140 FERC ¶ 61,036
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 284

[Docket No. RM96-1-037; Order No. 587-V]

Standards for Business Practices of Interstate Natural Gas Pipelines

(Issued July 19, 2012)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule.

SUMMARY: In this Final Rule, the Federal Energy Regulatory Commission (Commission) amends its regulations to incorporate by reference the latest version (Version 2.0) of certain business practice standards adopted by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) applicable to natural gas pipelines. In addition, based on the minor corrections and errata made by NAESB and reported to the Commission on May 4, 2012, the Commission will incorporate by reference certain standards that it earlier proposed not to incorporate, as the revised standards no longer conflict with Commission regulations. In this Final Rule, the Commission also provides guidance on the criteria the Commission will use in deciding whether to grant or deny requests for waivers or extensions of time and modifies the compliance filing requirements to add transparency as to where in the tariff incorporated standards may be found.

EFFECTIVE DATE: This rule will become effective **[insert date 30 days after publication in the FEDERAL REGISTER]**. The incorporation by reference of certain publications in this rule is approved by the Director of the Federal Register as of [**insert date 30 days after publication in the FEDERAL REGISTER**].

FOR FURTHER INFORMATION CONTACT:

Adam Bednarczyk (technical issues)
Office of Energy Market Regulation
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426
(202) 502-6444, E-mail: Adam.Bednarczyk@ferc.gov

Tony Dobbins (technical issues)
Office of Energy Policy and Innovation
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426
(202) 502-6630, E-mail: Tony.Dobbins@ferc.gov

Gary D. Cohen (legal issues)
Office of the General Counsel
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426
(202) 502-8321, E-mail: Gary.Cohen@ferc.gov

SUPPLEMENTARY INFORMATION:

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ORDER NO. 587-V

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Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

Standards for Business Practices of Interstate Natural Gas Pipelines	Docket No. RM96-1-037

ORDER NO. 587-V

FINAL RULE

(Issued July 19, 2012)

1. In this Final Rule, the Federal Energy Regulatory Commission (Commission) amends its regulations at 18 CFR 284.12 to incorporate by reference the latest version (Version 2.0) of certain business practice standards adopted by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) applicable to natural gas pipelines including Standards 0.3.19 and 0.3.21 as modified by the minor corrections and errata approved by NAESB. In the Notice of Proposed Rulemaking,[1] the Commission proposed not to incorporate Standards 0.3.19 and 0.3.21 because these standards conflicted with Commission regulations. NAESB's minor corrections ensure consistency between the standards and the Commission regulations and the Commission

[1] *Standards for Business Practices of Interstate Natural Gas Pipelines*, Notice of Proposed Rulemaking, 77 FR 10415 (Feb. 22, 2012), FERC Stats. & Regs. ¶ 32,686 (2012) (Version 2.0 NOPR).

will therefore incorporate the standards by reference. In this Final Rule, the Commission also provides guidance on the criteria the Commission will use in deciding whether to grant or deny requests for waivers or extensions of time and modifies the compliance filing requirements to add transparency as to where in the tariff incorporated standards may be found.

I. Background

2. Since 1996, the Commission has adopted regulations to standardize the business practices and communication methodologies of interstate natural gas pipelines to create a more integrated and efficient pipeline grid. These regulations have been promulgated in the Order No. 587 series of orders,[2] wherein the Commission has incorporated by reference standards for interstate natural gas pipeline business practices and electronic communications that were developed and adopted by NAESB's WGQ. Upon incorporation by reference, the Version 2.0 Standards will become part of the Commission's regulations and compliance with these standards by interstate natural gas pipelines will become mandatory.

3. On March 4, 2011, NAESB filed a report informing the Commission that it had adopted and ratified Version 2.0 of its business practice standards applicable to natural

[2] This series of orders began with the Commission's issuance of *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587, FERC Stats. & Regs. ¶ 31,038 (1996). The most recent order in this series is Order No. 587-U, issued on March 24, 2010, wherein the Commission incorporated by reference the Version 1.9 WGQ Business Practice Standards. *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-U, FERC Stats. & Regs. ¶ 31,307 (2010).

gas pipelines. The Version 2.0 Standards revised the Version 1.9 Standards to include: (1) standards to support gas-electric interdependency; (2) standards created for Capacity Release redesign due to the elimination of Electronic Data Interchange (EDI) for Capacity Release Upload information; (3) standards to support the Electronic Delivery Mechanism (EDM); (4) standards to support the Customer Security Administration (CSA) Process; (5) standards for pipeline postings of information regarding waste heat; and (6) minor technical maintenance revisions designed to more efficiently process wholesale natural gas transactions.

4. On June 28, 2011, NAESB filed a report informing the Commission that it had made modifications to the NAESB WGQ Version 2.0 Standards to correct various minor errors. These errata corrections make minor revisions to the NAESB WGQ Standards and Data Elements including revisions to the: (1) Datasets for Additional Standards; (2) Nomination Related Datasets; (3) Flowing Gas Related Standards; (4) Invoicing Related Datasets; (5) EDM Related Standards; and (6) Capacity Release Related Standards and Datasets.

5. Further, on October 11, 2011, NAESB filed a report informing the Commission that it had made additional modifications to the NAESB WGQ Version 2.0 Standards to correct various minor errors in the Nominations Related and Capacity Release Related Datasets.

6. On December 22, 2011, NAESB reported to the Commission that it had made additional modifications to the NAESB WGQ Version 2.0 Standards to correct various minor errors. The errata corrections make minor revisions to the NAESB WGQ

Standards and Datasets including revisions to the: (1) Nominations Related Datasets; (2) Capacity Release Related Datasets; and (3) Quadrant Electronic Delivery Mechanism Related Standards.

7. Consistent with its practice in past rulemakings where the Commission found benefits in incorporating by reference NAESB's business practice standards,[3] the Commission issued the Version 2.0 NOPR, which proposed to amend the Commission's regulations at 18 CFR 284.12 to incorporate by reference the latest version of certain business practice standards adopted by NAESB's WGQ applicable to natural gas pipelines.[4]

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[3] *See, e.g.*, Order No. 587, FERC Stats. & Regs. ¶ 31,038 at 30,059, where the Commission found that the adoption of consensus standards is appropriate because the consensus process helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of industry participants representing all segments of the industry. The Commission also noted that, because the industry has to conduct business under these standards, the Commission's regulations should reflect those standards that have the widest possible support. In section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTT&AA), Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, as a means to carry out policy objectives or activities. These findings remain valid.

