§ 121.404 Compliance dates: Crew and dispatcher resource management training.

After March 19, 1988, no certificate holder may use a person as a flight crewmember, and after March 19, 1999, no certificate holder may use a person as a flight attendant or aircraft dispatcher unless that person has completed approved crew resource management (CRM) or dispatcher resource management (DRM) initial training, as applicable, with that certificate holder or with another certificate holder.

Issued in Washington, D.C., on March 4, 1996.

Donald P. Byrne,

Assistant Chief Counsel.

[FR Doc. 96–5726 Filed 3–8–96; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 154

[Docket No. RM95–3–001; Order No. 582–A]

Filing and Reporting Requirements for Interstate Natural Gas Company Rate Schedules and Tariffs Final Rule; Order on Rehearing

Issued: February 29, 1996.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule; Order on rehearing.

SUMMARY: The Federal Energy Regulatory Commission is issuing an order on the requests for rehearing of Order No. 582, the final rule amending part 154 of the Commission's regulations under the Natural Gas Act. That order adopted procedural rules governing the form and composition of interstate natural gas pipeline tariffs and the filing of rates and charges for the transportation of natural gas in interstate commerce under sections 4 and 5 of the Natural Gas Act (NGA) and section 311 of the Natural Gas Policy Act. Also, minor modifications to the electronic filing instructions for tariff sheets are added as an appendix.

EFFECTIVE DATE: The revised regulations will become effective April 10, 1996.

FOR FURTHER INFORMATION CONTACT: Richard A. White, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 208–0491.

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the Federal Register, the Commission also provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours at 888 First Street, NE., Washington, DC 20426.

The Commission Issuance Posting System (CIPS), an electronic bulletin board service, provides access to the texts of formal documents issued by the Commission. CIPS is available at no charge to the user and may be accessed using a personal computer with a modem by dialing (202) 208–1397 if dialing locally or 1–800–856–3720 if dialing long distance. To access CIPS, set your communications software to 19200, 14400, 12000, 9600, 7200, 4800, 2400, or 1200 bps, full duplex, no parity, 8 data bits, and 1 stop bit. The full text of this document will be available on CIPS indefinitely in ASCII and WordPerfect 5.1 format. The complete text on diskette in Wordperfect format may also be purchased from the Commission's copy contractor, La Dorn Systems Corporation, also located in the Public Reference Room at 888 First Street, NE., Washington, DC 20426.

This order grants, in part, and denies, in part, requests for rehearing of Order No. 582 (Rule).[1] That order adopted procedural rules governing the form and composition of interstate natural gas pipeline tariffs and the filing of rates and charges for the transportation of natural gas in interstate commerce under sections 4 and 5 of the Natural Gas Act (NGA) and section 311 of the Natural Gas Policy Act. Also, minor modifications to the electronic filing instructions for tariff sheets are added as an appendix.

I. Background

On September 28, 1995, the Commission issued Order No. 582, the final rule in Docket No. RM95–3–000 revising part 154, Chapter I, Title 18, Code of Federal Regulations.[2] This order responds to requests for rehearing or clarification of the Rule filed by Amoco Production Company, et al. (Amoco), American Forest and Paper Association, ANR Pipeline/Colorado Interstate Gas Co.(ANR/CIG), Associated Gas Distributors (AGD), Chevron, U.S.A. Inc. et al. (Chevron), Colorado Interstate Gas Company, Columbia Gas Transmission/Columbia Gulf Transmission, Great Lakes Gas Transmission (Great Lakes), Interstate Natural Gas Association of America (INGAA), JMC Power Projects, Natural Gas Supply Association (NGSA), Mississippi River Transmission Co. (MRT), Natural Gas Clearinghouse, Natural Gas Supply Association (NGSA), Panhandle Eastern Pipe Line, Texas Eastern Transmission Corp., and Williston Basin Interstate Pipeline Company.

II. Discussion

a. Section 154.1 Application; Obligation to File

1. Requests for Rehearing

Section 154.1(d) requires that any executed service agreement which deviates in a material aspect from the form of service agreement in a pipeline's tariff must be filed with the Commission.[3] This requirement codified existing Commission policy.[4]

Amoco argues that the Rule violates section 4(c) of the NGA by allowing the interstate pipelines to make substantive deviations from pro forma contracts without honoring the statutory and regulatory duty to file contracts with the Commission so that the public and shippers can determine whether or not they have been subjected to undue discrimination.[5]

[1] Filing and Reporting Requirements for Interstate Natural Gas Companies Rate Schedules and Tariffs, Order No. 582, 60 FR 52960 (October 11, 1995), II FERC Stats. & Regs. ¶ 19,100–19,183 (1995)(regulatory text), III FERC Stats. & Regs. ¶ 31,025 (1995)(preamble). This order on rehearing is a companion to the order on rehearing, issued concurrently in Docket No. RM95–4–001, which concerns amendments to, among other things, the Uniform System of Accounts and FERC Form No. 2. Revisions to Uniform System of Accounts Forms, Statements, and Reporting Requirements for Natural Gas Companies, Order No. 581, 60 FR 53019 (October 11, 1995), 72 FERC ¶ 61,301 (1995).

[2] Filing and Reporting Requirements for Interstate Natural Gas Company Rate Schedules and Tariffs, 60 FR 3111 (January 13, 1995), IV FERC Stats. & Regs. ¶ 32,511 (1995).

[3] Section 154.1, Application; Obligation to file, requires:

(b) Every natural gas company must file with the Commission and post in conformity with the requirements of this part, schedules showing all rates and charges for any transportation or sale of natural gas subject to the jurisdiction of the Commission, and the classifications, practices, rules, and regulations affecting such rates, charges, and services, together with all contracts related thereto.

(d) For the purposes of paragraph (b) of this section, any contract that conforms to the form of service agreement that is part of the pipeline's tariff pursuant to § 154.110 does not have to be filed. Any contract or executed service agreement which deviates in any material aspect from the form of service agreement in the tariff is subject to the filing requirements of this part.

[4] *See*, Tennessee Gas Pipeline Company, *et al.*, 65 FERC ¶ 61,356 (1993); *reh'g denied*, 67 FERC ¶ 61,196 (1994).

[5] The Commission has included as § 154.1(b) the description of the purpose of part 154, which reflects the requirement of Section 4(c) of the NGA that every natural gas company must file with the Commission, and maintain open for public inspection, its schedules and contracts. 15 U.S.C. § 717c(c).

Amoco states that the regulatory text is correct as a matter of law and policy. However, Amoco states that the Commission eviscerated the regulation by not defining ''materiality,'' and eliminating the items most likely to be the instrument of undue discrimination and unjust and unreasonable terms and conditions from qualification as ''material deviations.'' Amoco took the items listed in the Preamble as not likely to trigger a filing, and argues that, under certain circumstances, unfair discrimination could occur.

Amoco states that any material deviations from the tariff (which include those items excluded by dicta in Order No. 582) should be filed in order to be sure that there is no undue discrimination.

2. Commission Response

The use of forms of service agreements as the basis of contracts between a pipeline and its customers ensures that there are no unreasonable differences among the pipeline's customers as to the rates, charges, services, or facilities, while minimizing the amount of paper filed with the Commission. A contract that conforms to a pro forma service agreement need not be filed with the Commission because the Commission has already considered and determined that the pro forma service agreement is just and reasonable. Any contract that deviates in a material way from a pro forma service agreement must be evaluated anew to determine that it is not unjust, unreasonable, unduly preferential, or otherwise unacceptable.

Many commenters to the NOPR requested the Commission to be more specific as to what deviations or substantive additional provisions will trigger this filing requirement.[6] To accommodate these requests the Preamble gave examples of provisions that would not normally be expected to be ''material'' deviations.[7]

The Commission will clarify the prior order. To illustrate, a pro forma service agreement may contain blanks to be filled in, or ranges for terms of service (such as 950–1100 psi). A contract would be consistent with the tariff if, for example, it was completed by filling in the blanks or included terms that fall within the prescribed ranges. There is no need to burden the pipeline with filing all contracts that conform to the pro forma agreement that has been filed and approved by the Commission as a part of the tariff. Of course, where a contract conflicts with the tariff, the tariff controls until the contract is filed and accepted by the Commission. Thus, any contract which is not consistent with the pro forma service agreement must be filed with the Commission. The Commission is continuing to consider in another proceeding how much flexibility in contract terms should be permitted. On January 31, 1996, the Commission issued a policy statement that it is willing to entertain, on a shipper-by-shipper basis, requests to implement negotiated rates where customers retain the ability to choose a cost-of-service based tariff rate as a recourse.[8] In that policy statement the Commission established a proceeding in Docket No. RM96–7–000 to explore how much flexibility could be permitted, although it is likely in any event that case-by-case application will be necessary.

b. Section 154.4 Electronic and Paper Media

New § 154.4 requires electronic media filings in addition to paper copies.[9] Section 154.4(a) states that a pipeline must file information contained in spreadsheet format electronically and continue to serve customers with paper copies of filings, but it does not require a pipeline to provide such information to its customers in an electronic format.

APGA requests clarification that a pipeline must, upon request, provide such spreadsheet information, including all formulas embedded in the spreadsheet, to its customers in an electronic medium. In the alternative, APGA requests rehearing of this issue.

In the Rule, the Commission adopted a tab delimited ASCII format for most numeric data and a format compatible with the filing company's spreadsheet application for Statements I, J, and those parts of Statement H containing state tax calculations.[10] To the extent APGA's request seeks to expand the use of the format compatible with the filing company's spreadsheet application to other statements, the request is denied. The Commission adopted the tab delimited format as the default for numeric data because it was recommended by several parties in comments to the NOPR. It is also a more generic format capable of being read or created by several software packages. This allows greater access to the data to the general public without imposing the burden of buying and learning to use numerous proprietary spreadsheet packages. Since statements other than statements I, J, and parts of H do not generally contain complex formulae, the loss of the formulae will not impair review of the data.

APGA's second request, that the electronic data be available from the pipeline if requested, is addressed in section II.i.5 of this order.

c. Section 154.5 Rejection of Filings

Section 154.5 states that filings that fail to comply with part 154 regulations may be rejected by the Director of the Office of Pipeline Regulation (Director) pursuant to the authority delegated to the Director in § 375.307(b)(2).[11]

1. Requests for Rehearing

INGAA argues that the regulation does not give sufficient guidance to the Director as to how to exercise this authority, even if this authority has not been changed or augmented by the Rule. INGAA seeks clarification that only patently deficient rate case filings can be rejected and that Staff would be required to make such a determination within 15 days of the filing date. INGAA states that this would give applicants and intervenors a level of assurance that a rate case filing will proceed on time under the indicated filing date, thus avoiding confusion as to when new rates would go into effect. Under INGAA's plan, if lesser deficiencies were found, the applicant would have 30 days to rectify such deficiencies.

ANR and CIG request that the Commission clarify that so long as there is no ''patent failure'' to comply with the Commission's requirements, any deficiency may be cured by the pipeline and the filing date will be the effective date of the filing.

ANR and CIG further request that the Commission reconsider the decision not

[6] For example, Columbia requested that the Commission clarify that specifically drafted provisions addressing flow rates, pressure obligations, maximum delivery obligations, term, and other ''tariff-contemplated'' items are not ''material'' deviations. Amoco, *et al.*, requested that the Commission clarify ''material deviations,'' such that contracts must be filed which provide for any difference (from that specified in the tariff) in maximum rates, rate design, balancing provisions, penalties, operational flexibility, or any other variation. On the other hand, IPAA stated that the legal concept of materiality may depend upon ''where one resides in the food chain'' and suggested that all deviating agreements be filed.

[7] III FERC Stats. & Regs. ¶ 31,025 at 31,385.

[8] Statement of Policy and Request for Comments in Docket Nos. RM95–6–000, Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines; and, RM96–7–000, Regulation of Negotiated Transportation Services of Natural Gas Pipelines, 74 FERC ¶ 61,076 (1996).

[9] Section 154.4 provides, in pertinent part:

(a) *General rule.* All statements filed pursuant to subpart D of this part, and all workpapers in spreadsheet format, and tariff sheets other than those in Volume No. 2, must be submitted on electronic media.

[10] III FERC Stats. & Regs. ¶ 31, 025 at 31,435.

[11] Section 154.5 states:

A filing that fails to comply with this part may be rejected by the Director of the Office of Pipeline Regulation pursuant to the authority delegated to the Director in § 375.307(b)(2) of this chapter.

to set forth a procedure that would be followed if a filing is deemed not in compliance with the Commission's filing requirements. Specifically, ANR and CIG suggest that the Commission notify a pipeline in writing within 12 days of filing of a rate case of any deficiencies in the filing and allow the pipeline ten days to correct the deficiency or request a waiver of a filing requirement. ANR and CIG state that this procedure would still allow the Commission to act within 30 days of the pipeline's filing of the rate case. To the extent there is a change or addition to the filing, ANR and CIG suggest that intervenors and protestors be permitted to supplement their filings. ANR and CIG state that this procedure is consistent with the 12 day period in which interested parties may intervene, comment or protest under § 154.210.

2. Commission Response

Section 154.5 merely sets out, in the rate and tariff filing requirements, the existing power of the Director to reject tariff or rate schedule filings.[12] Section 154.5 signals the Commission's intent to have the Director reject filings that do not comply with the filing requirements promulgated by this order.

To the extent that the requests for clarification only seek assurance that the regulation does not delegate any new power to the Director, they are granted. However, any specific guidelines or procedures to be followed by the Director in exercising this authority must be set out in part 375, not in the pipeline filing requirements.

The purpose of the regulation is to indicate that the Director's power is to reject a filing based on the procedural inadequacy of the filing, not the substance. Only the Commission rejects on the basis of substance. When a rate filing is procedurally correct but is not sufficient to determine just and reasonableness, the appropriate action is for the Commission to reject the filing on the merits or to accept the filing but suspend the proposed rates pending a hearing. To the extent a filing does not include the information required by the regulations and is so deficient that it prejudices the Commission in the discharge of its duty to decide whether or not to investigate or suspend the increased rates, the Commission expects the Director to reject the filing.

[12] Section 375.307 delegates to the Director of the Office of Pipeline Regulation the authority to reject a tariff or rate schedule or filing if it patently fails to comply with applicable statutory requirements, and with all applicable Commission rules, regulations, and orders for which a waiver has not been granted.

d. Section 154.7 General Requirements for the Submission of a Tariff Filing or Executed Service Agreement

Section 154.7 is a new section setting forth the content of a tariff filing or executed service agreement.[13]

1. Transmittal Letter to Contain Quantified Summary

Section 154.7(a)(6) requires the letter of transmittal to contain a statement of the nature, the reasons, and the basis for the filing. The statement must include a summary of the changes or additions made to the tariff or executed service agreement, as appropriate.

NGSA believes that the abbreviated form of the filing should contain a quantified summary of the proposed changes as well as a narrative summary. NGSA states that § 154.7(a)(6) should require a table or listing of the cost of service, rate base and throughput underlying the proposed rates compared to the same information underlying the last rate found by the Commission to be just and reasonable. NGSA argues that such information would enable parties to readily ascertain the magnitude and the sources of the changes being proposed and, thus, negate the need on the part of many parties to receive a copy of the full filing. NGSA states that adding this small amount of quantified information to the abbreviated filing could reduce the number of full filings the pipelines are requested to provide.

