

# Getting Natural Gas and NGLs to Market: Regulatory & Contractual Considerations

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James Olson, September 2014

## Background

- Shale has revolutionized oil and gas industry in the US
- Market areas have become production areas for natural gas
- Oil and gas production both face bottlenecks as infrastructure struggles to catch up
  - Creative infrastructure solutions
  - Growing pains

- Gas Gathering/Processing
- Gas & NGL Transport
- Gas & NGL Sales

- Exempt from FERC jurisdiction
- Modified Primary Function Test
  - Physical Factors: (1) length and diameter, (2) central point in the field, (3) geographic configuration, (4) compression and processing, (5) location of wells along the line, and (6) operating pressure
  - Non-Physical Factors

- Dedications
- Obligation to Construct
- Standard of Service
- Price
- Term

- Not Regulated
- Contracts
  - Dedications
  - Standard of Service
  - Allocations
  - Price
  - Term

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[Gas and Power Pipeline Issues: Contractual Considerations, plus Common Carrier Concerns](#)

First appeared as part of the conference materials for the  
13<sup>th</sup> Annual Gas and Power Institute session  
"Contract Issues"