[4] *See supra* n.1. In its Version 2.0 Standards, the WGQ made the following changes to its Version 1.9 Standards:

- It revised Principle 4.1.32; Definitions 0.2.1, 0.2.2, 0.2.3, 5.2.1, 5.2.4, and 5.2.5; Standards 0.3.11 through 0.3.15, 2.3.34, 4.3.16, 4.3.23, 4.3.28, 4.3.29, 4.3.54, 5.3.1 through 5.3.14, 5.3.16, 5.3.19 through 5.3.21, 5.3.24 through 5.3.27, 5.3.31 through 5.3.33, 5.3.38, 5.3.42, 5.3.48, 5.3.50, 5.3.51, 5.3.60, 5.3.62, 5.3.62a, and 5.3.63 through 5.3.69; and Datasets 1.4.1 through 1.4.6, 2.4.1, 2.4.3, 2.4.4, 2.4.6, 2.4.7, 3.4.1, 3.4.4, 5.4.14 through 5.4.17, and 5.4.20 through 5.4.22.

(continued…)

8. The Version 2.0 NOPR proposed not to incorporate by reference Standard 0.3.19, because the Commission found it inconsistent with the requirements of 18 CFR 284.13(d), which does not permit a pipeline to limit the posting of available capacity to a limited number of points, segments, or zones, but requires posting at all receipt and delivery points and on the mainline. Additionally, the Version 2.0 NOPR proposed not to incorporate by reference Standard 0.3.21, because 18 CFR 284.13(d) does not limit the posting of information posting to only two cycles but requires the posting of capacity availability and scheduled capacity "whenever capacity is scheduled." Also, consistent with past practice, the Commission proposed not to incorporate Standards 4.3.4 and 10.3.2 regarding record retention requirements,[5] NAESB's interpretations of its standards,[6] its optional contracts,[7] and the WEQ/WGQ eTariff Related Standard.[8] The Commission further provided guidance regarding the procedures for pipelines to

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- It added Definition 0.2.4; Standards 0.3.18 through 0.3.22, 4.3.100 through 4.3.102, 5.3.70 through 5.3.72; and Datasets 0.4.2, 0.4.3, and 5.4.24 through 5.4.27.

It deleted Standards 5.3.17, 5.3.30, 5.3.43, and 5.3.61; and Datasets 5.4.1 through 5.4.13, 5.4.18, and 5.4.19.

[5] *See, e.g., Standards for Business Practices of Interstate Natural Gas Pipelines*, Final Rule, Order No. 587-T, FERC Stats. & Regs. ¶ 31,289, at P 5 & n.9 (2009).

[6] *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-E, FERC Stats. & Regs. ¶ 31,299, at n.16 (2009).

[7] *Id.*

[8] *See Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).

incorporate the standards into their tariffs and explained its policy regarding pipeline requests for waiver or extension of time to comply with the standards.

9. In response to the Version 2.0 NOPR, comments were filed by six commenters.[9] The comments expressed a variety of views, including requests for clarification and modification of the Commission's policy on extensions of time to comply with NAESB WGQ Standards. Among the comments filed with the Commission were comments from NAESB explaining that its WGQ Executive Committee was in the process of voting on two standards to rectify the inconsistency with respect to Standards 0.3.19 and 0.3.21 noted by the Commission in the Version 2.0 NOPR. On May 4, 2012, NAESB filed a status report informing the Commission that it had finalized the two corrections to Standards 0.3.19 and 0.3.21.

10. On May 8, 2012, the Commission issued a notice providing interested parties an opportunity to file comments with respect to the two corrected standards adopted by NAESB and whether the Commission should incorporate these revised standards into its regulations.[10] In response to this notice, three comments were filed, all of which supported the Commission's incorporation of the revised standards.

[9] In the Appendix to this Final Rule, we identify all the commenters that filed comments in response to the Version 2.0 NOPR, along with the abbreviations we are using in this Final Rule to identify these commenters.

[10] *Standards for Business Practices of Interstate Natural Gas Pipelines*, 77 FR 28331 (May 14, 2012).

II. Discussion

A. Incorporation by Reference of the NAESB Standards

11. After a review of the comments filed in response to the Version 2.0 NOPR, the Commission is amending part 284 of its regulations to incorporate by reference Version 2.0 of the NAESB WGQ's consensus standards, including corrected Standards 0.3.19 and 0.3.21.[11]

12. The NAESB WGQ Version 2.0 standards include new and modified business practice standards to support gas-electric interdependency by further defining the roles and responsibilities of each participant under the Gas/Electric Operational Communication Standards promulgated in Order No. 698,[12] and giving more details on what is included in various notices through the creation of 15 new notice types so that public utilities may more easily identify relevant pipelines' system conditions. The new notice types are used in the Notices section of pipelines' Informational Postings on their websites and are used to notify shippers and interested parties of intraday bumps, operational flow orders, and other critical information by email or other electronic methods. This increase in granularity will afford pipelines greater flexibility in assigning specific designations to the notices and will allow shippers and other interested

[11] In addition, as discussed in the Version 2.0 NOPR and above, we are not incorporating by reference Standards 4.3.4 and 10.3.2, NAESB's interpretation of its standards, its optional contracts, or the WEQ/WGQ eTariff Related Standards.

[12] *Standards for Business Practices of Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities*, Order No. 698**,** FERC Stats. & Regs. ¶ 31,251, *order on clarification and reh'g*, Order No. 698-A, 121 FERC ¶ 61,264 (2007).

stakeholders to filter pipeline notices more effectively, so that they can focus on specific types of notices they deem important, while ignoring notices they deem irrelevant.

13. The revised standards also include revisions to facilitate the Commission's FY 2009 – 2014 Strategic Plan[13] objective of evaluating the feasibility of installing waste heat recovery systems as a way to promote the efficient design and operation of jurisdictional natural gas facilities by specifying the location where such information will be posted on pipelines' websites.

14. To implement these standards, natural gas pipelines will be required to file tariff sheets to reflect the changed standards by October 1, 2012, to take effect on December 1, 2012, and they will be required to comply with these standards on and after December 1, 2012.

15. NAESB used its consensus procedures to develop and approve the Version 2.0 Standards.[14] As the Commission found in Order No. 587, the adoption of consensus standards is appropriate because the consensus process helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of industry participants representing all segments of the industry. Moreover, since the

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[13] Federal Energy Regulatory Commission, Strategic Plan, FY 2009 – 2014 at 25. http://www.ferc.gov/about/strat-docs/FY-09-14-strat-plan-print.pdf.

[14] This process first requires a super-majority vote of 17 out of 25 members of the WGQ's Executive Committee with support from at least two members from each of the five industry segments – Distributors, End Users, Pipelines, Producers, and Services (including marketers and computer service providers). For final approval, 67 percent of the WGQ's general membership voting must ratify the standards.

industry itself has to conduct business under these standards, the Commission's regulations should reflect those standards that have the widest possible support. In section 12(d) of the NTT&AA,[15] Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, as means to carry out policy objectives or activities determined by the agencies unless an agency determines that the use of such standards would be inconsistent with applicable law or otherwise impractical.[16]

16. The comments on the Version 2.0 NOPR generally supported the adoption of the standards. In the discussion below, we will address the issues raised in the comments.