This request for rehearing is granted. The burden to the pipeline to provide the additional summary would be minimal. Although NGSA suggests that the information could reduce requests for full filings, the Commission accepts that, in some cases, the quantification summary may engender additional requests for full filings. Nonetheless, considering the short time period in which the Commission and interested parties have to review the filing, this additional information would, in most cases, speed processing and reduce requests for additional information or complete filings. The regulations will be amended such that a filing under subpart D requires a table or listing of the cost of service, rate base and throughput underlying the proposed rates compared to the same information underlying the last rate found by the Commission to be just and reasonable.

[13] Section 154.7 states, in pertinent part:

The following must be included with the filing of any tariff, executed service agreement, or part thereof, or change thereto.

(a) A letter of transmittal containing:

* * * * *

(6) a statement of the nature, the reasons, and the basis for the filing. The statement must include a summary of the changes or additions made to the tariff or executed service agreement, as appropriate. A detailed explanation of the need for each change or addition to the tariff or executed service agreement must be included. The natural gas company also must note all relevant precedents relied upon to prepare its filing.

* * * * *

(9) a motion, in case of minimal suspension, to place the proposed rates into effect at the end of the suspension period; or, a specific statement that the pipeline reserves its right to file a later motion to place the proposed rates into effect at the end of the suspension period.

2. Motion to Place Reduced Rates Into Effect

i. *Request for rehearing.* Section 154.7(a)(9) requires that the transmittal letter contain either a motion, in case of minimal suspension, to place the proposed rates into effect at the end of the suspension period; or a specific statement that the pipeline reserves its right to file a later motion to place the proposed rates into effect at the end of the suspension period.

JMC Power Projects states that the new regulation grants the pipeline the option as to when to file a motion to place suspended rates into effect—either in its initial letter of transmittal or later. JMC Power Projects argues that a pipeline proposing to decrease its rates admits that its current rates are unjust and unreasonable and has an incentive to delay placing suspended decreased rates into effect.

JMC Power Projects seeks clarification that the motion of the pipeline to place suspended rates into effect pursuant to § 154.206(b) is the same motion to be filed as part of the transmittal letter pursuant to § 154.7(a)(9), and that the pipeline *must* file a motion to place the proposed rates into effect at the end of the suspension period. In the alternative, JMC Power Projects seek rehearing and requests that the Commission find that when a pipeline proposes a rate decrease, either no motion is necessary for the rates to go into effect or, if a motion is necessary, the pipeline *must* file a motion to place the suspended rates into effect at the end of the minimal suspension period.

JMC Power Projects states that its interpretation of the new regulations to the effect that a pipeline is *required* to file a motion to place *reduced* rates into effect at the end of the suspension period is consistent with past Commission practice. JMC Power Projects states that allowing a pipeline to delay placing decreased rates into effect beyond the minimal suspension period is unjust and unreasonable, particularly when customers in such a situation are not afforded refund protection.

ii. *Commission response.* JMC Power Projects is correct in stating that

pipelines have an option to file a motion to place suspended rates into effect either in the letter of transmittal or later. Also, the motion of the pipeline referred to in § 154.206(b) is the same motion referred to in § 154.7(a)(9).

However, the requested clarification that a pipeline is *required* to file a motion to place *reduced* rates into effect at the end of the suspension period is denied. The request is, in effect, asking for a special rule to govern proposed rate decreases. This is unnecessary as the revised regulation is consistent with the purposes of the NGA.

Section 4(e) of the NGA authorizes the Commission to suspend operation of a schedule and defer the use of a rate pending a hearing ''but not for a longer period than five months beyond the time when it would otherwise go into effect.'' [14] If the proceeding has not been concluded and an order made at the expiration of the suspension period, the proposed change shall go into effect ''on motion of the natural gas company making the filing.'' [15] The Act requires the motion; otherwise, the rates do not go into effect.

As a practical matter, where rates have been suspended for a minimal period as allowed under the statute, a hearing could not possibly be concluded by the expiration of the period.

The NGA states that refunds may be ordered ''where *increased* rates or charges are thus made effective.'' [16] Historically, the Commission has considered the suspension of a rate as a necessary step to assure that refunds may be ordered when appropriate. The refund is appropriate where the Commission ultimately determines that the proposed rate moved into effect at the end of the suspension period (motion rate) is too much of an increase over the last rate found to be just and reasonable (the refund floor). Thus, no refund is possible where a decrease is proposed. Even where the Commission ultimately finds that the rates should have been decreased further than proposed, the motion rate would be less than the refund floor.

Usually the Commission accepts a proposed rate decrease without suspension. Where the Commission does not suspend the effective date of a proposed decrease, a section 4(e) motion is not required and the proposed decrease goes into effect on the date proposed by the pipeline in its filing. However, it may be appropriate, under certain circumstances to suspend a rate decrease and in such instances a motion to place the rates into effect would be required; for example, where it may not be clear initially if it is a rate decrease due to pancaked cases. Thus, the Commission will retain this option. Accordingly, the request for clarification that a pipeline is required to file a motion to place reduced rates into effect at the end of the suspension period, is denied.

3. Effective Date After Minimal Suspension

ANR and CIG believe that in situations where the suspension period is likely to be minimal, pipelines will file the motion to place proposed rates into effect with the transmittal letter to ensure that the rates will be effective as soon as the suspension period ends. ANR and CIG ask whether it was the Commission's intent that, where the pipeline had reserved its right to file a later motion, the pipeline would lose a day or several days before rates were effective. If so, ANR and CIG request clarification and rehearing.

The request for rehearing is denied. A suspended rate may not go into effect prior to the motion of the pipeline. The procedures for motioning rates into effect after suspension are the same regardless of the length of the suspension period. NGA section 4(e) [17] requires that suspended rates are to go into effect ''on motion'' of the pipeline, not before the motion is made. Former § 154.67(a) read that the proposed rate ''shall become effective as of the date of receipt of such motion by the Commission or the expiration of the suspension period, whichever is later.'' Therefore, where the pipeline includes a motion in its filing and the proposed rates are suspended for a minimal period, the rates will become effective on the date proposed. Where the pipeline reserves its right to file a *later* motion and the rates are suspended for a minimal period, the rates will go into effect, later, on motion of the pipeline, as is required by the NGA.

4. Quarterly List of Tariff Sheets

In its Initial Comments, AGD recommended a general reporting obligation for a pipeline to provide to its customers, quarterly, a list of currently effective tariff sheets, whether or not the pipeline files any rate increase applications. The Rule states that AGD's suggested summary appears in § 154.7 and thus, what AGD seeks is already required. AGD maintains on rehearing that its recommendation has not been satisfied by the indicated regulation nor by any other part of Order No. 582.

Many pipelines voluntarily provide their customers with such a list. However, the Commission declines to burden all pipelines with this obligation. Customers may keep abreast of developments affecting pipeline services by monitoring the ''summary of changes or additions made to a tariff'' required by § 154.7(a)(6) when a pipeline files for a change. Further, this information is available to the public on the Commission's bulletin board system by accessing the FERC Automated System for Tariff Retrieval (FASTR).

e. Section 154.101 Form

Williston Basin points out that § 154.101 contains a typographical error. As written, it requires that the paper copy of a tariff sheet be reproduced on 8½ by 11 inch sheets of paper with margins of ¼ inches on the top, bottom, and left sides, and a margin of ½ inch on the right side. The NOPR stated that there is to be a 1 and ¼ inch margin on the left side of the sheet.

