuel capacity, (2)

restrict thermostat temperatures, including reductions to plant protection levels, and (3) curtail normal private and public sector operations to effect reductions in natural gas consumption.

**Washington.** The Governor issues a request for voluntary reductions in usage for all classes (residential, commercial, industrial). Next, the Governor may direct the commission to exercise its authority and cause direct implementation of utility curtailment plans and programs. Utilities would generally begin by interrupting all customers receiving service under interruptible tariffs and contracts. Next the utilities may request other large customers curtail or significantly reduce use in order to provide continued service to customers who have no other fuel choice.

**Question 7.** In the event of curtailments, please describe the priorities for use of gas. What are the priorities by customer or type of usage? Do the priorities change under different circumstances, and if so how?

### **Response to Question 7**

In the event of a curtailment, the majority of states responding had almost identical priorities for the use of gas. All placed a priority on protecting human health and safety. For example:

**Arizona.** the commission has very specific curtailment priorities which specify exact amounts of energy based on peak day usage. Residential, small commercial (less than 500 therms on a peak day), schools, hospitals, police protection, fire protection, sanitation facility, correctional facility, and emergency situation uses receive the highest priority.

**Arkansas.** the commission can require any curtailment steps necessary to protect the health and safety of customers.

**Maine.** Priorities run from standby and interruptible customers to residential and usages deemed to be necessary for the protection of public health and safety and to avoid undue hardship.

**Missouri.** Curtailments are first required by interruptible customers, transport second, industrials third, commercial fourth, residential fifth and nursing homes and hospitals last.

**Ohio.** The commission places priority on the amount or supply of gas necessary for protection of the public health, safety or welfare, and for prevention of unnecessary or avoidable damage to property for (1) residential facilities, (2) hospitals, (3) medical facilities, (4) electric power, (5) communication facilities, (6) police and other emergency services, (7) sanitary service, (8) fuel production facilities, (9) Facilities for perishable medicines and food, and (10) protection of other production facilities.

**Vermont.** the commission requests conservation efforts initially with thermostat reductions ordered on all state government premises. Thereafter, interruptible customers and direct industrial users who have alternative fuels are curtailed. Next, residential customers are asked to reduce consumption, next outdoor ornamental lighting operated by gas, and finally

commercial and industrial and office buildings are asked to curtail use. Depending on the urgency of the situation, these steps can become mandatory, in the foregoing order. The ultimate measure available is to require heating reductions (lower temperatures) to plant protection levels in all non-essential commercial, industrial, private office and large shopping complex operations, and to direct termination of their normal operations for the duration of the emergency.

**Washington.** Priorities of usage described in utility tariffs do not change under ordinary supply shortage circumstances. In the event of an energy emergency declaration by the Governor, priorities could be shifted as deemed desirable to ensure continued service to residential customers and other critical loads. In Indiana, most LDCs do not have approved curtailment procedures, but for those that do the order of curtailment generally uses the following order of priority – (1) residential, (2) human needs, (3) commercial, (4) industrial and large volume, and lastly (5) interruptible.

**Question 8.** Are these priorities typically included in the transportation tariff (delivery) charges of LDCs?

### **Response to Question 8**

Only ten (10) states out of the thirty-one (31) responding states indicated that gas curtailment priorities are typically included in the transportation tariff (delivery) charges of LDCs. Eleven (11) responded that such priorities are not, while three (3) states did not know. Seven (7) states did not respond to the question. The inventory responses to question 8a are shown in Exhibit 9.

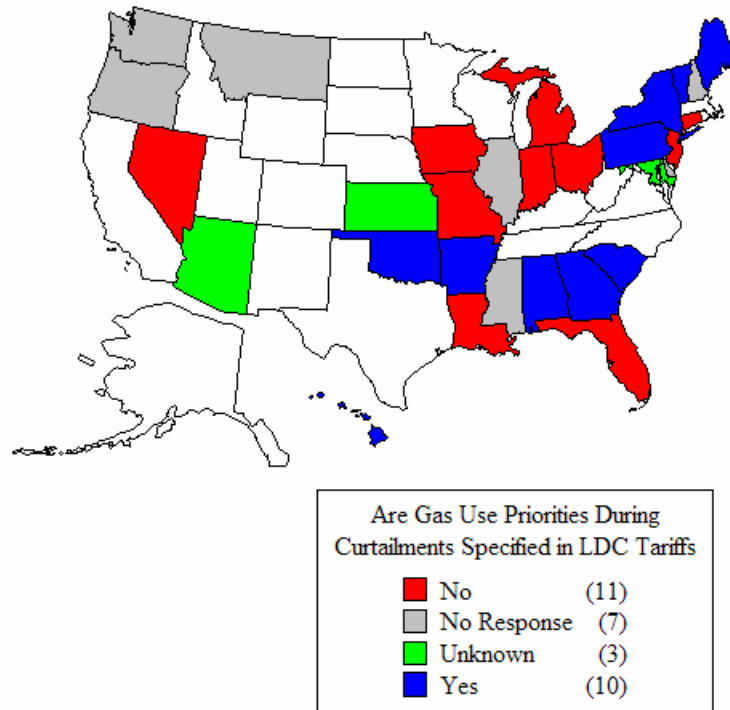
**Question 9.** 9a. Are firm transportation customers treated differently from full-service customers of LDCs in the event of a shortage of supply?

