
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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BANGOR GAS AGREES TO PAY \$1 MILLION PENALTY TO RESOLVE SELF-REPORTED SHIPPER-MUST-HAVE-TITLE VIOLATIONS

The Federal Energy Regulatory Commission today approved a settlement agreement requiring Bangor Gas Co. to pay a civil penalty of \$1 million and take other actions to resolve self-reported violations of the Commission's "shipper must have title" requirements. Bangor did not hold title to the gas it transported for nine customers on 1.5 miles of pipeline located in Maine.

Commission policy requires all shippers to hold title to the gas they are transporting on the shipper's pipeline capacity. The policy is designed to promote pipeline open-access and to prevent undue discrimination in primary and secondary markets for natural gas transmission capacity.

Sempra Energy owned Bangor at the time of the violations, which occurred between July 2000 and September 2006. Bangor's violations came to light as a result of due diligence work performed in connection with the sale of Bangor. Sempra Energy submitted Bangor's self-report to the Office of Enforcement following an internal review.

In addition to payment of the agreed-upon civil penalty, the Stipulation and Consent Agreement requires Bangor to submit semi-annual reports with the Office of Enforcement for a period of one year to assure compliance with the Commission's transportation requirements, including the shipper-must-have-title requirement.

Bangor did not profit from its violations and staff identified no financial harm to third parties caused by Bangor's violations.

Chairman Joseph T. Kelliher observed: "This is the first imposition of civil penalties for natural gas violations under our new Energy Policy Act authority. When considered with the recent electricity settlements approved by the Commission, which marked the first time the Commission acted under its new EPAct authority, today's action shows that Commission enforcement covers the full range of our regulatory authority."

The Commission concluded in today's order that the penalty and compliance program specified in the settlement agreement provide a fair and equitable resolution of this matter and are in the public interest. The agreement requires Bangor to pay the \$1 million civil penalty to the U.S. Treasury within 10 days.

R-07-16

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