

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Standards for Business Practices of
Interstate Natural Gas Pipelines**

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Docket No. RM96-1-044

**COMMENTS OF THE
AMERICAN GAS ASSOCIATION**

Pursuant to the Notice of Proposed Rulemaking (“NOPR”) issued by the Federal Energy Regulatory Commission (“Commission” or “FERC”) on October 16, 2025,¹ the American Gas Association (“AGA”) respectfully submits these comments in the above referenced proceeding. AGA appreciates the opportunity to provide comments supporting the North American Energy Standards Board (“NAESB”) proposed standards designed to enhance gas and electric coordination necessary for maintaining a reliable and resilient energy system. AGA supports the proposed NAESB standards, which are the main subject of this proceeding. Furthermore, AGA provides additional information on gas-electric matters, as requested by Commissioner Chang, as well as certain areas that need further focus.

¹ *Standards for Business Practices of Interstate Natural Gas Pipelines*, 193 FERC ¶ 61,041 (2025).

I. COMMUNICATIONS

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II. IDENTITY AND INTEREST

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 79 million residential, commercial, and industrial natural gas customers in the U.S., of which 94 percent — more than 74 million customers — receive their gas from AGA members. AGA is an advocate for natural gas utility companies and their customers and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international natural gas companies, and industry associates. Today, natural gas meets one-third of the United States' energy needs.³

AGA's member natural gas local distribution companies ("LDCs" or "natural gas utilities") take service from virtually every interstate natural gas pipeline regulated by the Commission under

² Designated to receive service pursuant to Rule 2010 of the Commission's regulations. AGA respectfully requests that the Commission waive 18 C.F.R. § 385.203(b)(3) in order to allow AGA to include three representatives on the official service list for this proceeding.

³ For more information, please visit www.aga.org.

the Natural Gas Act (“NGA”). As customers of jurisdictional pipelines and providers of natural gas distribution service to all retail segments, AGA members are directly affected by the rates, terms and conditions of the transportation and storage services provided by jurisdictional pipelines, including Commission policies regarding authorization to construct and operate proposed pipeline projects that are of public convenience and necessity. AGA and its members have a substantial interest in the reliability of interstate natural gas infrastructure and in ensuring predictable and consistent policies and regulations that affect that infrastructure. Accordingly, AGA has an interest in this proceeding.

III. BACKGROUND

Historically, via the rulemaking process, the Commission incorporates by reference in its regulations certain NAESB business practice standards and communication methodologies for natural gas pipelines. As pertinent to this proceeding, on July 25, 2022, the Commission along with the North American Electric Reliability Corporation (“NERC”) asked NAESB to convene a forum to improve gas-electric coordination especially during times of high demand.⁴ In response, NAESB convened a Gas-Electric Harmonization Forum (“GEH Forum”) – in which AGA participated along with stakeholders from the natural gas and electric sectors – and released a final report titled, “Gas Electric Harmonization Forum Report,” (“NAESB GEH Report”) in July 2023 containing various recommendations for the industry to consider to improve the reliability of the energy system. Later that year, on November 7, 2023, the Commission, NERC, and regional entities, published a joint report titled, “Inquiry into Bulk-Power System Operations During

⁴ Letter from then-Chairman Richard Glick of the Federal Energy Regulatory Commission and Jim Robb, President and CEO of the North American Electric Reliability Corporation to Michael Desselle, Chairman of NAESB, and Jonathan Booe, Executive Vice President and Chief Operating Officer (July 25, 2022), available at https://naesb.org/pdf4/FERC_NERC_Letter_072922_to_NAESB.pdf, (last visited January 20, 2026).

December 2022 Winter Storm Elliott,” (“Winter Storm Elliott Report”) analyzing the aftermath of Winter Storm Elliott that occurred between December 21 and 26, 2022. Importantly, part of the Winter Storm Elliott Report looked at how the event affected the interrelationship between transportation on natural gas pipelines and electric generator outages. The Winter Storm Elliott Report included additional recommendations, one of which directed NAESB to take a deeper look into gas-electric coordination by convening natural gas infrastructure entities, electric grid operators, and LDCs to identify improvements in communication during extreme cold weather events to enhance situational awareness.

