

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

IN THE MATTER OF)	
)	
COMMISSION INFORMATION)	DOCKET NO. IC08-588-000
COLLECTION ACTIVITIES,)	
PROPOSED COLLECTION)	

COMMENTS OF CORAL ENERGY RESOURCES, L.P.

In accordance with the Commission's February 21, 2008, notice in this docket (the "Notice"), Coral Energy Resources, L.P. ("Coral") submits the following comments.

**I.
CORRESPONDENCE AND COMMUNICATIONS**

All communications and correspondence regarding this docket should be directed to the following representatives of Coral:

Amy Gold
Coral Energy Resources, L.P.
909 Fannin, Suite 700
Houston, Texas 77010
(713) 230-7812
(713) 265-7812 - fax
amy.gold@shell.com

Charles H. Shoneman
Bracewell & Giuliani LLP
2000 K Street, N.W., Suite 500
Washington, D.C. 20006
(202) 828-5860
(202) 857-2129 - fax
charles.shoneman@bgllp.com

**II.
IDENTITY AND INTEREST OF CORAL**

Coral is a significant marketer of natural gas in the United States. Coral is headquartered in Houston and is an affiliate of Shell Oil Company. Coral purchases and resells natural gas in interstate commerce. To the extent Coral purchases natural gas in interstate commerce in connection with an emergency natural gas transaction, Coral may be responsible for filing a report with the Commission respecting such transaction.

III. **BACKGROUND**

In accordance with the Notice, the Commission has solicited comments in this docket concerning the reporting requirements associated with its regulations at 18 C.F.R. Part 260 respecting emergency natural gas transactions ("Emergency Natural Gas Transaction Regulations").

The reporting requirements are set forth in Section 284.270 of the Commission's regulations. The Notice states that the Commission has requested a three-year approval for collection of data under the regulations. The Notice invites comments on several issues, including (i) the necessity of the information for the proper performance of the functions of the Commission, and (ii) ways to minimize burden on those parties subject to the reporting requirements.

IV. **COMMENTS**

The information collection which is the subject of the Commission's Notice arises from the Commission's regulations concerning emergency natural gas transportation, sale and exchange transactions. As noted above, Section 284.270 of these regulations requires certain parties involved in an emergency natural gas transaction to file with the Commission a report containing information (as specified in Section 284.270) about the transaction. Under Section 284.270(a) of the regulations, a "purchasing participant" in an emergency natural gas sales transaction is required to file a report containing certain information about the transaction within 48 hours after deliveries of emergency natural gas commerce. Other reporting requirements under Section 284.270 apply to certain other participants in emergency natural gas transportation transactions, *e.g.*, transporting pipelines.

The Commission's Emergency Natural Gas Transaction Regulations were promulgated over 20 years ago in 1986. Many changes have occurred since then in both the natural gas industry and the Commission's regulation of the industry. In particular, "first sales" of natural gas have been

deregulated,¹ and non-first sellers of natural gas for resale in interstate commerce now make their sales pursuant to a blanket certificate conferred by the Commission's regulations.² Additionally, in accordance with Order No. 636, interstate pipelines have exited the merchant function and generally engage only in transportation activities. Substantial amounts of natural gas are sold for resale in interstate commerce by gas marketers such as Coral.

In light of these changes in the gas industry and the Commission's regulation of the industry, certain of the reporting requirements under the Emergency Natural Gas Transaction Regulations are outdated, unnecessary, duplicative and unduly burdensome insofar as they impose reporting requirements on gas purchasers like Coral. Virtually all natural gas sold in interstate commerce in today's marketplace will be transported on a pipeline at some point and, thus, a transporter will be responsible for reporting every emergency natural gas transaction pursuant to Emergency Natural Gas Transaction Regulations.

Moreover, sales of natural gas for resale in interstate commerce that remain regulated by the Commission do not require exemptions from the Natural Gas Act in emergency (or other) circumstances. Such exemptions were at the heart of the Emergency Natural Gas Transaction Regulations. As noted above, sales of natural gas for resale in interstate commerce are authorized automatically under the blanket certificates issued in Sections 284.402 and 284.284 of the regulations. Furthermore, Commission no longer regulates the price of sales of natural gas for resale in interstate commerce by sellers that are not transporters.

Finally, in its Order No. 449 promulgating the Emergency Natural Gas Transaction

¹ See *Natural Gas Wellhead Decontrol Act of 1989*, Pub. L. No. 101-60; 103 157 (1989).

² See 18 C.F.R. §§ 284.402 and 284.284 (2007).

Regulations,³ the Commission stated that the regulations were intended to include emergency transactions by first sellers. As noted above, the Commission no longer regulates first sales.

For these reasons, the Commission's reporting requirements under Section 284.270(a) are not necessary for the proper performance of the Commission's functions and create an undue burden on gas marketers. It appears that the information to be filed by a transporter in an emergency natural gas transaction mirrors the information to be filed by a purchaser, except that the purchaser is required to disclose the purchase price (which, as discussed above, the Commission no longer regulates).⁴ A report from a gas purchaser respecting the same emergency transaction that one (or more) transporter also reports is redundant and serves no meaningful regulatory purpose. Therefore, the Commission should eliminate the reporting requirement of Section 284.270(a).

Coral recognizes that the Commission's Notice invites comments pursuant to the Paperwork Reduction Act of 1995. To the extent the Commission needs to modify its Emergency Natural Gas Transaction Regulations to minimize the burdens on gas purchasers described herein, Coral urges the Commission to do so as promptly as possible.

³ *Emergency Natural Gas Sale, Transportation and Exchange Transactions*, Order No. 449, 51 Fed. Reg. 9179 (Mar. 18, 1986), 51 Fed. Reg. 11716 (Apr. 7, 1986), FERC Stats & Regs. [Regs-Preambles, 1986-1990] ¶ 30,693 (1986).

⁴ It is noteworthy that in the current marketplace natural gas is often bought and sold in numerous transactions prior to consumption of the gas; under Section 284.270(a) it appears that each purchaser would need to make a filing (thereby compounding the redundancy of the current reporting requirement).

V
CONCLUSION

WHEREFORE, Coral urges the Commission to act on its proposed reporting requirement in accordance with the foregoing.

Respectfully submitted,

/s/ Charles H. Shoneman
Charles H. Shoneman
Bracewell & Giuliani LLP
2000 K Street, N.W., Suite 500
Washington, D.C. 20006
(202) 828-5860

**Attorney for
CORAL ENERGY RESOURCES, L.P.**

April 28, 2008

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day served a copy of the foregoing on all persons designated on the official service list compiled by the Secretary in this docket.

Dated at Washington, D.C. this 28th day of April 2008.

/s/ Charles H. Shoneman
Charles H. Shoneman

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