
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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NEWS MEDIA CONTACT:

Michelle Veloso
(202) 208-0680

COMMISSION REITERATES COMMITMENT TO MONITOR PIPELINE OFO ACTIVITY

The Federal Energy Regulatory Commission today reiterated its commitment to monitor pipeline operational flow orders (OFOs) on a regular basis.

During a discussion of the issue, the Commission said effective monitoring should limit the use of OFOs to times when they are absolutely necessary to maintain service reliability. This will permit market forces to better dictate gas commodity and transportation transactions across pipeline networks.

OFOs restrict shipper use of a pipeline system. They are declared mainly during peak periods when operational problems threaten the reliability of the system.

Shippers have complained that pipeline-declared OFOs are either too frequent, last too long, or affect too large a portion of the system. They have also complained that various OFO measures have been poorly defined, giving pipelines too much latitude.

Shippers have further complained that pipelines favor marketing affiliates when OFOs are in effect.

The Commission wants to ensure that pipelines maintain reliable service with minimal use of OFOs. Market forces should prevail as long as practicable in the Commission's view.