In response to the foregoing, NAESB created a joint annual plan directing the Joint Wholesale Gas Quadrant (“WGQ”), Wholesale Electric Quadrant (“WEQ”), and Retail Markets Quadrant (“RMQ”) Business Practices Subcommittees to review and modify the NAESB Gas-Electric Coordination Business Practice Standards, and any corresponding standards, that could improve communications among gas and electric market participants and enhance situational awareness during extreme weather events without endangering sensitive commercial information. On December 4, 2024, NAESB filed a report informing FERC that it had modified Version 4.0 of the business practice standards applicable to interstate natural gas pipelines and on October 16, 2025, FERC issued the NOPR seeking public comment in response to FERC’s proposal to incorporate by reference modifications to the latest version of the NAESB WGQ Version 4.0 Standards. Specifically, FERC proposes to incorporate by reference the three modifications to the NAESB WGQ Version 4.0 Standards, which includes one revised standard and two new standards. The revisions create a new information posting category on the pipeline’s Electronic Bulletin Board website, “Gas-Electric Coordination,” for use by a transportation service provider to help streamline the process for Regional Transmission Organizations/Independent System Operators

and other parties accessing this data during extreme weather events. One new standard facilitates postings of applicable scheduled quantity information for power plants that are directly connected to the pipeline as part of the new category. The second new standard supports the inclusion of geographic information of impacted areas and/or pipeline facilities by a transportation provider when issuing a critical notice to its customers.

Additionally, during the FERC Open Meeting on October 16, 2025, and in the concurrence to the NOPR, Commissioner Chang asked for stakeholder feedback on additional thoughts regarding information sharing and what the Commission could do to improve gas-electric coordination. AGA provides a response to Commissioner Chang's request in these comments.

The NOPR was published in the *Federal Register* on November 19, 2025, and established January 20, 2026, as the comment date.

IV. COMMENTS

AGA appreciates the opportunity to provide comments in response to the NOPR proposing to incorporate by reference modifications to the latest version of the NAESB WGQ Version 4.0 Standards. AGA supports the modifications to the NAESB standards and commends the Commission for its continued dedication and efforts to better align the operational practices of the natural gas and electric sectors. AGA and its members believe that the overall goal should be to preserve and enhance reliability for all customers, both gas and electric. In the comments below, AGA provides support for the modifications to the NAESB WGQ Version 4.0 Standards, provides the Commission with AGA's history of activities over the years to enhance gas-electric coordination, and proposes specific actions to further enhance gas-electric coordination.

Notably, “[o]ne of the purposes of the Natural Gas Act is to assure an adequate and reliable supply of natural gas.”⁵ Therefore, the Commission plays a critical role regarding the reliability of the gas system and the services provided to LDCs as shippers on interstate pipelines, and ultimately the homes and businesses that rely on natural gas as an energy source. The Commission should use its existing authorities to support, maintain, and improve pipeline service reliability for the benefit of end-use customers and the energy system overall.

A. AGA Supports the Modifications to the NAESB WGQ Version 4.0 Standards

AGA strongly supports the Commission’s proposal to incorporate by reference the revised NAESB WGQ Version 4.0 Standards related to improving the communication between the natural gas and electric sectors. These modifications will promote greater gas-electric coordination and situational awareness during severe weather events. AGA and its members have long advocated for a more transparent process through enhanced real-time information sharing to ensure all stakeholders have a more accurate view of current system conditions. These modifications are steps towards achieving this goal. The creation of a new category titled, “Gas-Electric Coordination” on the pipeline’s website to help streamline the process for stakeholders to access data during extreme weather conditions will be valuable so that all publicly available data is centralized and easily accessible for those who need it.

Moreover, LDCs rely on critical notices from pipelines to manage potential supply disruptions. AGA supports expanding the scope of information within the critical notices to allow for a faster response to maintain the reliability of the energy system. The inclusion of impacted areas, locations, and pipeline facilities in the critical notices is essential for LDCs to identify and

⁵ *Panhandle Eastern Pipe Line Co. v. FERC*, 803 F.2d 726, 728 (D.C. Cir. 1986) (citing *California v. Southland Royalty Co.*, 436 U.S. 519, 523 (1978); *Sunray Mid-Continent Oil Co. v. FPC*, 364 U.S. 137, 147, 151-54 (1960)).

mitigate supply issues early. AGA believes that these modifications are in line with securing a more reliable future.

B. AGA's Commitment to Gas-Electric Coordination

Effective gas-electric coordination is essential for maintaining the reliability and resiliency of the energy system during times of high energy demand, especially as more than 189 million Americans and 5.8 million businesses use natural gas, and natural gas accounts for 43% of power generation⁶ with approximately 25% of this volume being transported to generators via natural gas utilities. Extreme weather events like Winter Storms Uri and Elliott, which threatened the reliability of the energy system, are two examples that highlight the vulnerabilities of the interdependence between the gas and electric industries. These events compromised the ability of AGA's members to reliably deliver natural gas to homes, hospitals, and businesses, while also meeting the surging demand from electric power generation in recent years. Enhancing gas-electric coordination is now also critical to winning the artificial intelligence ("AI") race due to the unprecedented rise in electricity demand from AI and data centers, which adds another layer to the already existing reliability challenges. Furthermore, natural gas plays a critical role in fueling and maintaining the competitiveness of U.S. manufacturing, and advanced manufacturing, particularly as energy demand continues to rise.⁷ AGA and its members remain committed to continuing our efforts to better ensure the reliability of both systems.