Williston Basin is correct. The regulation has been modified to require that the margins on the top, left, and bottom of the tariff sheet must be 1¼ inches.

f. Section 154.107 Currently Effective Rates

New § 154.107 governs the tariff sheets setting forth the natural gas company's currently effective rates. Section 154.107(b) requires that all rates be stated in thermal units.[18]

1. Requests for Rehearing

Great Lakes requests clarification or rehearing on the grounds that sufficient time is needed to permit pipelines to identify and resolve the issues related to conversion to thermal units, and to modify existing contractual and tariff provisions where the current arrangements are in volumetric units. Great Lakes states that the contractual changes necessary to fully convert to thermal rates may result in a reallocation of costs to effectuate the change in rates.

Great Lakes requests clarification that conversion to thermal units can be implemented through a compliance filing made under § 154.203; and, that any rates restated in thermal units can utilize the cost of service and billing units (converted to dekatherms) underlying the filing pipeline's currently effective rates.

Chevron, USA Inc., and Shell Western E&P Inc. (Designated Shippers) argue

[14] 15 U.S.C. 717c(e).

[15] *Id.*

[16] *Id.*

[17] 15 U.S.C. § 717c(e).

[18] Section 154.107(b) provides that ''[a]ll rates must be stated clearly in cents or dollars and cents per thermal unit. The unit of measure must be stated for each component of a rate.''

that to require a change in these rates, the Commission must find substantial evidence that stating rates on an Mcf basis is no longer a just and reasonable practice.[19]

The Rule states that the Commission ''does not intend to actively enforce this section until one year after the effective date of this rule.'' [20] Designated Shippers maintain that this delay in enforcement does not adequately address the hardships faced by these shippers or give the affected parties a forum to address the significant factual determinations that will have to be made in converting rates and capacity entitlements from Mcf units to a thermal basis. Designated Shippers state that these determinations are all the more critical on pipelines where the heating value of the gas varies widely from receipt point to receipt point, and where contract capacity, denominated in Mcf units, will have to be converted. Designated Shippers argue that the proper forum for determining these facts is an individual pipeline rate case.

If the Commission does not grant rehearing, Designated Shippers request clarification that implementing Order No. 582 will not require an effective rate increase for any individual shipper or result in the infringement of any shipper's contract rights. Designated Shippers state that if a conversion is made at the average Btu factor being shipped through the pipeline, some shippers will benefit, and other shippers will be harmed.

2. Commission Response

The Commission is committed to standardization of business practices in the natural gas industry. Most recently, the Commission underscored that commitment in its advance notice of proposed rulemaking for standards for business practices of interstate natural gas pipelines:

As a result of restructuring, the gas industry is becoming a national marketplace. In order to establish a more efficient and seamless pipeline grid, where buyers can easily and efficiently obtain and transport gas from all potential sources of supply, the development of standardized methods of conducting business along with standardized methods of communication is critical. Without common business practices and a common language for communication, the speed and efficiency with which shippers can transact business across multiple pipelines is now, and will continue to be, severely compromised. The industry must expeditiously complete standardization of crucial business practices to make the promise of a restructured and integrated pipeline grid a reality. Accordingly, the Commission intends to establish, by rule, standards governing pipelines' conduct of crucial business practices and the electronic means by which pipelines will exchange information with their customers and third-parties.[21]

At a conference held on September 21, 1995, to examine the industry's progress towards standardization, one participant pointed out the failure of the industry to decide on whether to require nominations to be reported in Mcf or MMBtu as an example of the lack of standardization in the industry.[22] The Commission's adoption of the provision at § 154.107 requiring rates to be stated in MMBtu or Dth is an outgrowth of its conviction that standardized business practices are essential to an integrated national pipeline grid.

Further, staff reviewed the tariffs of 11 pipelines which state rates exclusively on the basis of Mcf. All but three assure redelivery of thermally equivalent volumes. In other words, the pipeline redelivers a sufficient volume (in Mcf) to ensure the natural gas delivered contains the same heating value as the natural gas received. In this case, there is no guarantee that the volume (in Mcf) delivered will exactly equal the volume (in Mcf) received. The requirement that natural gas be redelivered in thermally equivalent volumes underscores the nature of the commodity being traded. Natural gas is of worth because of its heating content. The true commodity is the heating value of the natural gas. Rates should be reflective of the true commodity traded.

Stating rates in MMBtu or Dth as opposed to Mcf could cause some shippers to pay higher rates, but any such proposed rate changes will not be made without Commission review to ensure they are just and reasonable. All pipelines making the switch must file appropriate revisions to their tariffs. At that time, parties can raise their concerns about paying higher rates as a result of conversion to thermal units. All such concerns will be addressed when the Commission determines whether the proposed rates are just and reasonable. All issues regarding implementation of § 154.107(b) can be addressed in the individual proceeding to effectuate the new thermal rates. Therefore, the Commission will not grant rehearing.

We grant Great Lakes' request for clarification that a pipeline may file to state its rates on a thermal basis under § 154.107 without filing a major rate case filing under subpart D.[23]

g. Section 154.109 General Terms and Conditions

Section 154.109 requires that a pipeline set forth in its tariff its discount policy and the order in which each pipeline charge will be discounted.[24] The Rule stated that § 154.109(c) merely formalizes the Commission's policy on recognition of discounts as enunciated in *Natural*.[25]

PEC seeks clarification that the decision in *Natural* left individual pipelines free to argue, based on their individual facts and circumstances, that the order of discounting in *Natural* did not apply. INGAA seeks clarification, or in the alternative rehearing, that this provision does not apply to existing tariff provisions that provide for a permanent discount mechanism negotiated between parties in a previous regulatory proceeding. The Commission clarifies that if a pipeline's tariff contains an existing provision governing the order of discounts, accepted by the Commission, no modification to the tariff provision is required under § 154.109. The Commission further clarifies that a pipeline, in a filing to comply with this section, may attempt to show that an order of discounting other than that set forth in *Natural* should apply.

h. Section 154.206 Motion to Place Suspended Rates Into Effect

1. Effective Date Where Modifications are Ordered

Section 154.206(a) requires that, when rates have been suspended for more than a minimal period and the Commission has ordered changes or the rates include costs of facilities that are not in service, the motion to place suspended tariff sheets into effect must

[19] Designated Shippers cite to Mobil Oil Corp. v. FPC, 483 F.2d 1238 (D.C. Cir. 1973).

[20] III FERC Stats. & Regs. ¶ 31,025 at 31,392.

[21] 73 FERC ¶ 61,104 (1995).

[22] *Id.* at 61,323.

[23] Trailblazer Pipeline Company and Canyon Creek Compression Company have filed to restate their rates on a thermal basis in compliance with Order No. 582. Neither did so in a general rate proceeding.

[24] Section 154.109(c) provides:

The general terms and conditions of the tariff must contain a statement of the order in which the company discounts its rates and charges. The statement, specifying the order in which each rate component will be discounted, must be in accordance with Commission policy.