9b. If so, please explain how the treatment varies?

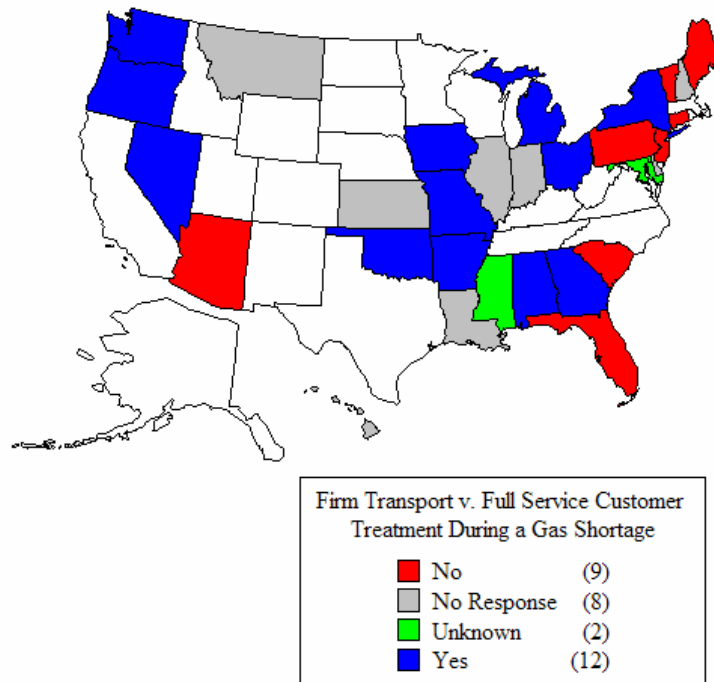
### **Response to Question 9**

Twelve (12) states responded that firm transportation customers are treated differently from full-service customers of LDCs in the event of a shortage of supply, while nine (9) responded there is no difference in treatment. Two (2) states did not have any knowledge if differences existed. Eight (8) states did not respond to this question generally indicating that the question did not apply to their state.

Concerning how firm transport vs. full service would be treated in a shortage, there appears to be no consistent method. The responses to Question 9 are shown in Exhibit 10. Treatment approaches included:



**Exhibit 9. Responses indicating whether priorities for gas use during a shortage or curtailment are contained in LDC tariffs (Question 8).**



**Exhibit 10. Differences in firm transportation customer treatment v. full-service customers of LDCs in the event of a shortage of supply (Question 9a).**

**Connecticut.** Firm transportation customers are the same as full-service customers.

**Maine.** Commercial and industrial customers (sales or transportation) may be curtailed before residential and essential human needs customers.

**Missouri.** Handles the matter entirely different from Oregon with firm transportation customers on a curtailment schedule higher than the full-service firm customers of the LDC.

**Oregon.** Full-service customers would be curtailed before firm transportation customers.

**Michigan.** Gas transport customers are subject to a capacity deficiency curtailment. Gas transport customers are not subject to gas supply deficiency curtailment with respect to flowing pipeline supplies, except that gas storage withdrawals and/or daily imbalances are subject to an operational flow order (OFO).

**New York.** Transportation gas may be appropriated by an LDC to serve core sales customers in a short-term curtailment situation. Marketers are expected to continue to deliver and will be compensated by the LDC for displaced volumes. However, for longer term curtailments, the marketer sets the curtailment order for its customers, and each marketer should have a curtailment order on file with the LDC.

**Ohio.** Interruptible customers are curtailed at an earlier point than full-service customers.

**Vermont.** A transport customer would not be treated any differently as long as the commission confirms with the upstream pipeline that the customer's gas was flowing.

**Washington.** Transportation and interruptible customers may be curtailed first in order to maintain supply to firm service customers if possible. However, it is unclear exactly how transportation customer gas volumes would be handled via LDC quantities if there were a shortage of supply. Consistent with the response to question 2c, the commission staff was unaware of any examples where commodity supply to transportation-only customers had been curtailed in preference to firm supply customers due to transportation capacity constraints.

**Question 10.** What actions occur if a firm transportation customer fails to arrange for a sufficient supply to meet its needs?

### **Response to Question 10**

If a firm transportation customer fails to arrange for a sufficient supply to meet its needs, a number of diverse responses were provided. The Indiana commission responded that specific actions vary among the various LDCs under their respective rate schedules. In general, there are economic penalties. Treatment can also vary between utilities in Kansas.