⁶ Use of Natural Gas-fired Generation Differs in the United States by Technology and Region, Today in Energy (Feb. 22, 2024), available at <https://www.eia.gov/todayinenergy/detail.php?id=61444>, (last visited January 20, 2026).

⁷ Strategic Equilibrium: The United States' Manufacturing Resurgence and the Role of Natural Gas in a Carbon-Competitive World, Centers for Strategic & International Studies (Sept. 10, 2024), available at <https://www.csis.org/analysis/strategic-equilibrium-united-states-manufacturing-resurgence-and-role-natural-gas-carbon>, (last visited January 20, 2026).

A resilient energy system is essential to the operation of nearly every critical function and sector of the U.S. economy as well as the communities that depend upon its services. Disruptions to the U.S. energy system create widespread economic and social impacts, including losses in productivity, health and safety issues, and—in the most extreme cases—loss of life. The highest priority for a natural gas utility is the delivery of natural gas to its customers safely, reliably, responsibly, and at just and reasonable rates.⁸ Natural gas utilities are obligated under state law and regulatory requirements to distribute natural gas to retail, residential, commercial, governmental, and industrial customers.⁹ In order to meet this statutory obligation to serve, utilities develop detailed long-term supply and transportation plans, as well as acquire firm gas supply, primarily firm upstream transportation, firm storage capacity, and may also, depending on the region, utilize firm peaking resources to ensure that they can reliably meet the physical demand for service on peak days both today and in the future. There is also extensive overlap and interdependency between the gas and electric systems, wellhead to burner tip, since parts of the value chain rely on electricity for processing and compression, as well as home natural gas furnaces that operate in tandem with an electric blower. Additionally, as stated above, the electricity sector has deepened its reliance on natural gas for power generation. Therefore, AGA's gas-electric coordination focus is on both ensuring reliability and resiliency for gas customers and supporting electric generators in their operations.

Notably, enhancing communication and information sharing between both sectors is a top priority for AGA and is evidenced by AGA's engagement in various industry forums over the years.

⁸ Elements of an LDC's retail services are regulated at the state level, not by the Commission. *See, e.g.*, 15 U.S.C. § 717(b) ("The provisions of this chapter . . . shall not apply . . . to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.").

⁹ Most laws or regulations that govern utility service include the concept of the "obligation to serve." In short, this duty stems from the reality that when a franchise service territory is granted by a state or regulatory entity a public interest is established in maintaining reliable service.

AGA and its members have been active in many forums and venues aimed at improving reliability and resiliency, as well as gas-electric coordination. This includes filings with and proceedings before FERC and various state regulators and agencies. Additionally, AGA and gas utilities are active participants in every level of NAESB, and AGA regularly participates in NERC meetings. Below is a non-exhaustive overview of activities AGA has participated in since 2018, but please note other efforts would have predated the aforementioned time period.

1. NAESB

AGA and its members participate at NAESB via various committee activities that relate to gas-electric reliability and coordination. This includes the standards making processes and efforts to update the Base Contract for Sale and Purchase of Natural Gas (“NAESB Base Contract”). Moreover, AGA and its members were active in the GEH Forum. NAESB convened the recent iteration of the GEH Forum following the July 2022 FERC/NERC report on Winter Storm Uri (“Winter Storm Uri Report”), which recommended the establishment of a forum to discuss gas-electric matters. As discussed above, the GEH Forum started meeting in August 2022 and the final NAESB GEH Report with recommendations was issued in July 2023. AGA and various natural gas utility representatives participated in multiple meetings of the GEH Forum. AGA submitted multiple comment letters and voted via multiple surveys as part of the GEH Forum process. AGA also voted on the draft recommendations that were ultimately included in the final report.

Additionally, NAESB is positioned to respond to requests for further action concerning reliability matters, to the extent requested. As part of the 2026 annual plans for certain quadrants, NAESB included a provisional activity that provides that NAESB, upon a request or as directed by the NAESB Board or a relevant jurisdictional entity, will consider developing and/or modifying business practice standards that reflect best practices that will provide stronger operating reliability

from production/supply/transport, for example, during extreme weather conditions, and more clear communications and business processes around force majeure declarations during critical operating periods.¹⁰ This highlights that reliability and gas-electric coordination matters are still top of mind in 2026.