[25] III FERC Stats. & Regs. ¶ 31,025 at 31,394 (citing Natural Gas Pipeline Company of America (*Natural*), 69 FERC ¶ 61,029, (1994), *reh'g*, 70 FERC ¶ 61,317 (1995)). Under the policy, ''[t]he first item of the overall reservation charge discounted will be the GRI surcharge (for member pipelines), followed by the base rate reservation charge, Account No. 858 or other transition cost surcharges, and last, all GSR reservation surcharges. Other non-transition reservation surcharges will be attributed as agreed by the pipeline and its customers in individual proceedings.'' 69 FERC at 61,117 n.23.

be filed at least one day prior to the date the sheets are to take effect.[26]

i. *Requests for rehearing.* AGD is concerned that the regulations do not adequately assure pipeline compliance with whatever conditions or requirements for changes in rates that may have been imposed by the Commission's suspension order. AGD recommends that, in situations where the Commission has required changes in the filed rates, a minimum period of 14 days be fixed as the time between the filing of a motion to place rates in effect and the proposed effective date. AGD also recommends that the provision recommended in its Initial Comments be added to Section 154.206(a). [27]

AGD points out that the preamble to the Rule states that ''individual suspension orders may require pipelines to make compliance filings earlier, to reflect changes required by the Commission.'' [28] However, AGD states that this language is not a satisfactory answer to the problem because the regulations governing the time of motions placing rates in effect provides only 24 hours within which the pipeline's compliance with the Commission's required changes in its rate filing can be determined. AGD states that there is no assurance that, in individual cases, sufficient time will be provided to ascertain that the pipeline's compliance with Commission-mandated changes in its rates has occurred. AGD states that there is no regulatory bar to the pipeline's ability to place in effect, after the suspension period, rates which do not comply with the changes mandated by the Commission's suspension order.

ii. *Commission response.* The NOPR had proposed that when rates have been suspended for more than a minimal period and the Commission has ordered changes or the rates include costs of facilities that are not in service, the motion to place suspended tariff sheets into effect must be filed no less than 30 days nor more than 60 days prior to the date the sheets would take effect. AGD's Initial Comments had proposed that in addition to the 30–60 day opportunity to ascertain whether pipeline compliance with any Commission-ordered changes in its rates had occurred, that the regulations also include a provision which negated the pipeline's ability to place into effect any suspended rates which did not reflect changes the Commission had ordered. Columbia commented that the proposed requirement would cause pipelines to estimate test period data for that portion of the test period occurring after the date the pipeline must make the motion rate filing.

CNG and Columbia recommended no change to the practice of allowing pipelines to file motion rates one day before the effective date. CNG commented that the proposed rule would require pipelines to rely on estimated plant balances in determining the level of plant in service at the end of the test period. Further, CNG stated, the pipeline would be unable to determine the status of negotiations 30 days in the future, and would be compelled to move to make the rate increase effective at the earliest possible date. In light of these comments to the NOPR, the revised regulation was modified to continue the current practice of allowing pipelines to file motion rates one day before the effective date.

The modifications requested by AGD are denied. AGD is incorrect in stating the there is no ''regulatory bar'' to the pipeline's ability to place in effect, after the suspension period, rates which do not comply with the changes mandated by the Commission's suspension order. Pursuant to § 154.206, the motion must be accompanied by revised tariff sheets reflecting any changes ordered by the Commission. A motion that does not reflect the ordered changes would be in violation of the Commission order and the subject rates would be unlawful.

2. Withdrawal After Minimal Suspension

Section 154.206(c) provides that where the rate is suspended for a minimal period and the pipeline has included in its transmittal letter pursuant to § 154.7(a)(9), a motion to place the proposed rate into effect at the end of the suspension period, the change will go into effect, subject to refund, on the authorized effective date.

ANR and CIG seek clarification that if the pipeline includes a motion with the transmittal letter, and the Commission accepts the filing but requires changes to the pipeline's proposal, the pipeline will still have the option of withdrawing its motion before the rates, with the Commission modifications, go into effect.

This clarification is denied. As discussed above, the pipeline may choose to reserve its right to file a later motion and rates, suspended for a minimal period, will go into effect, later, on motion of the pipeline. Where the pipeline chooses to include a motion in its filing and the proposed rates are suspended for a minimal period, the rates will become effective on the date proposed. However, the pipeline may condition its motion on the Commission's accepting the proposed filing without modification.

i. *Section 154.208 Service on Customers and Other Parties.* New § 154.208 formally requires the filing company to serve its customers and state regulatory commissions on or before the filing date. The regulation requires that all customers and state commissions receive an abbreviated form of the filing.[29] Customers and state

[26] Section 154.206 states, in pertinent part:

§ 154.206 Motion to place suspended rates into effect

(a) If, prior to the end of the suspension period, the Commission has issued an order requiring changes in the filed rates, or the filed rates recover costs for facilities not certificated and in service as of the proposed effective date, in order to place the suspended rates into effect, the pipeline must file a motion at least one day prior to the effective date requested by the pipeline. The motion must be accompanied by revised tariff sheets reflecting any changes ordered by the Commission or modifications approved by the Commission during the suspension period under § 154.205. The filing of the revised tariff sheets must:

(1) comply with the requirements of subparts A, B, and C of this part;

(2) identify the Commission order directing the revision;

(3) list the modifications made to the currently effective rate during the suspension period, the docket number in which the modifications were filed, and identify the order permitting the modifications.

(b) Where the Commission has suspended the effective date of a change of rate, charge, classification, or service for a minimal period and the pipeline has not included a motion in its transmittal letter, or has specified in its transmittal letter pursuant to § 154.7(a)(9), that it reserves its right to file motion to place the proposed change of rate, charge, classification, or service into effect at the end of the suspension period, the change will go into effect, subject to refund, upon motion of the pipeline.

(c) Where the Commission has suspended the effective date of a change of rate, charge, classification, or service for a minimal period and the pipeline has included, in its transmittal letter pursuant to § 154.7(a)(9), a motion to place the proposed change of rate, charge, classification, or service into effect at the end of the suspension period, the change will go into effect, subject to refund, on the authorized effective date.

[27] That proviso states:

Provided, however, that no rates will be made effective pursuant to motion until after the party proposing a rate change has satisfied all conditions imposed by the Commission with regard to the contents of the rate increase filing.

[28] III FERC Stats. & Regs. ¶ 31,025 at 31,400.

[29] Section 154.208 Service on customers and other parties.

(a) On or before the filing date, the company must serve, upon all customers as of the date of the filing and all affected state regulatory commissions, an abbreviated form of the filing consisting of: the Letter of Transmittal; the Statement of Nature, Reason, and Basis; the changed tariff sheets; a summary of the cost-of-service and rate base; and, summary of the magnitude of the change.

(b) On or before the filing date, the company must serve a full copy of the filing upon all customers and state regulatory commissions that have made a standing request for such service.

(c) Within 48 hours of receiving a request for a complete copy from any customer or state commission that has not made a standing request, the company must serve a full copy of any filing.

commissions with an interest may then request a full copy. The pipeline must serve the full copy within 48 hours. However, pipelines must comply with any customer's standing request to receive a complete filing as the initial served filing. Customers are defined as customers of the pipeline with a contract for service as of the date of the rate case filing.[30]

2. Service Group

NGSA asks the Commission to include ''economically impacted parties'' as part of § 154.208. NGSA states that some gas producers effect title transfer of their gas either at the wellhead or at the outlet of a non-jurisdictional gas gathering system. NGSA states that because gas producer prices and wellhead operations are affected by the rates, terms and conditions of the pipeline's tariff, they should enjoy the full rights of any other potential intervenor to a rate case, including the expeditious receipt of the pipeline's rate case documents. NGSA states that ''economically impacted parties'' includes those purchasers of short-term released capacity who may not have ''a contract for service as of the date of the rate case filing.'' NGSA states that economically impacted parties should not be excluded from receiving the pipeline's rate case filing or because the timing of the rate case does not coincide with the timeframe specified within a contract.

America Forest and Paper Associates (AF&PA) requests that on rehearing the Commission revise § 154.208 to provide that, in addition to customers and affected state commissions, the pipelines must serve tariff filings on interested parties, such as trade associations and customer groups, and their representatives. AF&PA argues that trade associations and customer groups play an important role in proceedings before the Commission and enable the Commission to conduct an efficient decision-making process by allowing it to consider the views of many interested parties channeled through one source.

