

## § 284.263

emergency cannot be constructed automatically under § 2.55(b) or § 157.208(a) of this chapter.

(4) A situation in which the participant, in good faith, determines that immediate action is required or is reasonably anticipated to be required for protection of life or health or for maintenance of physical property.

Emergency does not mean any situation resulting from a failure by any person to transport natural gas under subpart B, C, or G of this part.

*Projected level of service* means the level of gas volumes to be delivered by the company for each customer and additional gas volumes needed by a customer due solely to a weather-induced increase in requirements.

*Emergency natural gas* means natural gas sold, transported, or exchanged in an emergency natural gas transaction.

*Emergency natural gas transaction* means the sale, transportation, or exchange of natural gas (including the construction and operation of necessary facilities) conducted pursuant to this subpart, that is:

(1) Necessary to alleviate an emergency; and

(2) Not anticipated to extend for more than 60 days in duration.

*Emergency facilities* means any facilities necessary to alleviate the emergency within the time frame established in § 284.264(b). Participants can seek permanent authority to operate the emergency facilities either under the temporary certificate provisions of § 157.17 of this chapter or the prior notice provisions of § 157.208(b) of this chapter.

*Participant* means any first seller, interstate pipeline, intrastate pipeline, local distribution company or Hinshaw pipeline that participates in an emergency natural gas transaction under this subpart.

*Recipient* means:

(1) In the case of a sale of emergency natural gas, the purchaser of such gas; or

(2) In the case of a transportation or exchange of natural gas when there is no sale of emergency natural gas under this subpart, the participant who receives the gas.

*Hinshaw pipeline* means a pipeline that is exempt from the Natural Gas

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Act jurisdiction of the Commission by reason of section 1(c) of the Natural Gas Act.

[Order 603, 64 FR 26610, May 14, 1999]

### § 284.263 Exemption from section 7 of Natural Gas Act and certain regulatory conditions.

Any participant that engages in an emergency natural gas transaction conducted in accordance with this subpart is exempt from the requirements of section 7 of the Natural Gas Act and the conditions of § 284.10, except as provided in § 284.266, and from the requirements of §§ 284.7–284.9 and §§ 284.11–284.13 of subpart A of this part. Participation in any emergency natural gas transaction will not subject any participant to the jurisdiction of the Commission under section 7 of the Natural Gas Act except to the extent such transaction is provided for in this subpart.

### § 284.264 Terms and conditions.

(a) *General conditions.* (1) A participant must make every reasonable attempt to minimize use of emergency natural gas transactions.

(2) Before deliveries of emergency natural gas commence, a responsible official of the recipient must provide any participants in the emergency natural gas transaction sufficient information to enable the participants to form a good faith belief that an emergency exists or is imminent.

(3) No participant may engage in an emergency natural gas transaction if its participation will adversely affect service to its existing customers.

(4) A participant may not sell emergency natural gas if, during the term of the sale, it is also purchasing emergency natural gas under this subpart, except when natural gas is being sold to relieve an emergency on another, separate segment of the participant's system.

(5) An interstate pipeline, acting in an emergency gas transaction as a broker or agent on behalf of another participant or any other person, may not receive compensation for such brokerage or agency service.

(6) A recipient of emergency natural gas that directly benefits from the service must: