

Federal Energy Regulatory Commission Natural Gas Certification Process: Office of Inspector General Audit Report



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The United States Department of Energy Office of Inspector General (“OIG”) issued a May 2018 Audit Report titled:

The Federal Energy Regulatory Commission’s Natural Gas Certification Process (“Report”)

See DOE-OIG-18-33.

OIG states that it initiated the audit to determine whether the Federal Energy Regulatory Commission’s natural gas certification process was performed in accordance with relevant laws, regulations, policies, and procedures, to include timeliness and stakeholder input. The *Report* describes stakeholders as including but not limited to:

- Potentially affected landowners
- Nearby residents
- Concerned citizens
- Electric representatives
- Federal, state, and local government officials
- Non-governmental organizations (local or national advocacy groups and Chambers of Commerce, etc.)
- Native American tribes
- Community leaders
- Media

FERC regulates the United States natural gas industry principally under statutory authorities granted by the Natural Gas Act of 1938 and the Energy Policy Act of 2005. Of particular relevance, it approves the construction, operation, and location of natural gas interstate pipelines and facilities by issuing certificates of public convenience and necessity.

The *Report* describes the natural gas project application process as complex with the involvement of multiple FERC offices as well as a variety of Federal, state, and local stakeholders.

The “significant growth of the natural gas industry” is referenced along with “increased public awareness of FERC’s role in the application review process. Additional public interest in the development and siting of natural gas facilities is deemed a result. Such developments are also stated to have resulted in heightened controversy over pipeline projects. These developments, along with Congressional attention,

and what is described as the importance and complexity of FERC's mission for reviewing natural gas applications (and issuing certificates of public convenience and necessity) is stated to have been a further reason for OIG to undertake the audit.

By way of summary, OIG concludes that FERC has generally performed the natural gas certification process in accordance with applicable laws, regulations, policies, and procedures, including the previously cited federal statutes.

The *Report* identifies four areas for improvement that, if addressed, "aid FERC in more efficiently and effectively managing its natural gas certification process." Those four areas are stated to include:

- Process Transparency
- Public Access to FERC Records
- Tracking Stakeholder Comments
- Data Integrity

A copy of the [Report](#) can be downloaded here.