B. Incorporation of Standards 0.3.19 and 0.3.21

17. In the Version 2.0 NOPR, the Commission found that two of the proposed standards, WGQ Standards 0.3.19 and 0.3.21, as originally adopted by the WGQ appeared to be inconsistent with the Commission's posting regulations in 18 CFR 284.13(d).[17] For this reason, the Commission proposed in the Version 2.0 NOPR not to incorporate these standards by reference.

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[15] *See* n.3 *supra*.

[16] Pub. L. No. 104-113, § 12(d), 110 Stat. 775 (1996), 15 U.S.C. 272 note (1997).

[17] 18 CFR 284.13(d). Section 284.13(d) states in relevant part:

> d) Capacity and flow information. (1) An interstate pipeline must provide on its Internet web site and in downloadable file formats, in conformity with §284.12 of this part, equal and timely access to information relevant to the availability of all transportation services whenever capacity is scheduled, including, but not limited to, the availability of capacity at

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Filings

18. On May 4, 2012, NAESB filed a status report informing the Commission that it had finalized corrections to the two standards, which it believed met the Commission's objections to the original standards.[18] In response to the Commission's notice inviting comments on NAESB's corrections, INGAA, Southern Star, and AGA each filed comments expressing support for incorporation by reference of the corrected standards.[19]

Commission Determination

19. Based on the modifications made by NAESB WGQ, the Commission will incorporate by reference the modified standards, as they no longer conflict with the Commission's regulations. As noted in the Version 2.0 NOPR, the original NAESB WGQ Version Standard 0.3.19 allowed the pipeline to choose whether to post Operationally Available Capacity, Operating Capacity, and Total Scheduled Quantity at

> receipt points, on the mainline, at delivery points, and in storage fields, whether the capacity is available directly from the pipeline or through capacity release, the total design capacity of each point or segment on the system, the amount scheduled at each point or segment whenever capacity is scheduled, and all planned and actual service outages or reductions in service capacity.

[18] NAESB corrections MC12005 and MC12006.

[19] INGAA Supplemental Comments at 2, Southern Star Supplemental Comments at 2, AGA Comments at 2.

either a point, segment or zone level.[20] This standard conflicted with section 284.13(d)[21] of the regulations that does not permit the pipeline to limit the posting to a point, segment, or zone, but requires posting at all receipt and delivery points and on the mainline.[22] The revised Standard 0.3.19[23] removed the provision permitting the pipeline to choose the level at which it reports and therefore no longer conflicts with section 284.13(d)[24] of our regulations.

20. The original NAESB WGQ Version 2.0 Standard 0.3.21 required the posting of total scheduled quantity and operationally available capacity information only at the timely and evening nominations cycles.[25] Section 284.13(d), however, does not limit

[20] The original NAESB WGQ Version 2.0 Standard 0.3.19 stated: Operationally Available Capacity (OAC), Operating Capacity (OPC) and Total Scheduled Quantity (TSQ) are associated information and should be reported at the same level. Transportation Service Providers should report OAC, OPC and TSQ at, at least one of, point, segment or zone level.

[21] *See supra* n.17.

[22] Section 284.13(d) states that the pipeline must post "information relevant to the availability of all transportation services whenever capacity is scheduled, including, but not limited to, the availability of capacity at receipt points, on the mainline, at delivery points, and in storage fields."

[23] The revised Standard reads: Operationally Available Capacity (OAC), Operating Capacity (OPC) and Total Scheduled Quantity (TSQ) are associated information and should be reported at the same level of detail."

[24] *See supra* n.17.

[25] The original NAESB WGQ Standard 0.3.21 states: The Total Scheduled Quantity and the Operationally Available Capacity information should be updated by the Transportation Service Provider to reflect scheduling changes and be reported promptly

(continued…)

the posting to only two cycles but requires the posting of capacity availability and scheduled capacity "whenever capacity is scheduled." Revised Standard 0.3.21 provides, consistent with the regulation, that the required information "should be updated by the Transportation Service Provider to reflect scheduling changes and be reported promptly whenever capacity is scheduled."

C. Other Standards Issues Raised by Commenters

1. Gas-Electric Communication Standards

21. The Commission incorporated by reference the NAESB Wholesale Electric Quadrant (WEQ) and WGQ Gas/Electric Coordination Standards in Order Nos. 698 and 698-A[26] to ensure that pipelines have relevant planning information to assist in maintaining the operational integrity and reliability of pipeline service, as well as to provide gas-fired power plant operators with information as to whether hourly flow deviations can be honored.[27] In the NAESB WGQ Version 2.0 Standards, NAESB modified and developed additional standards to further enhance that coordination. NAESB made modifications to its WGQ Standards 4.3.28, 4.3.29 and 5.3.38 and developed new Standards 5.3.70 and 5.3.71 to enhance the clarity of the content and format of critical, non-critical, and planned service outage notices issued by pipelines.

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following the scheduling deadline associated with the timely and evening nominations cycles.

[26] *See supra* n.12.

[27] These standards are more fully summarized in the Version 2.0 NOPR, FERC Stats. & Regs. ¶ 32,686 at P 7.

NAESB also modified the existing gas-electric coordination WGQ Standards 0.2.1 through 0.2.3, 0.3.11, through 0.3.15; and created a new Standard 0.2.4 to further define the roles and responsibilities of each participant under the Gas/Electric Operational Communication Standards promulgated in Order No. 698. As explained in the Version 2.0 NOPR,[28] NAESB also modified WGQ Standard 0.3.14 to change the parties to whom pipelines are required to provide notification of operational flow orders and other critical notices. Under the Version 2.0 Standards, pipelines are now required to provide notification to Balancing Authorities and/or Reliability Coordinators, and Power Plant Gas Coordinators.

Comments

22. Spectra Entities state that the Version 2.0 communication standards designed to enhance communication clarity are a good step on the path towards increasing electric reliability.[29] However, they assert that enhancement of communication and coordination of scheduling are not all that is required to ensure gas supplies to gas-fired generation. Spectra Entities state that it is also necessary that firm pipeline capacity is available and contracted to supply generation.[30]

[28] *Id.* P 9.

[29] Commenters on the Version 2.0 NOPR, and the abbreviations used to identify them, are listed in the Appendix.

[30] Spectra Entities Comments at 2, 3.

23. NERC expressed general support for the modifications to Standard 0.3.14 that changed the parties to whom pipelines are required to provide notification of operational flow orders and other critical notices. However, NERC raises a concern about an ambiguity in the language of the standard as modified and urges the Commission to clarify that pipelines must provide notices of operational flow orders and other critical matters to both Balancing Authorities and Reliability Coordinators. NERC states that, with this clarification, it supports the standard as a step in the right direction that will help support the reliability of the bulk power system.[31]

Commission Determination

24. Standard 0.3.14 states:

> A Transportation Service Provider should provide Balancing Authorities (BA) and/or Reliability Coordinators (RC) and Power Plant Gas Coordinators (PPGC) with notification of operational flow orders and other critical notices through the PPGC's choice of Electronic Notice Delivery mechanism(s) as set forth in NAESB WGQ Standard Nos. 5.2.1, 5.2.2, and 5.3.35 – 5.3.38.

25. We interpret this standard to include both Balancing Authorities and Reliability Coordinators as affected parties under the Commission regulations who are eligible to request from the pipeline and receive direct notification through email or Electronic Data Interchange of operational flow orders and other critical notices.[32] If both a Balancing

[31] NERC Comments at 3, 4.

[32] This standard refers to the provision of these notices by email or Electronic Data Interchange under NAESB standards 5.3.35-5.3.38. Information regarding operational flow orders and other critical notices also is publicly available on the pipelines' websites (continued…)

Authority and Reliability Coordinator in a relevant area request such notification, then the pipeline must provide it. The Commission expects Balancing Authorities and Reliability Coordinators to request such notification whenever necessary to ensure the reliability of their systems.

26. Spectra's concern with the availability of firm pipeline capacity to serve gas-fired generators is beyond the scope of this rulemaking.

2. Interpretations of NAESB WGQ Standards

27. INGAA notes that the Commission's policy is not to incorporate NAESB's interpretation of its standards into the Commission's regulations.[33] INGAA recognizes that the Commission's view is that, while interpretations may provide useful guidance, they are not determinative and the Commission does not require pipelines to comply with NAESB's interpretations.[34] But INGAA states that the interpretations can be instructive to the industry on how to implement the standards. Further, INGAA suggests that the interpretations should be given appropriate deference in circumstance in which pipelines elect to rely on the interpretations to implement the standards. INGAA contends that the written interpretations of the NAESB WGQ Standards go through the same comment and

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pursuant to the postings required by 18 CFR 284.12 (b) (3) (vi) and Standards 4.3.27-4.3.29.

[33] INGAA Comments at 3 (citing *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-E, FERC Stats. & Regs. ¶ 31,299 at n.16).

[34] *Id.* (citing Version 2.0 NOPR at 18).

voting process as other standards published by NAESB. INGAA requests clarification that pipelines that adhere to the NAESB WGQ Interpretations published with Version 2.0, including any associated errata subject to the Commission's final order in this docket, should be found to be in compliance with the standards.[35]

Commission Determination

28. As stated in the Version 2.0 NOPR, while NAESB's interpretations may provide useful guidance, historically, the Commission's practice has been to not find them determinative and it has not required pipelines to comply with them. Because pipelines are not required to comply with the interpretations, it is not appropriate to include them in the regulations, under which compliance is mandatory. While the Commission has found in the past, and will continue to find, the interpretations a useful interpretative guide to the meaning of standards,[36] we cannot guarantee that the Commission will agree with an interpretation that is not consistent with Commission regulations or with the language of the standards.[37]

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[35] *Id.*

[36] *See Granite State Gas Transmission, Inc.*, 98 FERC ¶ 61,019, at 61,057 (2002) (relying on GISB's (now NAESB) interpretation); *El Paso Natural Gas Company*, 97 FERC ¶ 61,174, at 61,816 (2001) (recommending parties seek an interpretation of a standard so the record will reflect GISB's construction of the standard); *Ozark Gas Transmission System*, 79 FERC ¶ 61,222, at 62,006 (1997) (granting rehearing based, in part, on interpretation).

[37] *See, e.g., Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-Q, 100 FERC ¶ 61,105, at P 16 (2002) (interpreting NAESB standard and not deferring to a request to NAESB); *ANR Pipeline Co.*, 80 FERC ¶ 61,210, at 61,833 (1997) (declining to defer in advance to any GISB interpretation, although suggesting

(continued…)

3. Definition of Operating Capacity

29. INGAA suggests that NAESB developed the term "Operating Capacity," as used in NAESB WGQ Version 2.0 Standard 0.3.19 and related standards, to comply with a pipeline's requirement to post "design capacity," per 18 CFR 284.13(d).[38] INGAA contends that the term "Operating Capacity," and related business standards and data set, were created with industry support and approved by the full NAESB process. Further, INGAA argues that for the purposes of these NAESB Standards, the terms "Operating Capacity," as defined by NAESB, and "design capacity" are interchangeable. Accordingly, INGAA requests that the Commission clarify that pipelines that post "Operating Capacity" as defined by NAESB Standards are in compliance with the Commission's requirement for pipelines to post "design capacity," per the requirements of 18 CFR 284.13(d).[39]

Commission Determination

30. We will deny INGAA's request for clarification. NAESB defines Operating Capacity as "the total capacity which could be scheduled at (or through) the identified

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that the pipeline obtain such an interpretation); *Great Lakes Gas Transmission Limited Partnership*, 79 FERC ¶ 61,194, at 61,911 (1997) (declining to adopt an interpretation at odds with standard).

[38] NAESB Standard 0.3.18 states in part: "Operating Capacity (OPC) should be reported as the total capacity which could be scheduled at (or through) the identified point, segment or zone in the indicated direction of flow."

[39] INGAA Comments at 4.

point, segment or zone in the indicated direction of flow."[40] The Commission's information posting requirements in section 284.13(d), however, require pipelines to post "Design Capacity." not operating capacity. It is not clear that NAESB's term "Operating Capacity," although useful, is equivalent to the term "Design Capacity" used in the Commission regulations.[41] We therefore request that the industry, through NAESB, consider whether the two terms are functionally equivalent or specify different types of information and to include this information in its next version update. Should the industry conclude the terms are not equivalent, NAESB should make appropriate revisions to the standards in NAESB's next version by adding a design capacity as a separate reporting category. If industry members believe that operating capacity is a more useful measure than design capacity, they will need to request a revision of 284.13(d). While these issues are being considered, we will not require pipelines to make changes to their current posting procedures.

[40] NAESB WGQ Standard No. 0.4.2 - Operational Capacity.

[41] For example, while pipelines that post both design and operating capacity, often report the same number for both types of capacity, they may sometimes report differences between operating and design capacity. For example, on June 21, 2012, Northwest Pipeline posted at its Baker Compressor Decreasing point (177) design capacity of 491,000, and Operating Capacity of 700,000. *See, e.g.*, Northwest Pipeline GP, Operationally Available Capacity Report Posting Date/Time: 6/21/2012 8:15 PM (http://www.northwest.williams.com/NWP_Portal/CapacityResultsScrollable.action). *See also El Paso Natural Gas Co.*, 138 FERC ¶ 61,215 (2012) (differentiating between certificated capacity and sustainable capacity).

III. Implementation Schedule and Procedures for Waivers and Extension of Time

31. In the Version 2.0 NOPR, the Commission proposed an implementation schedule that would require compliance with the NAESB WGQ Version 2.0 Standards beginning on the first day of the month after the fourth full month following issuance of the final rule.[42] To clarify, the Commission gave the example that, if the final rule were issued on February 17, 2012, compliance would be required beginning on July 1, 2012.[43]

32. The Commission also proposed in the Version 2.0 NOPR to increase the transparency of the pipelines' incorporation by reference of the NAESB WGQ Standards so that shippers and the Commission will know which tariff provisions implements each standard as well as the status of each standard.[44] To accomplish this, the Commission gave proposed instructions on how pipelines should designate sections in their tariff filings.[45]

A. Implementation Schedule

33. In their comments on the Version 2.0 NOPR, AGA and Southern Star voice support for prompt implementation of the standards.[46] INGAA requests that the Commission revise its implementation requirements to permit a pipeline to file its listing

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[42] Version 2.0 NOPR, FERC Stats. & Regs. ¶ 32,686 at P 24.

[43] *Id.*

[44] *Id.* P 25.

[45] *Id.*

[46] AGA Comments at 4-5, Southern Star Comments at 2.

of which tariff provisions implement each NAESB standard and the status of each NAESB standard as part of either a sheet-based or section-based tariff.[47]

Commission Determination

34. The Commission will require natural gas pipelines to comply with the NAESB WGQ Version 2.0 Standards that we are incorporating by reference in this Final Rule beginning on December 1, 2012. We are requiring this implementation schedule to give the natural gas pipelines subject to these standards adequate time to implement these changes. In addition, pipelines must file tariff records to reflect the changed standards by October 1, 2012.

35. We will grant INGAA's request for clarification and allow sheet based solutions. As noted in Order No. 714, companies may determine to structure their tariffs either using the existing tariff sheet format or as sections.[48] The intent of the implementation schedule proposed in the Version 2.0 NOPR was not to preclude sheet based solutions. Accordingly, we will accept sheet-based alternatives.

36. In addition, as proposed in the Version 2.0 NOPR, the Commission is also revising the compliance filing requirements to increase the transparency of the pipelines' incorporation by reference of the NAESB WGQ Standards so that shippers and the Commission will know which tariff provision(s) implements each standard as well as the status of each standard.

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[47] INGAA Comments at 2-3.

[48] Order No. 714, FERC Stats. & Regs. ¶ 31,276 at P 34.

(1) The pipelines must designate a single tariff section or tariff sheet(s) under which every NAESB standard is listed.[49]

(2) For each standard, each pipeline must specify in the tariff section or tariff sheet(s) listing all the NAESB standards:

(a) whether the standard is incorporated by reference;

(b) for those standards not incorporated by reference, the tariff provision that complies with the standard;[50] and

(c) a statement identifying any standards for which the pipeline has been granted a waiver, extension of time, or other variance with respect to compliance with the standard.[51]

(3) If the pipeline is requesting a continuation of an existing waiver or extension of time, it must include a table in its transmittal letter that states the standard for which a waiver or extension of time was granted, and the docket

[49] This section should be a separate tariff record under the Commission's electronic tariff filing requirements and is to be filed electronically using the eTariff portal using the Type of Filing Code 580.

[50] For example, pipelines are required to include the full text of the NAESB nomination and capacity release timeline standards (WGQ Standards 1.3.2(i-v) and 5.3.2) in their tariffs. Order No. 587-U, FERC Stats. & Regs. ¶ 31,307 at P 39 & n.42. The pipeline would indicate which tariff provision complies with each of these standards.

[51] Shippers can use the Commission's electronic tariff system to locate the tariff record containing the NAESB standards, which will indicate the docket in which any waiver or extension of time was granted.

number or order citation to the proceeding in which the waiver or extension was granted.

37. This information will give Commission staff and all shippers a common location that identifies the manner in which the pipeline is incorporating all the NAESB WGQ Standards and the standards with which it is required to comply. The Commission will post on its eLibrary website (under Docket No. RM96-1-037) a sample tariff format, to provide filers an illustrative example to aid them in preparing their compliance filings.[52]

B. Waivers and Extensions of Time

38. As discussed in the Version 2.0 NOPR, in previous compliance proceedings there has been a marked increase in the number of requests for waivers or for extensions of time to comply with standards. The Commission's orders on these requests have developed a set of general principles that the Commission intends to follow in reviewing such requests in the future.[53] Thus, as discussed in the Version 2.0 NOPR and consistent with existing precedent, the Commission clarifies its policy regarding requests for waivers and extensions of time as well as the information that must accompany such requests as follows:

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[52] http://www.ferc.gov/docs-filing/elibrary.asp.

[53] *See Standards for Business Practices of Interstate Natural Gas Pipelines, compliance order*, 133 FERC ¶ 61,096, at P 4 (October 28 Order), *further compliance order*, 133 FERC ¶ 61,185, at P 4 (2010) (November 30 Order); *B-R Pipeline Co.*, 128 FERC ¶ 61,126 (2009) (*B-R Pipeline*).

(1) All waivers and extensions of time will be granted only in reference to the individual set of NAESB standards being adopted (in this case NAESB WGQ's Version 2.0 Standards). Pipelines will need to seek renewal of any such waivers or extensions for each version of the standards the Commission adopts.[54] We will follow this practice to avoid an automatic renewal without oversight of a waiver or extension in a situation where there may no longer be a need to continue the waiver or extension. If circumstances continue to support the need for a waiver or extension, the pipeline can detail those circumstances to the Commission in a new request for waiver or extension.

(2) Waivers or extensions of time will not be granted for standards that merely describe the process by which a pipeline must perform a business function, if it performs that function, and where the standard does not require the pipeline to perform the business function.[55] In such a case, as long as the pipeline does not perform the business function, it does not trigger a requirement to comply with the standard and hence no waiver or extension of time is required. If, however, the

[54] In *B-R Pipeline*, 128 FERC ¶ 61,126 at P 6, the Commission stated that "each time the Commission adopts new versions of [the] standards … pipelines must request waiver [or extension of time] of the new standards."

