

Natural Gas Emergency Response Menu

Type of Emergency	Supply or Demand Side	Measure	What it Does	Recommended Steps	Shortage Level
Natural Gas	Supply	Temporarily lift wellhead restrictions on the production of natural gas.	Allows companies to pump as much gas as possible.	OCC regulates this through rulemaking, every 6 months holding a market demand hearing which sets maximum flow for wells. This hearing can occur on an accelerated schedule if necessary (emergency rulemaking).	4
Natural Gas	Supply	Allow pipeline pack to increase reserve supplies available.	Allows pipeline companies to store additional natural gas in the pipelines. This is generally done in anticipation of elevated demand.	The allowable pipeline pressure increases are regulated by federal law.	1
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Natural Gas	Supply	Local gas distribution companies (LDC) can purchase additional gas in order to meet demand.	<p>Mainly a preventative measure to be used when shortages can be anticipated —there must be an adequate gas supply available to purchase additional gas.</p> <p>The price of this purchased gas, contract details, the availability of gas transmission capacity, and the ability of the company’s system to accept additional supply may impact the amount that can be purchased.</p>	This activity will be conducted by private gas companies; OCC should remain actively involved in understanding anticipated supply shortages.	1
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Natural Gas	Supply	Gas companies that are drawing gas from storage facilities can increase the rate of withdrawal.	Helps meet increased short-term demand.	No special permissions needed. Companies make these decisions independently-- contractually they may go up to their maximum withdrawal rate without notifying state officials.	2

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Natural Gas	Supply	Encourage/require gas companies when technically feasible to access and utilize other sources of gas, (LNG, propane air stations, synthetic natural gas plants).	Diversifies fuel sources, decreasing reliance on natural gas.	Would require that conversion equipment exists, and the companies would be buying gas "off system".	4
Natural Gas	Demand	Encourage/ require a short-term reduction in natural gas usage in state facilities or Request that large commercial and industrial customers	Temporarily relieves demand on the natural gas system.	Governor has authority over state facilities. OEM would coordinate communication requirements or encouragement for industrial users. OCC becomes involved if curtailment issues arise.	3 4
Natural Gas	Demand	reduce gas use by decreasing their thermostat settings or reducing gas-consuming industrial processes	See above.	OCC is involved through interruptible gas rates. Once signed up the utility has the discretion how to execute the curtailment.	1 2 3 4
Natural Gas	Demand	Encourage residential customers to lower thermostats and water heating settings and defer using gas	See above.	A utility or the state could issue PSA's to consumers to encourage their participation.	2 3 4

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Natural Gas	Demand	Curtail or shut off gas supply to customers, regardless of interruptible agreements in place.	Assures reduction in natural gas use for serious shortage situations.	Utilities should use this approach with caution, as customer pilot lights must be relit following a cut off, or serious hazards such as gas accumulation within residences and business, could result.	4
Natural Gas	Demand	Increase retail rates to consumers.	Higher cost often reduces consumption.	Requires a statutory change and emergency rulemaking.	4
Natural Gas	Demand	Conduct a public information campaign and/or offer incentives that provide information, energy estimates, or discounts for the purchase and installation of highly efficient natural gas appliances.	Encourages public use of highly efficient natural gas appliances.	Financial incentive programs are administered at the utility level but are authorized at OCC.	1
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Natural Gas	Demand	Encourage large industrial natural gas customers to participate in a gas buy-back program.	Some larger industrial customers purchase gas from 3rd party suppliers and pay only a transportation fee to the utility. In a shortage situation, certain large customers may be willing to interrupt operations if the buy-back premium is high enough.	This would be a transaction in the private sector.	4