NATURAL GAS STORAGE REGULATION

The pace of development of natural gas storage facilities has increased significantly in recent years, creating a wealth of opportunities for industry players. Whether purchasing existing storage facilities or developing greenfield storage facilities, having legal counsel that is adept at navigating the transactional and regulatory complexities of such an undertaking is an essential component of any company’s business strategy.

DLA Piper has extensive experience counseling clients through the regulatory process to develop company-specific strategies that meet all project requirements and achieve the client’s business objectives. We have advised independent storage operators, pipeline-affiliated storage companies, state-regulated intrastate and Hinshaw projects, facilities fully regulated by the Federal Energy Regulatory Commission (FERC) under the Natural Gas Act (NGA), and those partially regulated by FERC pursuant to Section 311 of the Natural Gas Policy Act (NGPA).

OUR SERVICES INCLUDE

Our energy lawyers have the skills and regulatory knowledge to guide regulated companies through the unique and complex components of natural gas storage projects at both the federal and state levels. We understand the regulatory requirements and potential issues associated with securing FERC and state authorizations, including:

- Drafting and prosecuting certificate applications for new greenfield storage projects or expansions of capacity at existing facilities.
- Negotiating and drafting storage service agreements and interconnection agreements.
- Planning and designing open seasons to provide the flexibility necessary to maximize capacity subscriptions while meeting regulatory requirements.
- Drafting gas tariffs and all necessary tariff revisions to ensure compliance with dynamic regulatory requirements.
- Drafting statements of operating conditions for storage projects subject to Section 311 of the NGPA.
- Securing market-based rate authority for storage and hub services.
- Shaping the regulatory landscape to protect our clients’ interests through participating in rulemakings and other industry initiatives at FERC.
OUR EXPERIENCE INCLUDES

- Representing Dominion Transmission, Inc. (DTI), the largest underground natural gas storage operator in the world, for over 25 years in rate, tariff and certificate matters at FERC.

- Advising Central Valley Gas Storage, LLC in all aspects of the proposed development of a new 8 Bcf high-deliverability intrastate reservoir storage facility in Colusa County, California regulated by the California Public Utilities Commission.

- Representing Sawgrass Storage LLC in the development of a 30 Bcf FERC-regulated reservoir storage facility in northeastern Louisiana.

- Representing Wabash Gas Storage LLC in the development of a 14 Bcf FERC-regulated aquifer storage facility in Edgar County, Illinois.

- Serving as project and FERC counsel to Caledonia Energy Partners, LLC and secured for it FERC authority to construct, own and operate a new high-deliverability natural gas storage facility with market-based rates in Mississippi. Representation included assisting with all aspects of the project from an open season to customer contracts to handling the FERC certificate filing, which was approved without significant modification in less than six months.

- Advising Jefferson Island Storage & Hub LLC, an intrastate storage facility in Louisiana, on the drafting of a FERC statement of operating conditions as part of Jefferson Island’s plan to provide interstate transportation service under Section 311 of the NGPA.

- Serving as project counsel to Avoca, the first market area storage project to receive authority from FERC to charge market-based rates. Working on a daily basis with as many as six different Avoca project sponsors and a host of consultants, we successfully obtained final FERC certification in only nine months despite numerous local, state and federal challenges from other storage providers in the highly competitive Northeast storage market.

- Representing Hill-Lake Gas Storage, L.P., a 12 Bcf reservoir storage facility serving the West Texas to Dallas/Ft. Worth to Carthage energy corridor, as well as Hill-Lake’s affiliate, Worsham-Steed Storage, a 23 Bcf storage facility located in Jack County, Texas, in state and federal energy matters.

- Representing PPL Gas Utilities, a LDC storage operator, in its successful opposition to the development of the N.E. Hub storage project in Tioga, Pennsylvania. In representing PPL, we protested the development of the N.E. Hub storage facility beneath our client’s existing facility and successfully persuaded FERC to require the parties to enter ADR negotiations. We then utilized the ADR process to secure an agreement whereby the third-party storage operator was required to purchase nearly US$200 million of insurance to protect our client’s field.

ABOUT US

DLA Piper is a global law firm with offices across the Americas, Asia Pacific, Europe and the Middle East.

From the quality of our legal advice and business insight to the efficiency of our legal teams, we believe that when it comes to the way we serve and interact with our clients, everything matters.

FOR MORE INFORMATION

To learn more about DLA Piper, visit www.dlapiper.com or contact:

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