In the nine (9) states where no difference in treatment between firm transport and full service customers exists, potential actions during a shortage varied. Florida responded that

the customer is subject to curtailment, while in New Jersey, the supplier arranges for supply, not the customer. If the supplier is short, there is a cash-out provision which varies with the deficiency level. If the supplier defaults, the customer returns to full sales service. In the District of Columbia, the supplier of last resort will meet the needs, while the LDC is responsible for 100% of the firm transportation customers' load in Connecticut. In Pennsylvania, supply is balanced by the LDC depending upon current storage and supply availability. Penalties may also be imposed if notice has been given pursuant to an Operational Flow Order.

For those twelve (12) states where a difference in treatment was indicated, such as Oregon, the transportation customer would be required to curtail use to the amount of supply that is delivered during an emergency. In New York, LDCs have the rights to terminate service to large volume non-core customers whose supplier is not nominating and delivering supplies on that customer's behalf. For core customers, the LDC remains the provider of last resort if a marketer fails. Washington stated that transportation customers may be allowed use of a balancing account to the extent that adequate supplies are available. Utility providers are expected to manage such decisions based on the number of factors, including but not limited to, non-firm contracts in place, availability of supply, and extent to which firm service customers can be retained online.

**Question 11.** 11a. If your State has residential customer choice, please answer the following question. Would residential customers purchasing gas from a marketer be treated differently from full-service residential customers of the LDC in the event of curtailments or emergency?

11b. Please explain what priorities of service would occur.

### **Response to Question 11**

Of the nine (9) states with residential customer choice responding to this question, only New York indicated that residential customers purchasing gas from a marketer would be treated differently from full-service residential customers of the LDC in the event of curtailments or emergency. However, in New York these differences exist only in long-term curtailments. However, it is important to note that in Georgia, in one company's service territory all customers receive service from marketers. In another company's service territory all customers receive service from a LDC.

**Question 12.** 12a. Currently, which gas utilities in your State have or offer interruptible contracts?

12b. If data are available, indicate what volume and proportion of the total volume of gas are covered by such contracts?

12c. Are interruptible service customers required to have availability to alternate fuels to receive interruptible service?

12d. Does the Commission conduct inspections to determine the availability of alternative fuels?

12e. Does the Commission review alternative fuel delivery contracts to determine their feasibility?

12f. Are backup or standby service contracts required for high-priority customers who subscribe to non-firm service?

## **Response to Question 12**

### ***Interruptible Contracts***

Of the thirty-one (31) states responding to the inventory, only the Michigan commission and the Louisiana commission responded that their gas utilities do not offer interruptible contracts. The specific responses to question 12a and 12b can be found in Appendix B. Concerning the specifics on how commissions address interruptible contracts:

### ***Availability to Alternate Fuels***

A total of ten (10) states responded that interruptible service customers are required to have availability to alternate fuels to receive interruptible service, while states (13) states responded that no alternatives are required. Three (3) states did not have any knowledge of the matter and in states (2) states, the requirements vary by LDC. Refer to Exhibit 11.

### ***Commission Inspections***

*None* of the commissions conduct inspections to determine the availability of alternative fuels or review alternative fuel delivery contracts to determine their feasibility.

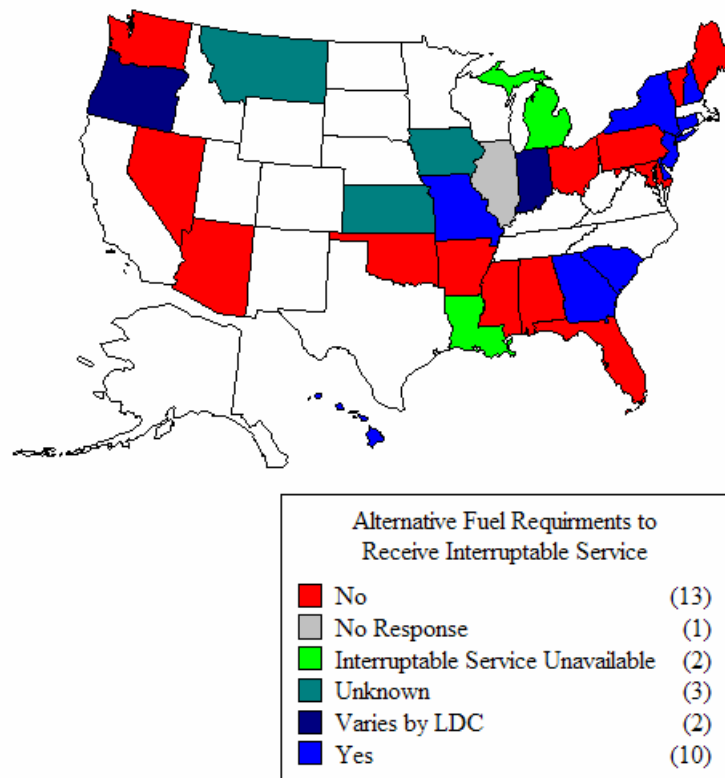
### ***High Priority Customers***

Only the Pennsylvania commission requires backup or standby service contracts for high-priority customers who subscribe to non-firm service.

## **Gas Use for Electricity Generation**

**Question 13.** 13a. Has the Commission ever conducted a proceeding or examined the impact to electricity generation of a gas curtailment in your State?

13b. If you responded positively, what year was the proceeding held?



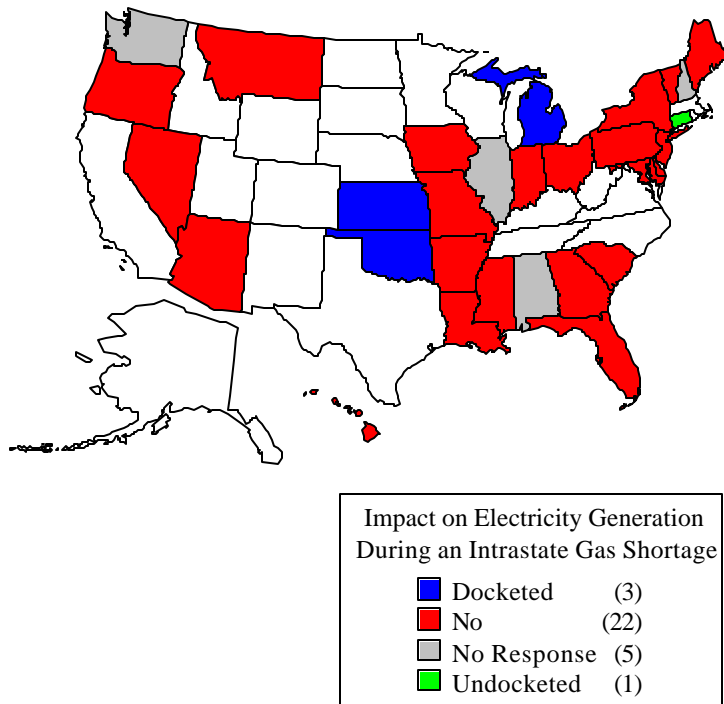
**Exhibit 11. Responses to whether interruptible service customers are required to have availability to alternate fuels to receive interruptible service (Question 12c).**

**Response to Question 13**

Only four (4) commissions responded that a proceeding had been conducted to examine the impact to electricity generation of a gas curtailment in their state while twenty-two (22) had not. Commission responses are shown in Exhibit 12. Michigan, Kansas and Oklahoma have held docketed hearings while Connecticut conducted an undocketed meeting. Connecticut participated in the 2004 Gas Forum held for the region to discuss, among other gas issues, the relationship between gas supply and electric generation. Michigan indicated that the issue was discussed in a 1998 gas curtailment proceeding, while Kansas responded that gas-electricity interdependency was briefly discussed in a 1977-78 docket. Oklahoma conducted a proceeding in 1985, and another proceeding is being planned to reexamine the issue.

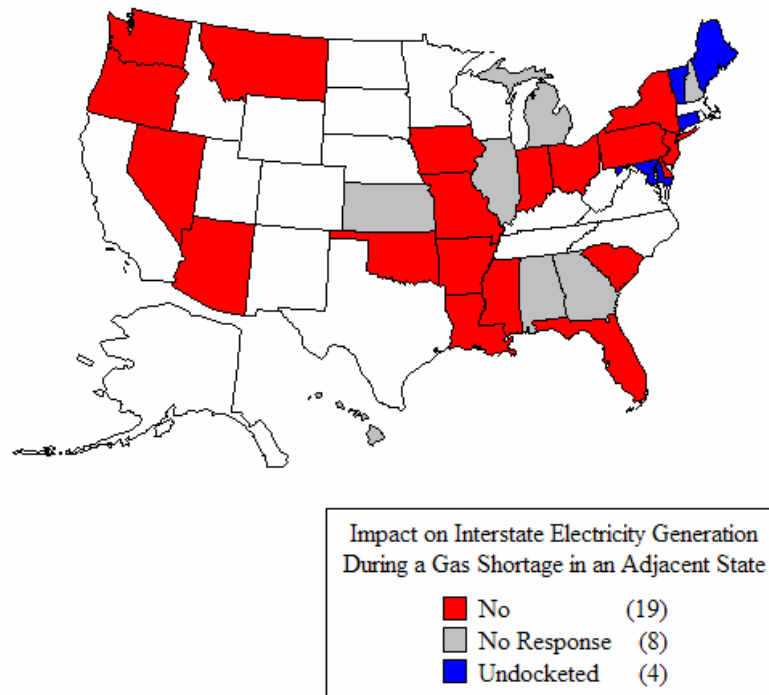
**Question 14.** 14a. Has the Commission in conjunction with another Commission, a Regional State Committee (RSC), or an RTO/ISO ever conducted a proceeding or examined the impact to regional electricity generation of a gas curtailment within an adjacent State or your region?