[55] October 28 Order, 133 FERC ¶ 61,096 at P 9; November 30 Order, 133 FERC ¶ 61,185 at P 7.

pipeline begins performing the business function, the standard(s) will already be in its tariff and the pipeline will be required to comply with the standard(s).[56]

(3) If a pipeline is seeking a renewal of a waiver or extension of time request, it must justify why the waiver or extension should remain in force and it must provide a citation to an order and docket number of the proceeding in which the initial waiver or extension of time was granted.[57]

(4) The Commission ordinarily will decline to grant waivers in cases where pipelines maintain they should not be required to incur the costs of implementing standards shippers are not interested in using. Instead, the Commission's approach to these requests will be to grant the pipeline an extension of time for compliance until 60 days after the pipeline receives a request to comply with the standard.[58] Waivers are justified only when the pipeline can demonstrate that there is good cause not to require the implementation of a standard, even though shippers want to use the standard.

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[56] As an example, Standard 4.3.96 requires pipelines to provide hourly gas quality information "to the extent that the TSP is required to do so in its tariff or general terms and conditions, a settlement agreement, or by order of an applicable regulatory authority." A pipeline that is not required to provide hourly gas quality information, therefore, does not require a waiver or extension of time for compliance with this standard, because the standard imposes no obligation on the pipeline to comply with the standard until it provides hourly gas quality information. *See* October 28 Order, 133 FERC ¶ 61,096 at P 9.

[57] *See* Order No. 587-U, FERC Stats. & Regs. ¶ 31,307 at PP 38-39.

[58] *See T.W. Phillips Pipeline Corp.*, 137 FERC ¶ 61,104, at P 11 (2011).

(5) The Commission generally will not entertain waiver or extension of time requests for NAESB WGQ Definitions (x.2.z Standards). The NAESB WGQ Definitions specify and elucidate specific terms of generally applicable business practices and do not require a pipeline to perform any action or incur expense to comply with such Definitions. The Commission sees a potential for problems arising if it allows a pipeline to substitute its own definitions for the consensus definitions developed in the NAESB process.

39. In addition, to provide guidance to pipelines in filing requests for waivers or extensions of time, the Commission will explain its policy regarding waivers of the following four general categories of NAESB standards: (1) business practice standards; (2) requirements to conduct business electronically using the Internet (Internet Business Standards); (3) Commission Internet posting requirements (Internet Posting Standards); and (4) requirements to conduct computer-to-computer transactions using EDI. It is important for pipelines to identify clearly in their filings the specific standards from which they are seeking waivers or extensions of time. In particular, pipelines need to be clear as to whether they are requesting waivers of the Internet Business Standards or the EDI Standards:

(1) Waivers or Extensions of Time to Comply with Business Practice Standards. Waivers or extensions of time to comply with business practice standards will generally be denied because these standards establish the basic principles on which business is required to be conducted. Nonetheless, if a pipeline believes such a waiver or extension of time to comply is justified, it must

detail specific reasons why it seeks the waiver or extension of time to comply with the standard and address alternative methods by which it could comply with the objectives of the standard.[59]

(2) Waivers or Extensions of Time to Comply with the Internet Business Standards. Waivers or extensions of time to comply with the requirement to conduct business over the Internet generally will be granted based on a pipeline's individual circumstances, such as the size of the pipeline, the number of shippers, its ability to provide electronic services, the demand for such services, and alternative means by which the pipeline conducts the business practice. For smaller pipelines, the Commission has granted waivers of the Internet Business Standards when such pipelines have shown that complying with such standards would prove unduly burdensome.[60] For larger pipelines, the Commission has rarely granted waivers or extensions of time to comply with the Internet Business Standards.[61] However, if a pipeline can demonstrate that shippers are not using a standard, then the Commission generally will grant an extension of time to comply. Such an extension of time ensures that pipelines do not needlessly have

[59] *See Carolina Gas Transmission Corp.*, 131 FERC ¶ 61,211, at P 4 (2010); *MoGas Pipeline LLC*, 131 FERC ¶ 61,251, at P 7 (2010); *Granite State Gas Transmission, Inc.*, 132 FERC ¶ 61,262, at P 8 (2010) (requiring small pipelines to use manual methods of implementing index-based capacity releases).

[60] October 28 Order, 133 FERC ¶ 61,096 at PP 17-18; November 30 Order, 133 FERC ¶ 61,185 at P 9.

[61] October 28 Order, 133 FERC ¶ 61,096 at PP 17-18.

to spend money revamping computer services that shippers do not use while, at the same time, ensuring that shippers have access to such services if they need them.

(3) Waivers or Extensions of Time to Comply with Internet Posting Standards. The Commission rarely grants waivers or extensions of time to comply with the posting requirements because posting of this information is required by the Commission's regulations. The cost of maintaining and posting information on an Internet website is not great even for smaller pipelines.

(4) Waivers or Extensions of Time to Comply with EDI Standards. As discussed in the Version 2.0 NOPR,[62] the Commission generally will grant waivers or extensions of time to comply with the EDI requirements based on a pipeline's individual circumstances, such as the size of the pipeline, the number of shippers, its ability to provide electronic services, the demand for such services, and alternative means by which the pipeline conducts the business practice. For smaller pipelines, the Commission generally grants waivers of the EDI Standards when such pipelines have shown that complying with such standards would prove unduly burdensome.[63] For larger pipelines on which shippers are not using a standard, in lieu of an outright waiver, the Commission generally will grant an

[62] *See* Version 2.0 NOPR, FERC Stats. & Regs. ¶ 32,686 at P 27.

[63] *Id.*

extension of time until such time as a request is made to use EDI.[64] As with the EDI requirements relating to capacity releases,[65] NAESB also can review whether certain business transactions still need to be available through EDI, given the lack of usage, and pipelines can also seek such revisions from NAESB for EDI standards whose upkeep no is longer cost justified.

C. Comments on Implementation and Waiver Policy

40. MidAmerican filed the only comment on these policies. It argues that 60 days is too short a time period to comply with requests for EDI standards, and recommends that the Commission allow pipelines up to 90 days to comply with a shipper request to implement an EDI dataset not currently supported by the pipeline. MidAmerican argues that the that 90 days is a more reasonable amount of time for compliance, given the technological requirements of the NAESB WGQ EDI related data sets.[66]

41. The Commission cannot determine with certainty exactly how long it will take each pipeline to comply with each individual NAESB WGQ Version 2.0 Standard as this varies, depending on each pipeline's unique circumstances. The policy guidance we are giving in this Final Rule offers a reasonable general rule for meeting compliance obligations that balances both shippers' needs for the Business Practices and provides a

[64] *See supra* n.60; *Texas Eastern Transmission LP.*, 100 FERC ¶ 61,364 (2002) (granting an extension of time for unused EDI datasets, but requiring compliance with datasets for publicly available capacity release information).