On the other hand, Columbia states that the requirement to serve even the abbreviated copy upon all customers is unduly burdensome. To illustrate, Columbia states that, Columbia Transmission, in addition to its firm customers, presently serves 300 interruptible transportation customers, and Columbia Gulf serves 200 interruptible customers. Columbia continues to believe that the Rule should be modified to require service only upon firm customers and affected state commissions on the filing date. Columbia states that service effected in this manner, along with the form of notice pursuant to § 154.209, is sufficient to assure adequate notice.

The requests for rehearing are denied. In light of the responses to the NOPR, the revised regulation is a combination of the alternatives suggested by several commenters and represents a reasonable middle ground between requiring service of a complete filing and service of just the transmittal letter. While reducing the filing burden to the pipeline, this course assures that all current customers and state regulatory commissions receive complete notice adequate to making informed decisions about the proposal. Adding or deleting recipients to the required service list would upset the balance achieved by the regulation.

3. ''Served'' or ''Received''

NGSA requests that the Commission clarify or modify § 154.208(c) so that pipelines are required to send the full rate case filing to a requestor such that it is received within 48 hours of their request. APGA and NGSA state that § 154.208(c) permits the pipelines to engage regular U.S. postal services 48 hours after the request had been made and receive the full filing two or three days after it is postmarked. APGA and NGSA believe that the existence of overnight express delivery services makes it possible for parties to receive a full filing within 48 hours of their request.

The request for rehearing is denied. Rule 2010 governing the timing of service states that service is made when the document is deposited in the mail or delivered in another manner.[31] The increased burden of requiring pipelines to ensure delivery within 48 hours is out of balance to the potential benefit to parties receiving the documents earlier. However, while not required, parties may agree to arrange for overnight delivery. It would be reasonable to expect the recipient to bear the cost of this additional service.

4. Service Recipient

APGA states that it is the customer's representative or agent, i.e., attorney or consultant, who has the most urgent need to review a complete copy of the filing in order to have time to prepare a motion to intervene, protest or comments within the deadline provided by the Rule for the filing of such pleadings. APGA requests that the Commission clarify that a customer may designate a representative or agent also to receive service of a complete copy of a rate filing on or before the filing date. In the alternative, APGA requests rehearing of this issue.

The request is granted in part. In past practice, a party could designate a recipient at the time it files an intervention or when the service list is created at hearing. Now that the filing company must serve its customers on or before the filing date, there must be a procedure for designating service recipients at the earlier time. The regulation will be revised to provide that a customer may designate a representative or agent to receive service on or before the filing date as suggested by APGA. The filing company is required to serve only one copy per customer, not multiple copies. However, while not required, parties may agree to arrange for multiple recipients or copies. It would be reasonable to expect the recipient to bear the cost of this additional service.

5. 48 Hours

Columbia Gas Transmission Corporation and Columbia Gulf Transmission Company (Columbia) and INGAA request clarification that the parties may interpret § 154.208(c), requiring action within 48 hours, to mean two business days, thereby removing the concern that responsive action need not be taken on holidays or weekends.

Columbia's concern is unnecessary. Rule 2007 provides that ''any period of time'' prescribed by a Commission rule is computed to exclude the day of the act or event from which the time period begins. Further, the last day of the time period is not included if it is a weekend or holiday, in which case the period ends at the close of business on the next day that is not a weekend or holiday.[32] Nonetheless, to avoid any confusion the regulations will be revised to state that the pipeline must respond to such requests within two business days.

6. Electronic Version

NGC argues that the Commission erred by failing to require interstate pipelines to provide shippers with an electronic version of their filing. NGC states that the provision does not require pipelines to honor a customer's request to receive a copy of the filing in electronic format.

NGC states that rather than forcing customers to wait until the tariff data is entered into the Commission's FASTR system, which can take weeks, customers should have instant access to the full filing, through the acquisition of

[30] III FERC Stats. & Regs. ¶ 31,025 at 31,403.

[31] 18 CFR 385.2010.

[32] 18 CFR 385.2007(a).

the data in a standardized electronic format directly from the applicant. NGC states that since the pipelines are already required to file electronically, there will be little added burden or cost to making electronic versions of their filings available.

Under §§ 154.4 and 154.209 of the regulations, pipelines must file the form of notice, tariff sheets, and statements and workpapers required by subpart D of the regulations electronically. In Order No. 582, the Commission recognized that both the electronic and paper versions of the filing represent the official filing.[33] Parties receiving service under § 154.208 have a right to receive all or part of the official filing depending on their election. Since the electronic portion of the filing is part of the official filing, service would include the pertinent parts of the electronic version of the filing. However, in recognition that not all parties would be interested in receiving the electronic portion of the filing, a party may ask not to receive the electronic portion of the filing, if that is its wish.

j. Section 154.210 Protests, Interventions, and Comments

Section 154.210 states that interventions, comments, and protests must be filed within 12 calendar days of the filing date and comments must be filed at the same time as interventions and protests.[34]

APGA seeks rehearing on this issue and reiterates its request that parties be allowed a minimum of 15 days to file interventions.

The NOPR had proposed that the interventions, comments, and protests be filed within ''10 days'' of the filing. Many commenters objected to changing from the ''former 15-day'' time period and numerous alternatives were suggested for comment periods ranging from 10 to 30 days. The Commission has balanced the need to allow sufficient time for interested parties to review a filing with the need for the proceeding to progress swiftly. The use of the 12 calendar day standard achieves this balance. The request for rehearing is denied.

k. Section 154.301 Changes in Rates

PEC Pipelines request clarification as to what items are considered ''rate fixing adjustments'' and which are not.[35] PEC Pipelines requests clarification that cost-of-service items, contract demand levels, and throughput are not ''rate fixing adjustments,'' for purposes of this requirement. PEC Pipelines state that the mere fact that an element of cost-of-service—such as labor costs—has increased is not the type of ''rate fixing adjustment'' that should trigger an additional workpaper requirement. PEC Pipelines state that the same is true with respect to contract demand levels and throughput. PEC Pipelines state that the level of O&M expenses and throughput are already covered by the schedules set forth under § 154.312, Composition of Statements. On the other hand, PEC Pipelines state, certain items do affect the setting of the unit rate, such as cost allocation and rate design; logically, these items are those that should be considered ''rate fixing adjustments'' as addressed in § 154.301(c).

In response to PEC Pipelines' concern the Commission will revise this section by substituting the term ''change in rates or charges'' for ''rate fixing adjustments.'' This change is more in line with the current terminology where parties no longer refer to ''fixing'' a rate but ''making'' a rate change. The Commission agrees with PEC Pipelines that the mere fact that an element of the cost-of-service has increased does not trigger an additional workpaper requirement. Pipelines need to file alternate material when they are proposing a ratemaking change that is inconsistent with a prior Commission decision directly involving the filing company. Further, as the Commission does not require that a specific rate of return must be used in subsequent filings, the parenthetical language is removed because it is not necessary and may cause confusion.

l. Section 154.303 Test Periods.

Although § 154.303 is a complete redraft of former § 154.63(e)(2) (i) and (ii), the revised regulation maintains the same time scheme for the test period.[36] The test period consists of a base period followed by an adjustment period. The base period consists of 12 consecutive months of the most recently available actual experience. The last day of the base period may not be more than four months prior to the filing date. The adjustment period is a period of up to nine months immediately following the base period.

Section 154.303 clarifies that the pipeline must remove from rates moved

[33] III FERC Stats. and Regs., ¶ 31,025 at 31,437.