2. American Gas Foundation Reports on Resilience

In November 2022, the American Gas Foundation, issued a report titled, “Enhancing and Maintaining Gas and Energy System Resiliency Areas of Focus and Change.”¹¹ This study provides the technical, commercial, and regulatory analysis associated with the resilience of the U.S. gas system with the goal of identifying the necessary changes to the policy and regulatory framework for the energy industry to support gas system resilience investments. A prior report titled, “Building a Resilient Energy Future: How the Gas System Contributes to US Energy System Resilience,” was issued in July 2021¹² and provides a framework for regulators, policymakers, and other stakeholders to examine energy system resilience and the role of the natural gas system.

3. AGA Report on the Value of Natural Gas Storage

In April 2025, AGA issued a report titled, “Assessing the Value of Natural Gas Storage - A Strategic Asset for Grid Reliability, System Resilience, and Operational Flexibility in a Changing Energy Landscape,” (“Storage Report”)¹³ which highlights emerging pressures on natural gas

¹⁰ See the 2026 Annual Plans for the Wholesale Electric Quadrant and Wholesale Gas Quadrant, available at <https://www.naesb.org/materials/gov.asp>, (last visited January 20, 2026).

¹¹ See Enhancing and Maintaining Gas and Energy System Resiliency Areas of Focus and Change, AGA (Nov. 2022), available at <https://gasfoundation.org/2022/10/14/enhancing-and-maintaining-gas-and-energy-system-resiliency/>, (last visited January 20, 2026).

¹² See Building a Resilient Energy Future: How the Gas System Contributes to US Energy System Resilience,” an American Gas Foundation study prepared by Guidehouse (Jan. 2021), available at https://gasfoundation.org/wp-content/uploads/2021/01/Building-a-Resilient-Energy-Future-Full-Report_FINAL_1.13.21.pdf, (last visited January 20, 2026).

¹³ See Assessing the Value of Natural Gas Storage - A Strategic Asset for Grid Reliability, System Resilience, and Operational Flexibility in a Changing Energy Landscape, AGA (Apr. 29, 2025), available at <https://www.aga.org/research-policy/resource-library/assessing-the-value-of-natural-gas-storage/>, (last visited January 20, 2026).

infrastructure because of rapidly increasing demand for energy, including from data centers and a resurgence of American manufacturing. The Storage Report recommends policy considerations and strategic actions related to storage to support energy reliability, affordability and security, including more flexible natural gas storage to preserve system reliability.

4. Natural Gas Council Report on Reliability

In April 2019, the Natural Gas Council issued a report titled, “Natural Gas: Reliable and Resilient.”¹⁴ This report outlines the reliability and resilience of natural gas transportation, related regulatory authorities, and the contracting procedures necessary for large volume customers to best meet their service needs.

5. Gas-Electric Alignment for Reliability Taskforce

In November 2025, the National Association of Regulatory Utility Commissioners (“NARUC”) Gas-Electric Alignment for Reliability (“GEAR”) Taskforce released a final report for improving gas-electric coordination (“GEAR Report”).¹⁵ The GEAR Taskforce was a working group that brought together state regulators and industry representatives from the gas and electric industries to develop solutions to better align the gas and electric industries to maintain and improve the reliability of the gas and electric energy systems. GEAR gathered regulators and industry stakeholders in order to recommend solutions to better harmonize communication protocols, operations and planning of the gas and electric systems and markets.

The GEAR Report documents the processes, results, and resolutions of GEAR. The GEAR Report states that the recommendations should serve as a backdrop and ongoing point of discussion

¹⁴ See Natural Gas: Reliable and Resilient, Natural Gas Council (Apr. 2019), available at <https://naturalgascouncil.org/wp-content/uploads/2019/04/Natural-Gas-Reliable-and-Resilient.pdf>, (last visited January 20, 2026).

¹⁵ See National Association of Regulatory Utility Commissioners Task Force on Gas-Electric Alignment for Reliability (GEAR) Report & Recommendations (Nov. 2025), available at <https://pubs.naruc.org/pub/2527936B-BEB6-767B-50BE-01BEEB3091F>, (last visited January 20, 2026).

to assist regulatory agencies and their partners in serving the needs of the natural gas system, the electric grid, and utility customers. The recommendations from the GEAR Taskforce were as follows:

- 1. Creation of a Natural Gas Readiness Forum** - GEAR supported the creation of a voluntary ongoing Natural Gas Readiness Forum dedicated to the enhancement of U.S. natural gas value chain reliability via the promotion of communication, peer-to-peer connections, situational awareness, and education among its participants and stakeholders to anticipate and respond to calamitous events and other issues.¹⁶
- 2. Natural Gas Pipeline Infrastructure** - With the widespread recognition that the United States needs additional natural gas pipeline infrastructure to reliably meet the United States' growing and changing demand for energy, NARUC, with the expertise and influence of its member states, should support federal permitting reform that would address infrastructure hurdles in a meaningful way such that new infrastructure may be in place in a timely manner to meet growing and changing natural gas and electricity demand.
- 3. Gas Storage Opportunities** - GEAR recognized the critical role of storage in supporting energy system reliability and recommended that states and organized power markets evaluate a wide array of solutions that affect the investment in, development of, and use of storage of all types, including associated infrastructure, to support the electricity grid and end use customer reliability under high energy demand conditions.
- 4. Load Shed** - GEAR encouraged state regulators to be aware of utilities' load shed practices given the high consequence of these decisions and to reach out to their ISOs/RTOs, regulated utilities, and any other relevant electricity consuming groups and review information from NERC to better understand load shed practices, when load shed practices were last updated, and evaluate if changes are needed for the current electricity consumption landscape.
- 5. Intra-weekend and Intra-day Natural Gas Market Liquidity** - Historically, the natural gas markets have worked well, however improvements to ensure greater liquidity and transparency on winter weekends, when there is limited trading, can help to ensure that reliability is enhanced at a reasonable cost to customers, fully recognizing that these decisions will involve tradeoffs and risk-shifting.
- 6. Market Tools for Enhanced Supplier Performance in Extreme Winter Weather** - GEAR recommended that states, in lieu of direct winterization regulations for natural gas production, provide for consideration of the need and feasibility of a market-driven process that allows cost recovery for utilities and generators that pay a premium for a verified winterized or enhanced performance (e.g., storage and other assets) product for the purpose of increasing reliability through supply loss mitigation.

¹⁶ The Natural Gas Readiness Forum is discussed in more detail below.

- 7. Improving Generator Advance Natural Gas Fuel Procurement and Economic Certainty** - GEAR encouraged state regulators and policy-makers to support stakeholder actions for market-based solutions to incentivize and advance natural gas fuel procurement and provide economic certainty, consistent with recommendations to improve natural gas unit scheduling and dispatch.
- 8. Demand Response for Natural Gas Utilities** - To ensure system reliability for those states with limited and/or no natural gas demand response programs, state regulators of those jurisdictions may consider building out robust demand response programs to reduce or shift their energy usage during periods of high demand or system stress, such as severe weather events.
- 9. Incentivizing More Timely and Frequent Utility Interstate Capacity Release** - States should consider supporting or adopting measures that facilitate more timely and frequent use of interstate capacity release or asset management arrangements by its utilities so the marketplace may benefit from a more efficient allocation of firm interstate transportation and storage capacity.

6. Natural Gas Readiness Forum

To demonstrate our commitment to the reliability of both systems and the energy system as a whole, AGA welcomed the opportunity to lead the Natural Gas Readiness Forum (“NGRF”). As noted above, NARUC launched the GEAR Taskforce to develop solutions to improve the reliability of the natural gas and electric energy systems. The GEAR Taskforce members unanimously recommended the creation of a NGRF and recommended that AGA administer the NGRF.

The NGRF is an industry-led voluntary effort aimed at improving the communication, preparation and readiness of the energy sector during winter events. The NGRF is comprised of multi-state stakeholders from the various elements of the natural gas and electric value chains, as well as federal and state regulators. The NGRF fosters operational education, situational awareness and peer-to-peer connections across the natural gas industry, electric sector, end-users and relevant government agencies. Presentations explore the reliability of the energy system, how the natural

gas system prepares for high demand periods, and cross-sector coordination with electric during extenuating circumstances.

AGA convened the first NGRF meeting on December 16 and 17, 2024 in Atlanta, Georgia. The two-day event had approximately 87 attendees which included representatives from across the natural gas value chain (e.g., natural gas transportation, storage and distribution operators; natural gas producers) as well as representatives from the Commission, Department of Energy, NERC, regional transmission operators, electric generators, energy trade associations, state regulatory utility commissions, and state energy offices. On November 18 and 19, 2025, AGA hosted the second annual NGRF in Atlanta, Georgia. Energy industry stakeholders including, but not limited to, natural gas distribution operators, natural gas midstream operators, natural gas producers, state regulatory utility commissioners, regional transmission operators, and FERC representatives were in attendance to discuss industry coordination for the winter ahead.