[65] *See* Version 2.0 NOPR, FERC Stats. & Regs. ¶ 32,686 at P 10.

[66] MidAmerican Comments at 2, 3.

reasonable amount of time for the pipelines to comply with the NAESB WGQ Standards. To the extent a pipeline's unique circumstances dictate that it requires additional time to implement a given NAESB WGQ Version 2.0 Standard, the pipeline may raise such issues in its compliance filing or in a request for waiver or extensions of time, so that its shippers will have an opportunity to intervene and raise any concerns with the pipeline's proposals.[67]

IV. Notice of Use of Voluntary Consensus Standards

42. In section 12(d) of NTT&AA, Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, as the means to carry out policy objectives or activities determined by the agencies unless use of such standards would be inconsistent with applicable law or otherwise impractical.[68] NAESB approved the standards under its consensus procedures. Office of Management and Budget Circular A-119 (§ 11) (February 10, 1998) provides that federal agencies should publish a request for comment in a NOPR when the agency is seeking to issue or revise a regulation proposing to adopt a voluntary consensus standard or a government-unique standard. On February 16, 2012, the Commission issued the Version 2.0 NOPR, which proposed to incorporate by reference NAESB's Version 2.0 Standards. The Commission has taken the comments on the Version 2.0 NOPR into account in fashioning this Final Rule.

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[67] *See, e.g., WestGas InterState, Inc.*, 130 FERC ¶ 61,165, at P 4 (2010).

[68] *See supra* n.3.

V. Information Collection Statement

43. The Office of Management and Budget's (OMB) regulations require approval of certain information collection requirements imposed by agency rules. Upon approval of a collection(s) of information, OMB will assign an OMB control number and an expiration date. Respondents subject to the filing requirements of a rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number.

44. This Final Rule amends the Commission's regulations at 18 CFR 284.12 to incorporate by reference the latest version (Version 2.0) of certain business practice standards adopted by NAESB's WGQ applicable to natural gas pipelines including Standards 0.3.19 and 0.3.21 as modified by the minor corrections and errata approved by NAESB. In this Final Rule, the Commission also provides guidance on the criteria the Commission will use in deciding whether to grant or deny requests for waivers or extensions of time and modifies the compliance filing requirements to add transparency as to where in the tariff incorporated standards may be found.

45. Under section 3507(d) of the Paperwork Reduction Act of 1995,[69] the reporting requirements in this rulemaking will be submitted to OMB for review. OMB elected to take no action on the Version 2.0 NOPR, and instead deferred its approval until review of the Final Rule.

[69] 44 U.S.C. 3507(d).

46. The Commission solicited comments on the need for this information, whether the information will have practical utility, the accuracy of provided burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing the respondent's burden, including the use of automated information techniques. No comments were filed raising any objections to the burden estimate presented in the WGQ Version 2.0 NOPR. Accordingly, we will use that same burden estimate in this Final Rule.

Data Collection	No. of Respondents	No. of Responses Per Respondent	Hours Per Response	Total No. of Hours
FERC-545[70]	161	1	10	1,610
FERC-549C[71]	161	1	22	3,542
Totals				5,152

Total Annual Hours for Collections

(Reporting and Recordkeeping, if appropriate) = 5,152

Information Collection Costs: The Commission projects the average annualized cost of compliance with these regulations to be the following:[72]

[70] Data collection FERC-545 covers rate change filings made by natural gas pipelines, including tariff changes (OMB Control No. 1902-0154).

[71] Data collection FERC-549C covers Standards for Business Practices of Interstate Natural Gas Pipelines (OMB Control No. 1902-0174).

[72] The total annualized cost for the two information collections is $303,968. This number is reached by multiplying the total hours to prepare a response (hours) by an hourly wage estimate of $59 (a composite estimate that includes legal, technical and support staff wages and benefits obtained from the Bureau of Labor Statistic data at http://bls.gov/oes/current/naics3_221000.htm and http://www.bls.gov/news.release/ecec.nr0.htm rates). $303,968 = $59 x 5,152.

	FERC-545	FERC-549C
Annualized Capital/Startup Costs	$94,990	$208,978
Annualized Costs (Operations & Maintenance)	N/A	N/A
Total Annualized Costs	$94,990	$208,978

Total Cost for all Respondents = $303,968

47. OMB regulations[73] require OMB to approve certain information collection requirements imposed by agency rule. The Commission is submitting notification of this proposed rule to OMB. These information collections are mandatory requirements.

Title: FERC-545, Gas Pipeline Rates: Rates Change (Non-Formal);

FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines

Action: Proposed collection.

OMB Control Nos.: 1902-0154, 1902-0174

Respondents: Business or other for profit, (i.e., Natural Gas Pipelines, applicable to only a few small businesses.) Although the intraday reporting requirements will affect electric plant operators, the Commission is not imposing the reporting burden of adopting these standards on those entities.

Frequency of Responses: One-time implementation (business procedures, capital/start-up).

Necessity of Information: The requirements in this Final Rule will upgrade the Commission's current business practices and communication standards by specifically: (1) adding and revising standards allowing the elimination of EDI requirements for

[73] 5 CFR 1320.11.

Capacity Release Upload information; (2) creating and modifying existing information posting requirements for websites and browsers; (3) requiring pipelines to provide security information; (4) requiring the posting of information on waste heat recovery feasibility on the Internet; (5) modifying pipeline notice content and creating new pipeline notice types; and (6) creating standards to ensure NAESB data format is consistent with other data reporting via the Internet by using CSV.

The implementation of these data requirements will provide additional transparency to informational posting web sites and will improve communication standards, including gas-electric communications. The implementation of these standards and regulations will promote the additional efficiency and reliability of the gas industry's operations thereby helping the Commission to carry out its responsibilities under the Natural Gas Act of promoting the efficiency and reliability of the gas industry's operations. In addition, the Commission's Office of Enforcement will use the data for general industry oversight.

Internal Review: The Commission has reviewed the requirements pertaining to business practices of natural gas pipelines and made a preliminary determination that the proposed revisions are necessary to establish more efficient coordination between the gas and electric industries. Requiring such information ensures both a common means of communication and common business practices to limit miscommunication for participants engaged in the sale of electric energy at wholesale and the transportation of natural gas. These requirements conform to the Commission's plan for efficient information collection, communication, and management within the natural gas pipeline

industries. The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

48. Interested persons may obtain information on the reporting requirements by contacting the Federal Energy Regulatory Commission, Office of the Executive Director, 888 First Street, NE, Washington, DC 20426 [Attention: Ellen Brown, e-mail: DataClearance@ferc.gov, phone: (202) 502-8663, fax: (202) 273-0873.