14b. If you responded positively, please describe the general process including when the proceeding was held?



**Exhibit 12. Responses indicating whether or not the commission has conducted a proceeding or examined the impact to electricity generation of an intrastate gas curtailment (Question 13).**

Four (4) Commissions stated that they had been involved in an undocketed meeting to examine the impact to regional electricity generation of a gas curtailment within an adjacent state or their region. Refer to Exhibit 13. In addition to Connecticut's participation in the 2004 Gas Forum mentioned in Question 13, the Maryland, Maine and Vermont commissions also responded their involvement in such meetings. As a result of an episode in January 2004 in which the reliability of the region's electricity supply was threatened, the New England ISO, NEPOOL and the National Governors Association set up a Cold Snap Task Force to review those events and gas supply issues which could affect the regional electric system reliability. Many New England commissions, including Maine and Vermont, participated in or monitored the Task Force work. In addition, a Fuel Diversity Working Group (FDWG) is specifically addressing winter gas availability for generation. A total of nineteen (19) states indicated that they had not participated in any effort looking at regional electricity-gas issues. However, one of the states responding no (Florida) works closely with the Florida Reliability Coordinating Council (FRCC) which has a Generating Capacity Shortage Plan. The FRCC is considered a NERC Regional Reliability Authority although it is comprised of a single state.



**Exhibit 13. Responses indicating whether or not the commission has conducted a proceeding or examined the impact to electricity generation of an interstate gas curtailment (Question 14).**

**Question 15.** Within your State, do electric generators with non-firm contracts have any priority of use during a gas curtailment or are they curtailed first? Or are gas-dependent electric generators curtailed on a pro rata basis along with other non-core customers, or is some other approach used?

### **Response to Question 15**

A total of fourteen (14) states (Connecticut, Florida, Iowa, Kansas, Louisiana, Maine, Michigan, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Vermont, and Washington) indicated that electric generators with non-firm contracts have no priority of use during a gas curtailment and are generally curtailed prior to other users. Several variations were reported such as:

**Florida.** Gas utilized for electric generation could be within more than one priority category.

**Iowa.** Electric generators using gas are either peaking or intermediate facilities and as a summer peaking electric state we have not been faced with a gas supply issue affecting electric generators. It could be an issue addressed by a Governor's declaration if ever needed.

**Kansas.** Gas fired electric generation units can be in the Commercial or Industrial Class. Therefore, gas-fired electric generation could be assigned various priorities of use depending on the daily usage and the capability for alternate fuel use.

**Michigan.** Electric generation is subject to the lowest curtailment priority, except gas necessary for generating essential (defined by tariff) electric services. Gas utilization for uses other than electricity generation can be minimized, thus providing for the maintenance of electric system integrity during an emergency.

Seven (7) states (Arizona, Indiana, Maryland, Missouri, Nevada, Oregon, and South Carolina) indicated that either the electric generators were connected directly to interstate pipelines therefore by-passing LDCs, were regulated by FERC (not state commissions) or that electric generation with gas was not a concern. In these cases, the curtailment policies of the interstate pipelines, special contract provisions or tariff provisions would determine whether or not electric generation received priority use. For example:

**Arizona.** Most electric generation in Arizona takes service directly from the interstate pipelines, so the curtailment policies of those pipelines apply. Southwest Gas does provide natural gas service to Tucson Electric Power under a special contract, so the specific provisions of that contract would determine the priority of gas supplies to Tucson Electric during a curtailment.

**Indiana.** Most gas-fired electric generators buy gas directly from an interstate pipeline, not an LDC. Coal-fired generation provides 95% of the electricity generated in Indiana.