The 2025 NGRF meeting and the agenda topics were designed to foster an environment that encouraged discussion of operational readiness across the entirety of the U.S. natural gas value chain and critical end users. The agenda included the following topics:

- Weather & Energy Outlook - National weather forecast for late 2025 and early 2026, and natural gas and electric outlooks
- Winter Preparedness of Government and Oversight Entities - Overview of winter preparedness activities of federal and state governments and oversight entities
- Winter Readiness Natural Gas Case Studies & Lessons-Learned - Different parts of the natural gas value chain along with the electric sector highlight winter readiness case-studies and lessons learned
- Perspectives from the Industry - Current and future trends of a specific sector regarding readiness
- Takeaways from the Regional Mini-Forum Tabletop Exercises - Lead takeaways from the various regional meetings

The NGRF also introduced mini-forums in 2025. The mini-forums are half-day events to discuss various region-specific topics related to the reliability of the energy system. These forums include a 90-minute tabletop emergency exercise to identify gaps in operations. AGA held three mini-forums in 2025 and plans to hold more mini-forums in 2026.

Importantly, on December 3, 2025, the National Petroleum Council (“NPC”) issued a report titled, “Reliable Energy: Delivering on the Promise of Gas-Electric Coordination,” (“NPC Gas-Electric Report”).¹⁷ The NPC Gas-Electric Report examines the risks arising from the misalignment of the natural gas and electric power sectors and outlines ten recommendations to safeguard reliability while keeping up with rising natural gas demand in the power sector. Several members of the natural gas industry were involved in drafting the study.

One of the recommendations directs NARUC to enhance dialogue and document best practices through the already established NGRF. Specifically, in Recommendation 9, the NPC recommends NARUC convene a NGRF working group to broaden stakeholder dialogue and document leading management practices across all interconnected sectors of the energy value chain. The NPC noted that the NGRF, established by NARUC and administered by AGA, is best positioned to convene diverse energy system stakeholders to document existing leading management practices and that no new entity needs to be created.

AGA is ready and committed to continue to build on the NGRF to improve the resilience of the energy system during peak demand periods. AGA looks forward to working alongside federal and state regulators and other stakeholders to enhance coordination to ensure the energy sector can safely deliver heat to customers on the coldest day of the year.

¹⁷ Reliable Energy: Delivering on the Promise of Gas-Electric Coordination, A Report of the National Petroleum Council Committee on Gas-Electric Coordination (Dec. 3, 2025), available at https://gas-electric.npc.org/files/2025_Gas_Electric_Report.pdf, (last visited January 20, 2026).

C. Potential Further Action to Improve Coordination and Reliability

There is no doubt the industry has made strides to mitigate disruptions to the energy system during severe winter weather events. For example, during the January 2025 Arctic Events,¹⁸ the electric and natural gas systems showed improved performance, in part due to lessons learned from prior storms, and better communication and coordination. While progress is encouraging, there is still more work to be done. Further improvements are still necessary and there are issues that were previously identified that remain unresolved. Addressing these matters could improve the way the gas and electric sectors interconnect. AGA has identified the following areas for potential improvement and further action.

1. Force Majeure

First, regarding NAESB, AGA believes that the force majeure provisions in the NAESB Base Contract require updating to guarantee natural gas firm supply. Weather disruptions have occasionally, during severe conditions, caused freezing and failure of wells, as well as related production and gathering facilities which, in some instances, have led to outages. While producer performance has improved recently, in previous years there appears to have been a higher number of force majeure claims attributable to cold weather events. When this occurs, LDCs, who pay a premium for their “firm” contracts, may not receive their expected firm supply and are forced to find supply in alternative markets at higher prices. Unfortunately, by the time an LDC is aware of such letters from suppliers regarding force majeure events, which may not arrive on a timely basis, they are unable to provide value for real-time operations. However, force majeure should not apply to interruptions due to cold weather events that although may seem extraordinary, actually occur

¹⁸ See January 2025 Arctic Events A System Performance Review, A Joint Staff Report of FERC, NERC, and its Regional Entities (Apr. 16, 2025), available at <https://www.ferc.gov/media/report-january-2025-arctic-events-system-performance-review-ferc-nerc-and-its-regional>, (last visited January 20, 2026).

historically, although infrequently and can be planned for risk mitigation measures. The force majeure provision in the NAESB Base Contract should be revised to narrow its scope and prevent risk shifting onto end-users. Updating the NAESB Base Contract could add a greater level of transparency regarding the conditions under which a party may invoke force majeure as well as create financial accountability for parties that do not adequately weatherize their facilities.

Second, regarding FERC, the Commission should address and possibly issue guidance on how to improve pipeline force majeure definitions/provisions and reservation charge crediting. Additionally, the Commission could revise its reporting requirements and other measures surrounding force majeure declarations. For example, the Commission could consider recommending post-event reporting that includes a root cause analysis and risk avoidance measures for any force majeure events.