[34] Section 154.210 Protests, interventions, and comments

(a) Unless the notice issued by the Commission provides otherwise, any protest, intervention or comment to a tariff filing made pursuant to this part must be filed in accordance with § 385.211 of this chapter, not later than 12 days after the subject tariff filing. A protest must state the basis for the objection. A protest will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make the protestant a party to the proceeding. A person wishing to become a party to the proceeding must file a motion to intervene.

(b) Any motion to intervene must be filed not later than 12 days after the subject tariff filing in accordance with § 385.214 of this chapter.

[35] Section 154.301 (c) provides:

A natural gas company filing for a change in rates or charges must be prepared to go forward at a hearing and sustain, solely on the material submitted with its filing, the burden of proving that the proposed changes are just and reasonable. The filing and supporting workpapers must be of such composition, scope, and format as to comprise the company's complete case-in-chief in the event that the change is suspended and the matter is set for hearing. If the rate fixing adjustments presented are not in full accord with any prior Commission decision directly involving the filing company, the company must include in its working papers alternate material reflecting the effect of such prior decision. (For purposes of this section, rate of return is not a rate fixing adjustment.)

[36] Section 154.303 Test periods.

Statements A through M, O, P, and supporting schedules, in § 154.312 and § 154.313, must be based upon a test period.

(a) If the natural gas company has been in operation for 12 months on the filing date, then the test period consists of a base period followed by an adjustment period.

(1) The base period consists of 12 consecutive months of the most recently available actual experience. The last day of the base period may not be more than 4 months prior to the filing date.

(2) The adjustment period is a period of up to 9 months immediately following the base period.

(3) The test period may not extend more than 9 months beyond the filing date.

(4) The rate factors (volumes, costs, and billing determinants) established during the base period may be adjusted for changes in revenues and costs which are known and measurable with reasonable accuracy at the time of the filing and which will become effective within the adjustment period. The base period factors must be adjusted to eliminate nonrecurring items. The company may adjust its base period factors to normalize items eliminated as nonrecurring.

(b) If the natural gas company has not been in operation for 12 months on the filing date, then the test period must consist of 12 consecutive months ending not more than one year after the filing date. Rate factors may be adjusted as in paragraph (a)(4) of this section but must not be adjusted for occurrences anticipated after the 12-month period.

(c)(1) Adjustments to base period experience, or to estimates where 12 months' experience is not available, may include the costs for facilities for which either a permanent or temporary certificate has been granted, provided such facilities will be in service within the test period; or a certificate application is pending. The filing must identify facilities, related costs and the docket number of each such outstanding certificate. Subject to paragraph (c)(2) of this section, adjustments to base period experience, or to estimates where 12 months' experience is not available, may include any amounts for facilities that require a certificate of public convenience and necessity, where a certificate has not been issued by the filing date but is expected to be issued before the end of the test period. Adjustments to base period may include costs for facilities that do not require a certificate and are in service by the end of the test period.

(2) When a pipeline files a motion to place the rates into effect, the filing must be revised to exclude the costs associated with any facilities not in service as of the earlier of the effective date or the end of the test period.

(d) The Commission may allow reasonable deviation from the prescribed test period.

into effect the cost of any facilities not certificated (where a certificate is required) and in service as of the end of the test period.

1. Base Period

MRT and Williston Basin request that the Commission grant rehearing and amend § 154.303(a)(1) to lengthen the time from the last day of the base period to the filing date from four months to five months. MRT states that no pipeline would need to wait the full five months to file, but for pipelines with small staffs, like MRT, an additional month would greatly facilitate the timely filing of a high-quality initial filing and Statement P. Williston Basin argues that no justification has been given in Order No. 582 for reducing the already limited amount of time which a pipeline has to prepare its rate filings.

These requests, in effect, seek to set the test period back one month. This the Commission is reluctant to do. The regulations are constructed so that the rate paid by a customer is based upon representative costs recently incurred by the pipeline for providing the services to that customer. The regulations continue to set the cutoff date for these representative costs at four months before the filing. MRT and Williston Basin have not shown that this period is unreasonable.

2. Costs of Facilities for Which a Certificate Application is Pending

i. *Requests for rehearing.* Williston Basin seeks rehearing of the requirements of § 154.303(c). Section 154.303(c)(1) permits a pipeline to include, in adjustments to the base period, costs of facilities for which a certificate application is pending. Section 154.303(c)(2) requires that when a pipeline files a motion to place the proposed rates into effect, the tariff filing must be revised to exclude the costs associated with any facilities not in service as of the earlier of the effective date or the end of the test period.

Williston Basin states that there is a problem where a pipeline files its motion to put its proposed rates into effect before the end of the adjustment period. In those circumstances, Williston Basin argues, the pipeline should be permitted to include the cost of the facilities estimated to be in service at the end of the adjustment period, subject to true-up when the actual costs are known.

Williston Basin states that if the Commission suspends the proposed rates for one day but the adjustment period does not end for another five months, the pipeline would not be able to include the costs of facilities under construction for any of that five-month period even if the facilities are in service by the end of the adjustment period. Likewise, Williston Basin states, if the rates are suspended until the end of the adjustment period, the pipeline's motion filing would still be made before the end of the adjustment period and the exact costs of the facilities would not be known on the day the motion is made.

PEC states that the Commission should clarify that it did not intend to depart from past practice in promulgating § 154.303 and except from its § 154.303(c)(2) requirement costs associated with routine facility construction. PEC states that the clarified regulation would read as follows:

> When a pipeline files a motion to place rates into effect, the filing must be revised to exclude the costs associated with any facilities for which specific certificate authorization is required but is not expected to be granted or not in service by the end of the test period.

PEC states that the Commission should also clarify that costs through the end of the test period (not the earlier of the effective date or the end of the test period as stated in Order No. 582) may be included in rates. PEC states that if the Commission does not so clarify its regulations, the end of test period analysis will be skewed because not all of the costs of facilities at the end of the test period will be included, leading to mismatches in elements of cost of service. PEC argues that costs applicable to new facilities could be excluded on grounds that the facilities were not in service on an effective date occurring earlier than the end of the test period, even though volumes applicable to transportation through the facilities would be reflected in rates if the deliveries commenced prior to the end of the test period. PEC states that the basic objective of synchronizing all rate elements at the end of the test period will be thwarted. PEC states that the proposed revised § 154.303(c)(2) would correct this inconsistency.

ii. *Commission response.* These requests are granted. The regulation will be revised to return to the previous practice. Typically, at the end of the suspension period, the pipeline files a motion to place the proposed rates, as adjusted for any Commission determinations, into effect. The requirement that the motion rates not include costs through the end of the test period, when the effective date is earlier, negates the ability, otherwise provided by the regulations, to adjust for changes in revenues and costs which are known and measurable with reasonable accuracy at the time of the filing and which will become effective within the adjustment period. Accordingly, the regulation will be changed to allow a pipeline to file a motion to place rates into effect that include costs associated with facilities not in service as of the effective date subject to removal of such costs where the facilities are not in service by the end of the test period.

m. Section 154.304 Format of Statements, Schedules, Workpapers, and Supporting Data

Section 154.304 requires a narrative explanation of each proposed adjustment to base period actual volumes and costs.[37] The Rule indicated the Commission's intention to adopt two of NGSA's suggestions;[38] however, these changes did not appear in the regulatory text. The Commission is amending §§ 154.304 and 154.311 to reflect NGSA's suggestions that narrative explanations be placed at the beginning of the specific statements to which they apply and that statement updates be provided to parties specifically requesting them.

n. Section 154.305 Tax Normalization

Section 154.305 requires pipelines to use tax normalization to compute the income tax component of the cost-of-service and to adjust rate base by accumulated deferred income taxes related to components of the cost-of-service.

On rehearing, APGA requests that the Commission promulgate amendments to its regulations to curtail the practice whereby pipelines eliminate or reduce their accumulated deferred income tax (ADIT) account balance, which is typically deducted from rate base, and correspondingly increase their rate base and hence their return, when a pipeline undergoes a merger.