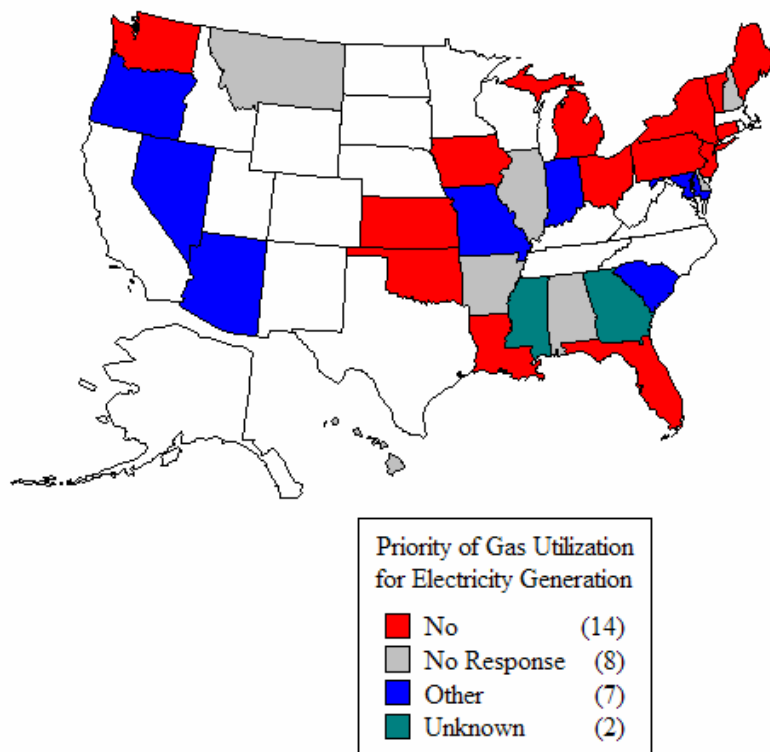
**Missouri.** Gas generators are generally served by interstate pipelines that have a prorata curtailment procedure.

**Oregon.** Electric generators in the state are directly connected to pipelines and by-pass the LDCs.

Georgia and Mississippi responded that they did not know if electric generators with non-firm contracts had any priority, while eight (8) states did not answer the question. Exhibit 14 shows the responses to question 15.

**Question 16.** 16a. During a gas shortage, does the Commission consider or differentiate between simple cycle generators used for peaking v. combined-cycle generators which also provide intermediate and limited baseload generation?

16b. If so, please explain how this is accomplished. For example, is it a part of an integrated resource plan or resource portfolio plan filed by the electric utility?



**Exhibit 14. Responses indicating whether or not gas utilized for electricity generation receives priority during a gas curtailment (Question 15).**

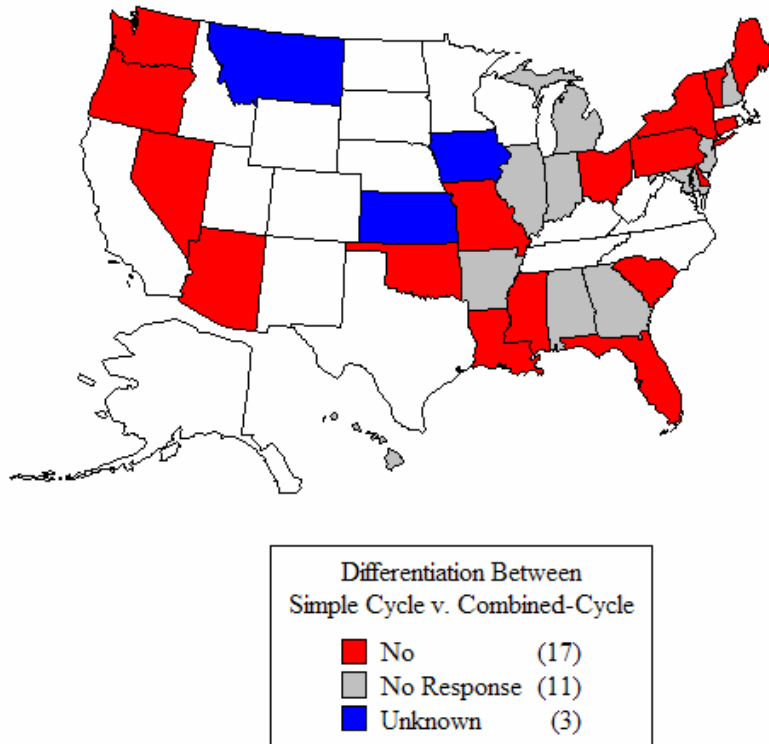
**Response to Question 16**

*Peaking v. Combined-Cycle Generators*

Commissions were asked whether or not they differentiated between simple cycle generators used for peaking v. combined-cycle generators during a gas shortage. Seventeen (17) states responded that no differentiation was made between types of gas generation and three (3) states indicated that this information was not known. Eleven (11) states did not respond to the question. Refer to Exhibit 15.

*Integrated Resource Plan or Resource Portfolio Plan*

Concerning if such information would be part of an IRP or resource portfolio plan filed by the electric utility, only Indiana responded, and stated that coal-fired generation provides 95% of the electricity generated in Indiana.



**Exhibit 15. Responses indicating whether or not commissions consider or differentiate between simple cycle generators used for peaking v. combined-cycle generators during a gas shortage or curtailment (Question 16).**

## APPENDIX A: INVENTORY QUESTIONS

### NARUC Inventory of State Gas Curtailment Plans

#### Gas Shortage and Curtailment Authority

1. In your State, does your Governor or the Commission have primary authority to respond to a natural gas shortage or require the curtailment of gas usage? (Such authority could include an Energy Emergency Act, disaster declaration or other grants of authority.)