Moreover, using its tariff authority, the Commission could also revisit its policy regarding pipeline force majeure and reservation charge crediting provisions to rebalance risk sharing between pipelines and their customers and create strong incentives for pipeline service reliability, particularly for pipelines that evidence a record of repeated force majeure events. The incentives ensure the pipeline provider is focused from all business and operational perspectives including maintenance, improvements, weatherization and contingencies to provide the highest reliable service reasonably possible. This is because when a pipeline declares a force majeure event, there is a risk of service interruption to end use customers depending upon the current weather, demand and supply situation and available alternatives. Under circumstances where a pipeline gives advance notice of a reduction in firm entitlements due to force majeure events, the remedy of reservation charge credits, the compensation shippers receive from a pipeline for unused capacity, is insufficient because the differential between nominations and entitlements is understated.

During these situations, an LDC will prudently nominate for a lower amount of supply and purchase its additional requirements elsewhere, since a declared force majeure may require the LDC to acquire spot market supply to make up for the shortfall. Typically, the additional supply requirements purchased by an LDC to replace its “firm” capacity lost via force majeure comes at a higher cost. Therefore, in such situations, the revenue crediting should be measured by the differential between nominations plus force majeure-related reductions compared to actual deliveries. Such matters warrant the Commission’s attention.

2. Natural Gas Storage

AGA believes that natural gas storage is essential to maintain a reliable and resilient energy system. Natural gas storage is a critical component of the U.S. energy infrastructure, providing system reliability, stabilizing market prices, and enhancing resiliency during high-demand periods and unexpected disruptions. It helps counter historically seasonal variability of demand by serving as a physical hedge against commodity price fluctuations and changes in supply availability. The flexibility that natural gas storage offers is vital to keeping the lights on during periods of high energy demand. Unfortunately, and as highlighted in the AGA Storage Report, “while LNG storage capacity, intrastate pipeline capacity, interstate pipeline capacity, production, and demand continue to grow, underground storage capacity additions remain stagnant.”¹⁹ The GEAR Taskforce tackled this matter earlier this year by issuing a recommendation on natural gas storage,²⁰ which should serve as a good starting point to identify where potential investment in underground natural gas storage can improve natural gas system reliability and resiliency. AGA

¹⁹ See Assessing the Value of Natural Gas Storage - A Strategic Asset for Grid Reliability, System Resilience, and Operational Flexibility in a Changing Energy Landscape, AGA (Apr. 29, 2025), available at <https://www.aga.org/research-policy/resource-library/assessing-the-value-of-natural-gas-storage/>, (last visited January 20, 2026).

²⁰ See Gas Storage Opportunities Recommendation, GEAR Task Force (Mar. 2025), available at <https://pubs.naruc.org/pub/191F5C4A-F3AA-426A-60A8-BF23226F5BA9>, (last visited January 20, 2026).

supports continued use of and investment in natural gas storage to enhance reliability and strengthen energy security for all Americans.

3. Demand Response

AGA believes state commissions should encourage both electric and natural gas utilities to issue incentives for the development of natural gas and electric demand response programs and increased conservation programs. As noted above, the GEAR Taskforce issued a recommendation on demand response²¹ recognizing that such programs can reduce or shift energy usage during periods of high demand or system stress which can aid in overall reliability. Such programs allow utilities to work hand-in-hand with marketers and consumers to help manage peak day usage during cold weather or constrained supply conditions.

Moreover, Advanced Metering Infrastructure (“AMI”) plays a growing role in enhancing demand response by enabling identification of peak usage patterns, targeted customer notifications, and improved verification of load reductions. AMI systems can facilitate more responsive and reliable demand response programs by providing utilities with actionable data before, during, and after curtailment events. For LDCs with a large service territory, utilizing AMI allows them to have more precision in understanding load pockets and gate station-by-gate station awareness of real-time demand and delivery constraints, providing greater pipeline capacity management and scheduling responsiveness. Therefore, states with limited or no demand response programs or no support for gas AMI should consider incentivizing such programs as one means to support greater resilience.

²¹ See National Association of Regulatory Utility Commissioners Task Force on Gas-Electric Alignment for Reliability (GEAR) Report & Recommendations (Nov. 2025), available at <https://pubs.naruc.org/pub/2527936B-BEB6-767B-50BE-01BEEEB3091F>, (last visited January 20, 2026).

4. Weatherization

Weatherization of upstream facilities is foundational to safe and reliable service to customers. The GEAR Taskforce, as summarized above, issued a recommendation on weatherization. The downstream impacts of improperly weatherized facilities can be severe, including inadequate supply or system pressure that trigger emergency operations and/or potential curtailment measures. Therefore, the GEAR Taskforce recommended that states, in lieu of direct winterization regulations for natural gas production, provide for consideration of the need and feasibility of a market-driven process that allows cost recovery for utilities and generators that pay a premium for a verified winterized or enhanced performance (*e.g.*, storage and other assets) product for the purpose of increasing reliability through supply loss mitigation.²² Moreover, existing state prudence review processes can ensure that the individual sale/purchase contracts contain mutually balanced terms to ensure that higher levels of service and reliability are achieved and that consumers are benefiting and deriving fair value.²³

From a federal perspective, FERC could play a role in requiring weatherization investment as a pre-requisite for interconnection to the interstate natural gas system.

