

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 9, 2013

OFFICE OF THE CHAIRMAN

Paul N. Cicio
President
Industrial Energy Consumers of America
1155 15th Street, NW
Suite 500
Washington, D.C. 20005

Dear Mr. Cicio:

Thank you for your letter concerning potential electric reliability and natural gas deliverability issues. As you indicated, these issues have been important to the Commission this past year and we have sought industry feedback on the coordination between the natural gas and electric industries.

In November, responding to concerns heard during a series of conferences held in August of last year, the Commission determined that the most prudent course of action was to more fully explore the two primary issues identified through those conferences, which were the respective ability of each industry to share information in furtherance of enhancing gas-electric coordination consistent with the Commission's regulations on Standards of Conduct and statutory restrictions on undue discrimination and preference; and, scheduling discontinuities between the gas and electric industries. Thus, the Commission directed staff to conduct further targeted technical conferences in 2013.

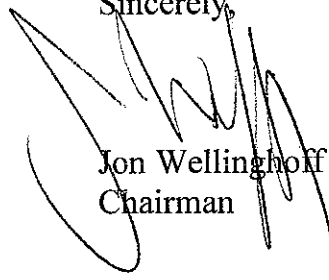
One of these technical conferences "will focus on the details relating to scheduling, and whether and how natural gas and electric industry schedules could be harmonized in order to achieve the most efficient scheduling systems for both industries." This technical conference will discuss issues such as those raised in your letter. After the upcoming technical conferences, the Commission will consider whether additional actions are appropriate. I invite you or your representative to attend our conference.

In addition, you raise concerns with respect to the interruption or curtailment of natural gas deliveries to industrial facilities. On November 15, 2012, Commission Staff issued a Staff Report on Gas-Electric Coordination Technical Conferences which provides details of the Commission's natural gas

scheduling practices.¹ While the Staff Report provides further detail on the Commission's policies, in general, once a firm capacity holder schedules its capacity, it will have priority over all other nominations. Thus, scheduled firm gas capacity will not be curtailed because of interruptible service requests.

Thank you so much for your interest in these very important issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Wellinghoff', is written over the typed name and title.

Jon Wellinghoff
Chairman

¹ Staff Report on Gas-Electric Coordination Technical Conferences at 30-31
(available at <http://www.ferc.gov/legal/staff-reports/11-15-12-coordination.pdf>)