Governor                       Commission                       Both                       Neither

If such authority exists, please enter the URL for the site below.

AND/OR attach a digital copy of the statute, regulation or order with your response. (You may attach more than one file)

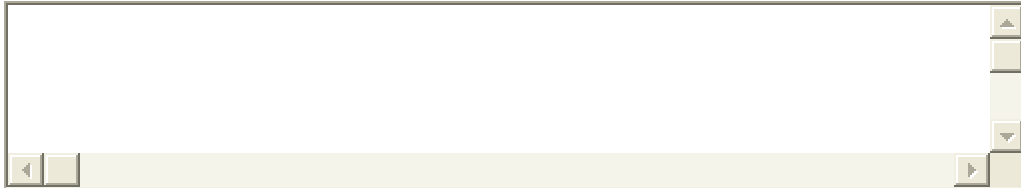
If you responded neither, has the Commission considered, or has legislation been filed, requiring LDCs to file a curtailment plans in the future?

Yes                                       No

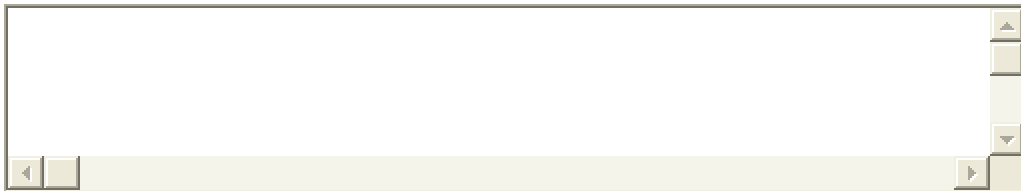
Briefly describe the status of any such consideration or filing .

AND/OR attach a digital copy to of the legislation, proposed regulation or policy action. (You may attach more than one file)

2. Does the Commission participate with the Governors Office or other state agencies in a collaborative process to assist in the response? Briefly explain the Commission's role and the overall process.



Please summarize the most critical actions, measures or processes available to the Governor or Commission to respond to a natural gas shortage?



In the last five years, has the Governor or the Commission responded to a natural gas shortage?

Yes  No

If so, what year?



### Gas Curtailment Plan Filings

3. If gas curtailment plans are required to be filed with the Commission, does the Commission conduct a proceeding to approve or review the plan?

Docketed  Undocketed  No

If you responded no, does the Commission staff review the plan?

Yes

No

4. If gas curtailment plans are required to be filed, please complete the following questions.

How often are these plans required to be filed with the Commission?

When were these gas curtailment plans last filed, reviewed or updated? If your State has multiple LDCs, please list the LDC, whether the plan was filed, updated and/or reviewed for each LDC and the year of the action.

Does the Commission have the ability to levy fines or penalties on LDCs that fail to either file, or file timely gas curtailment plans?

Yes

No

If such authority exists, please enter the URL below that outlines such penalty authority if **different** from the statutory authority requiring LDCs to submit plans to the Commission.

AND/OR attach a digital copy of the statute, regulation or order. (You may attach more than one file)

**Gas Usage Priorities**

5. In the event of an emergency or curtailment situation, does your Commission have the authority to prescribe specific actions required by LDCs to respond to the situation?

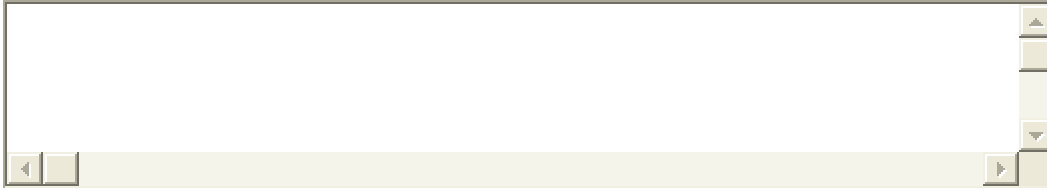
Yes  No

If such authority exists, enter the URL for the cite below.

AND/OR attach a digital copy of the statute, regulation or order (You may attach more than one file)

6. If the specific actions are not included in the above attachment or cite, please describe the sequential actions that would be taken by a LDC if a gas curtailment plan were implemented in your State? This could include such actions as (1) a call for voluntary usage reductions by all customers prior to issuing mandatory curtailment; (2) interruption of all interruptible services; (3) issue operational flow orders; and (4) penalties for violations of a failure to curtail use.

7. In the event of curtailments, please describe the priorities for use of gas. What are the priorities by customer or type of usage? Do the priorities change under different circumstances, and if so how?



8. Are these priorities typically included in the transportation tariff (delivery) charges of LDCs?

Yes  No


If possible, please attach a digital copy of an exemplary tariff or order.