49. Comments concerning these information collections can be sent to the Office of Management and Budget, Office of Information and Regulatory Affairs [Attention: Desk Officer for the Federal Energy Regulatory Commission]. For security reasons, comments should be sent by e-mail to OMB at the following e-mail address: oira_submission@omb.eop.gov. Please reference FERC-545 and/or FERC 549C and the docket number of this Final Rule (Docket No. RM96-1-037) in your submission.

VI. Environmental Analysis

50. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.[74] The actions taken here fall within categorical exclusions in the Commission's regulations for rules that are clarifying, corrective, or procedural, for information gathering, analysis, and dissemination, and for sales, exchange, and

[74] *Regulations Implementing the National Environmental Policy Act of 1969*, Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. Regulations Preambles 1986-1990 ¶ 30,783 (1987).

transportation of electric power that requires no construction of facilities.[75] Therefore, an environmental assessment is unnecessary and has not been prepared as part of this Final Rule.

VII. Regulatory Flexibility Act

51. The Regulatory Flexibility Act of 1980 (RFA)[76] generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. The RFA mandates consideration of regulatory alternatives that accomplish the stated objectives of a proposed rule and that minimize any significant economic impact on a substantial number of small entities. The Small Business Administration's (SBA) Office of Size Standards develops the numerical definition of a small business.[77] The SBA has established a size standard for pipelines transporting natural gas, stating that a firm is small if its annual receipts are less than $25.5 million.[78]

52. The standards being incorporated by reference in this final rule impose requirements only on interstate pipelines, the majority of which are not small businesses. Most companies regulated by the Commission do not fall within the RFA's definition of a small entity. Approximately 161 entities would be potential respondents subject to data collection FERC-545 reporting requirements and also be subject to data collection FERC

[75] *See* 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), 380.4(a)(27).

[76] 5 U.S.C. 601-612.

[77] 13 CFR 121.101.

[78] 13 CFR 121.201, subsection 486.

549-C reporting requirements. Nearly all of these entities are large entities. For the year 2010 (the most recent year for which information is available), only 10 entities not affiliated with larger companies had annual revenues of less than $25.5 million.[79]

53. The Commission estimates that the one-time implementation cost of these standards is $303,968, or $1,888 per company.[80] The Commission does not consider the estimated $1,888 impact per entity to be significant. As noted in the Final Rule, the Commission has adopted policies permitting small entities to request waivers or extensions of time with respect to the electronic processing requirements of these regulations. Moreover, the business practice standards are designed to benefit all customers, including small businesses.

54. Accordingly, pursuant to section 605(b) of the RFA,[81] the Commission certifies that the regulations being adopted here will not have a significant economic impact on a substantial number of small entities.

VIII. Document Availability

55. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page

[79] Our estimate of the number of small entities subject to this final rule differs from the tally in the Version 2.0 NOPR because the threshold for being deemed a small company recently has changed from less than $7 million to less than $25.5 million.

[80] This number is derived by dividing the total cost figure by the number of respondents. $303,968/161 = $1,888.

[81] 5 U.S.C. 605(b).

(http://www.ferc.gov) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington DC 20426.

56. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

57. User assistance is available for eLibrary and the FERC's website during normal business hours from FERC Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. E-mail the Public Reference Room at public.referenceroom@ferc.gov.

IX. Effective Date and Congressional Notification

58. These regulations are effective [**insert date 30 days from publication in the FEDERAL REGISTER**]. The Commission has determined (with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB) that this rule is not a "major rule" as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996.

List of subjects in 18 CFR Part 284

Incorporation by reference, Natural gas, Reporting and record keeping requirements.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

In consideration of the foregoing, the Commission amends Part 284, Chapter I, Title 18, Code of Federal Regulations, as follows.

Part 284 -- CERTAIN SALES AND TRANSPORTATION OF NATURAL GAS UNDER THE NATURAL GAS POLICY ACT OF 1978 AND RELATED AUTHORITIES

1. The authority citation for part 284 continues to read as follows:

Authority: 15 U.S.C. 717-717z, 3301-3432; 42 U.S.C. 7101-7352; 43 U.S.C. 1331-1356.

2. Section 284.12 is amended by revising paragraph (a)(1) to read as follows:

Sec. 284.12 Standards for pipeline business operations and communications.

(a) * * *

(1) * * *

(i) Additional Standards (Version 2.0, November 30, 2010, with Minor Corrections Applied Through April 30, 2012);

(ii) Nominations Related Standards (Version 2.0, November 30, 2010, with Minor Corrections Applied Through December 2, 2011);

(iii) Flowing Gas Related Standards (Version 2.0, November 30, 2010, with Minor Corrections Applied Through June 3, 2011);

(iv) Invoicing Related Standards (Version 2.0, November 30, 2010, with Minor Corrections Applied Through June 3, 2011);

(v) Quadrant Electronic Delivery Mechanism Related Standards (Version 2.0, November 30, 2010, with Minor Corrections Applied Through December 2, 2011) with the exception of Standard 4.3.4;

(vi) Capacity Release Related Standards (Version 2.0, November 30, 2010, with Minor Corrections Applied Through January 5, 2012); and

(vii) Internet Electronic Transport Related Standards (Version 2.0, November 30, 2010, with Minor Corrections Applied Through January 2, 2011) with the exception of Standard 10.3.2.

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APPENDIX

List of Commenters[1]

	Commenter	**Short Name or Acronym**
1	Spectra Energy Transmission, LLC, Spectra Energy Partners, LP, and their regulated pipelines and storage facilities	Spectra Entities
2	North American Energy Standards Board[2]	NAESB
3	Interstate Natural Gas Association[3]	INGAA
4	North American Electric Reliability Corporation	NERC
5	Southern Star Central Gas Pipeline, Inc.[4]	Southern Star
6	MidAmerican Energy Pipeline Group, including Kern River Gas Transmission Company and Northern Natural Gas Company	MidAmerican
7	American Gas Association[5]	AGA

[1] In addition, the ISO/RTO Council submitted notice on March 23, 2012 that it might file comments in Docket No. AD12-12-000. It filed no substantive comments in this proceeding.

[2] NAESB followed up its March 23, 2012 comments with a pair of status reports. The first was filed on April 4, 2012 and the second was filed on May 4, 2012.

[3] INGAA also filed supplemental comments on June 4, 2012 supporting the incorporation of standards including NAESB's May 4, 2012 corrections.

[4] Southern Star also filed supplemental comments on June 4, 2012 supporting the incorporation of standards including NAESB's May 4, 2012 corrections.

[5] AGA's comments, like those of INGAA and Southern Star, supported the incorporation of standards including NAESB's May 4, 2012 corrections.