GAO Highlights

Highlights of GAO-20-658, a report to congressional requesters

September 2020

GAS TRANSMISSION PIPELINES

Interstate Transportation of Natural Gas Is Generally Reliable, but FERC Should Better Identify and Assess Emerging Risks

Why GAO Did This Study

The interstate transmission pipeline system transports natural gas from production areas to large-volume customers, such as gas distribution companies, which provide natural gas to millions of residential and commercial consumers. Interruptions in the service provided by transmission pipelines can have serious effects, such as when about 7,000 homes and businesses in Rhode Island went without heat for a week in January 2019.

GAO was asked to review federal oversight of service interruptions involving interstate natural gas transmission pipelines. This report examines: (1) service interruptions on these pipelines and (2) emerging risks and the extent to which FERC identifies and assesses these risks.

GAO analyzed data and interviewed officials from relevant federal agencies; interviewed states' public utility commissions, interstate transmission pipeline operators, natural gas and electric industry associations, and standards-setting associations and surveyed a random sample of gas distribution companies.

What GAO Recommends

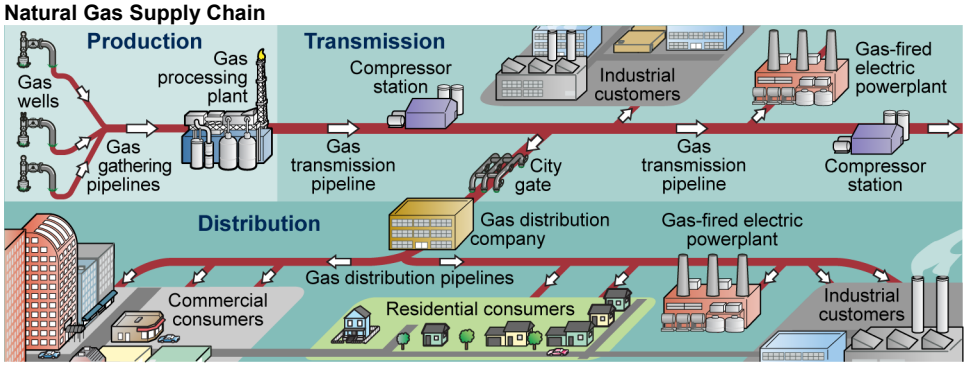
GAO recommends that FERC: (1) use available information, such as reports by transmission pipeline operators on service interruptions, to identify and assess risks to the reliability of this service and (2) develop an approach to respond, as appropriate, to any identified risks. FERC agreed to establish a process to incorporate such information into its ongoing efforts to monitor and address reliability of interstate transmission pipeline service.

View GAO-20-658. For more information, contact Elizabeth Repko at (202) 512-2834 or repkoe@gao.gov

What GAO Found

Available information indicates that the transportation of natural gas by interstate transmission pipelines has been generally reliable. Using reports submitted to the Federal Energy Regulatory Commission (FERC), which oversees the reliability of service provided by interstate transmission pipelines, GAO found that interruptions in natural gas service without advance notice to customers occurred an average of 28 times a year from 2015 to 2019. In contrast, in a single year (2018), every electric power consumer in the United States, on average, went without power for 5.8 hours. However, gas interruptions usually did not result in a complete loss of service to affected consumers. Representatives of natural gas industry sectors—including gas distribution companies, which typically rely on interstate transmission pipelines for access to natural gas—agreed that the transportation of natural gas via pipelines is generally reliable.

Selected Elements in the Production, Transmission, and Distribution Sectors of the U.S. Natural Gas Supply Chain



Source: GAO analysis of Energy Information Administration and Natural Gas Council documents. | GAO-20-658

Industry representatives and state officials told GAO that risks to the reliability of natural gas service on interstate transmission pipelines could increase in the future due to more intensive use, driven by greater domestic gas production and use by electric power plants. However, because natural gas service has consistently been reliable, FERC does not routinely use all available information—including reports provided by natural gas transmission pipeline operators on the frequency and effects of service interruptions—to identify, assess, and respond to risks. Maintaining the reliable transportation of natural gas, which is integral to ensuring reliable energy service, involves understanding and being prepared to respond to risks as they emerge. By not routinely using all available information to identify and assess potential risks to the reliability of service on interstate transmission pipelines, FERC is not well positioned to respond, if necessary, to changes in the natural gas industry in order to ensure consumers continue to have reliable service.