5. Clarification of Roles and Responsibilities

It is important that industry and regulators understand the important role each plays in ensuring reliability for customers. However, based on changes in the market and revised regulations, the roles and responsibilities may not always be clear, and education can play a role in clarifying the issue. To address this matter, Recommendation 8 of the NPC Gas-Electric Report, titled “Clearly Identify Roles and Responsibilities,” recommends the Federal and State Issues

²² *Id.*

²³ *Id.*

Collaborative publish a framework that clearly identifies and defines the roles and responsibilities for reliability, resource adequacy, and fuel assurance.²⁴ The Federal-State Current Issues Collaborative (“Collaborative”), a joint effort between FERC and NARUC, was created to address these reliability challenges and is best positioned to drive this effort forward. NPC Recommendation 8 emphasizes the importance of clearly defined roles and responsibilities for the Commission and other relevant entities in addressing gas-electric coordination challenges. AGA supports NPC Recommendation 8 and is happy to participate and provide information and education to the Collaborative on the roles and responsibilities of state and federal regulators, as well as industry. The Collaborative can be an educational mechanism for regulators to better understand matters related to reliability, accountability, and transparency.

6. Actions the Commission Could Effectuate to Enhance Reliability

As noted above, under the Natural Gas Act, the Commission has a role in assuring an adequate and reliable supply of natural gas for the United States. Additionally, the Commission already plays a critical role in monitoring and maintaining the reliability of the interstate natural gas system. For example, the Commission requires regulated entities to submit outage reports regarding serious interruptions of service,²⁵ and policies exist that require a crediting of reservation charges when services are not provided.²⁶ Therefore, AGA suggests that the Commission consider the following actions related to natural gas supply:

²⁴ See *Reliable Energy: Delivering on the Promise of Gas-Electric Coordination*, A Report of the National Petroleum Council Committee on Gas-Electric Coordination (Dec. 3, 2025), available at https://gas-electric.npc.org/files/2025_Gas_Electric_Report.pdf, (last visited January 20, 2026).

²⁵ 18 C.F.R. § 260.9(a)(1)(ii), (b)(1) (requiring reports of “Serious interruptions of service to any shipper” and providing such reports “shall be made at the earliest feasible time”).

²⁶ *Cost Recovery Mechanisms for Modernization of Natural Gas Facilities*, Policy Statement, 151 FERC ¶ 61,047 at P 105 (2015).

- The Commission could consider initiating a rulemaking to adopt pipeline reporting requirements/reliability metrics to improve reliability and upstream performance.²⁷
- The Commission could advocate for market and/or regulatory tools for enhanced supplier performance in extreme winter weather.²⁸
- The Commission could address issues related to force majeure and reservation charge crediting.²⁹
- The Commission could consider additional enhanced communication protocols in advance of and during extreme weather events, greater standardization of pipeline scheduling and confirmation practices, and other mechanisms to ensure customers that pay for firm service are receiving full contractual value in exchange for their long-standing financial commitments.

The above are a few potential actions for the Commission to consider which would support and enhance reliability under its current statutory authority.

7. Establish a Separate Reliability Docket or Utilize Another Existing Docket

While this proceeding concerns certain elements of gas-electric coordination and system reliability, it remains an overall NAESB standards adoption docket. AGA suggests that the Commission address energy system reliability issues and gas-electric coordination in a separate special purpose docket or in an existing proceeding where such matters are already being discussed, instead of the current docket where it routinely incorporates by reference NAESB standards to its regulations. For example, these matters could be addressed in the existing Federal-State Current Issues Collaborative docket, where gas-electric coordination and reliability matters have been discussed in recent meetings.³⁰

²⁷ Certain pipeline rate case settlements, approved by the Commission, include reporting requirements to shippers on reliability matters.

²⁸ See National Association of Regulatory Utility Commissioners GEAR Taskforce Report & Recommendations.

²⁹ See the discussion above for more details on force majeure.

³⁰ Fed. & State Current Issues Collaborative, Docket No. AD24-7-000.

V. CONCLUSION

The American Gas Association respectfully requests that the Commission take into consideration these comments in this proceeding. AGA looks forward to continuing to work with the Commission on gas-electric coordination and reliability matters.

Respectfully submitted,

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Document Content(s)

AGA Final Comments re NAESB GEC Standards.pdf.....1