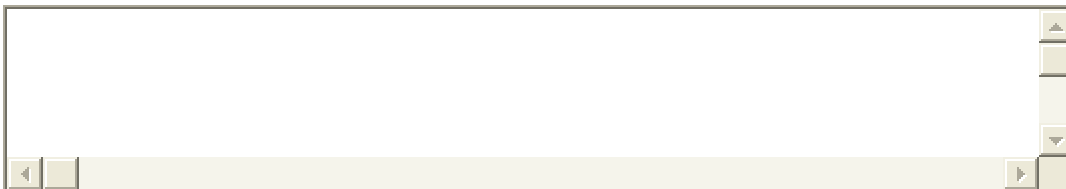
9. Are firm transportation customers treated differently from full-service customers of LDCs in the event of a shortage of supply?

Yes  No

If so, please explain how the treatment varies?



10. What actions occur if a firm transportation customer fails to arrange for a sufficient supply to meet its needs?

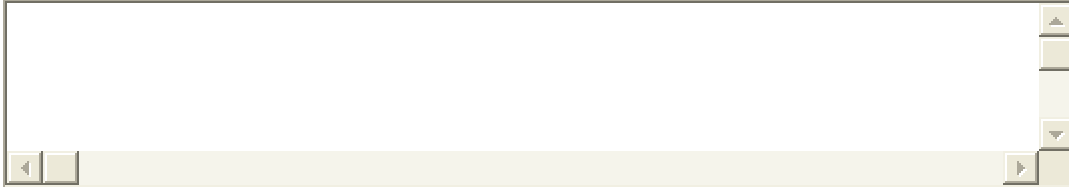


11. If your State has residential customer choice, would residential customers purchasing gas from a marketer be treated differently from full-service residential customers of the LDC in the event of curtailments or emergency?

Yes

No

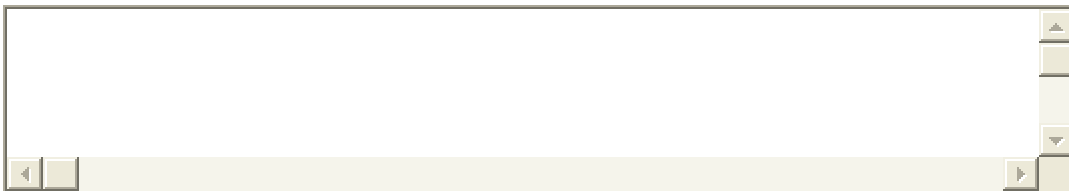
Please explain what priorities of service would occur.



12. Currently, which gas utilities in your State have or offer interruptible contracts?



If data are available, indicate what volume and proportion of the total volume of gas are covered by such contracts?



Are interruptible service customers required to have availability to alternate fuels to receive interruptible service?

Yes

No

Does the Commission conduct inspections to determine the ability of alternative fuels?

Yes

No

Does the Commission review alternative fuel delivery contracts to determine their feasibility?

Yes No

Are backup or standby service contracts required for high-priority customers who describe to non-firm service?

 Yes No

### Gas Use for Electricity Generation

13. Has the Commission ever conducted a proceeding or examined the impact to electricity generation of a gas curtailment in your State?

 Docketed Undocketed No

If you responded positively, what year was the proceeding held?

If such authority exists, enter the URL for the cite below.

AND/OR attach a digital copy of the statute, regulation or order (You may attach more than one file)

14. Has the Commission in conjunction with another Commission, a Regional State Committee (RSC), or an RTO/ISO ever conducted a proceeding or examined the impact to regional electricity generation of a gas curtailment within an adjacent State or your region?

Docketed

Undocketed

No


If you responded positively, please describe the general process including when the proceeding was held?



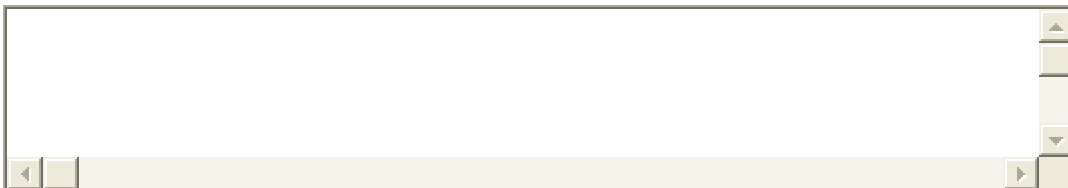
If such authority exists, enter the URL for the cite below.

AND/OR attach a digital copy of the statute, regulation or order (You may attach more than one file)

15. Within your State, do electric generators with non-firm contracts have any priority of use during a gas curtailment or are they curtailed first? Or are gas-dependent electric generators curtailed on a pro rata basis along with other non-core customers, or is some other approach used?



16. As part of a gas curtailment plan, does the Commission consider or differentiate between simple cycle generators used for peaking v. combined-cycle generators which also provide intermediate and limited baseload generation?



If so, please explain how this is accomplished. For example, is it a part of an integrated resource plan or resource portfolio plan filed by the electric utility?

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