The request for rehearing is denied. Because the request concerns a ratemaking policy, it is beyond the scope of this rulemaking.

o. Section 154.311 Updating of Statements

Certain Statements and Schedules must be updated, once, 45 days after the end of the test period.

[37] Section 154.304(b) provides:

> The data in support of the proposed rate change must include the required particulars of book data, adjustments, and other computations and information on which the company relies, including a detailed narrative explanation of each proposed adjustment to base period actual volumes and costs.

[38] III FERC Stats. & Regs. ¶ 31,025 at 31,405.

INGAA requests clarification that the Commission did not intend nine 12-month running totals but rather intended a monthly total for each month in the nine-month period with a single set of updates encompassing a 12-month period. Second, INGAA states that the 45-day update requirement is insufficient time for this much data to be assembled since the books will not close until at least 10–15 days past the end of the test period. INGAA requests clarification that a period of 75 days be given for such updates. Third, INGAA urges the Commission to authorize the Director of OPR and presiding ALJ to suspend or terminate the update requirements if a settlement is pending approval, hearings have been completed, or an ALJ's decision is pending. INGAA states that updates in these situations would serve no purpose.

The Commission did not intend that updates would have nine different 12-month running totals for each month since updates would be filed 45 days after the end of the test period. Also, updates must include a monthly total for each month in the nine-month period with a single set of updates encompassing a 12-month period. INGAA's request for clarification on this issue is granted.

INGAA's suggestion of 75 days in lieu of 45 days will not be adopted. The Commission staff works expeditiously to complete the review of a pipeline's rate filing and prepare the preliminary staff position, testimony and exhibits. Companies have access to the data for updates within 10 to 15 days of closing and thus could file within the 45 day period seemingly without undue hardship. Thus, adding 30 additional days to the process would merely delay the case without a corresponding benefit.

We agree with INGAA's reasoning on the suspension of updates. The Secretary has the authority to grant extensions of time. The regulations will be revised to recognize the Secretary's authority to extend the time for the updates.

The Rule states that among the statements and schedules to be updated are H–1(3)(a) through H–1(3)(1). Williston Basin seeks clarification that the reference is to H–1(2)(a) through H–1(2)(k). Williston Basin is correct. The reference is being changed to H–1(2)(a) through H–1(2)(k).

p. Section 154.312 Composition of Statements

1. Schedule D–1

The PEC Pipeline Group suggests that the filings would be more comprehensible and consistent if § 154.312, Schedule D–1, were amended to include the functionalization of the as adjusted test period accumulated reserve for depreciation and amortization. PEC Pipeline Group also suggests a new Schedule D–3 showing the depreciation reserve balance applicable to the portion of the depreciation rate not yet approved. PEC Pipeline Group also suggests that Schedule D–1 should not be part of the workpapers.

Schedule D–1 will be amended to include the functionalization of the as adjusted test period accumulated reserve for depreciation and amortization. However, a new Schedule D–3 is not necessary since the information required to reflect the depreciation reserve balance applicable to the depreciation rate not yet approved can be shown on the same schedule. Schedule D–1 is properly a workpaper since it reflects supporting data for Statement D.

2. Statement G, Revenues, Credits, and Billing Determinants

Statement G is a summary of information on all jurisdictional services. Statement G must be filed with the rate case. More specific information, in Schedules G–1 through 6, must be filed 15 days later.

i. *Delayed filing of schedules.* APGA states that, now that the Commission under Order No. 636 has relieved pipelines of mandatory triennial rate filings, the pipeline is generally in complete control of the date on which it makes a rate filing, and there is no reason to conclude that it is burdensome to file the information required in Schedule G–1 through G–6 at the same time as the rate filing. APGA states that most of the information required to be filed in those schedules should be easily accessible by the pipeline directly from its computer database, with little or no analysis required.

APGA states that by permitting certain information to be filed after the filing date, the Commission is taking away with one hand what it has given customers with the other in requiring that a pipeline's Statement P testimony be filed concurrently with the rate case. In light of the Commission's requirement that this customer-specific information need only be served upon affected customers and those customers requesting service, APGA argues that the Commission should grant rehearing and require the information submitted under Schedules G–1 through G–6 to be filed concurrently with a pipeline's rate filing.

APGA's request for rehearing is denied. The Commission has required a summary Statement G to provide enough information to begin the analysis of the rate case. However, the customer specific information is not required immediately; and, is filed 15 days later to ease the burden of the compilation of such large scale information on the filing pipeline.

ii. *Confidentiality.* ANR and CIG join INGAA in urging the Commission to reconsider and incorporate the confidentiality provisions of the INGAA/AGD agreement in a final rule on rehearing.[39] In the alternative, ANR and CIG request that the Commission permit pipelines to have the option, in all instances where customer specific information is called for (for example, in the schedules required in Statement G, the Index of Customers and Form 2 Revenues and Discounts), of using customer codes to identify customers.

The PEC Pipeline Group disagrees with the Commission's position regarding pipelines' market power in today's market and regulatory environment. The PEC Pipeline Group states that pipelines compete with one another and with customers using capacity on pipeline systems in new and innovative ways under the auspices of Order No. 636; and, non-pipeline entities use capacity release and the ''gray'' market to compete with pipelines. PEC Pipeline Group states that the customers have a stake in avoiding public disclosure of the information because competitors of a customer will know what the pipeline expects to charge that customer over a future period of time, not just historically. PEC Pipeline Group requests clarification that coding and the projection of commodity billing determinants by rate schedule are appropriate to use in preparing Statement G and the related schedules. Alternatively, the PEC Pipeline Group requests clarification that the Commission recognizes the potential harmful effects on competition that public disclosure of test period information has and will thus entertain

[39] Specifically, the Agreement recommends that the Commission allow pipelines to serve Schedules G(1) and G(2) to requesting parties under a protective agreement document reached through negotiation between the pipeline and intervenors in the rate case. In the event that parties could not agree to such a document prior to filing, the pipeline would use the protective agreement employed for similar purposes in the pipeline's most recent rate case.

with favor, taking into account potential anticompetitive effects, requests for confidential treatment on a broad basis.

These requests are denied for the reasons discussed, at length, in the Rule.[40] The type of information for which PEC Pipeline seeks confidential treatment is the type of information that section 4(c) of the NGA requires pipelines to make publicly available.[41] If confidentiality is sought as to test period information, § 388.112 sets out the procedure to be followed.

iii. *Capacity Release.* Statement G requires that the pipeline provide: (1) Total revenues by rate schedule and by receipt and delivery rate zones, if applicable; and (2) billing determinants (demand and commodity) by rate schedule and by receipt and delivery rate zones, if applicable. Schedule G–3 also requires that the pipeline specify, quantify and justify each proposed adjustment including capacity release.

ANR and CIG seek clarification that the requirements of Statement G, relative to capacity release, requires only summary level total revenue and billing determinants by receipt and delivery rate zones, if applicable, and does not require such information for each capacity release transaction. In the alternative, ANR and CIG seek rehearing if Statement G would require data for each capacity release transaction. ANR and CIG state that, since most capacity release transactions are for a term of a month or less, requiring detail for each capacity release transaction would be unduly burdensome, for example: based upon current experience, ANR would have about 1000 capacity release contracts for the base period; CIG would have approximately 400 capacity release contracts for the base period. ANR and CIG state that if revenue and billing determinants of releasing shippers are not reduced for capacity release, then capacity release data is needed only for the design of usage rates. In such instances, ANR and CIG state capacity release data need only be provided by receipt and delivery rate zone, if applicable.

ANR and CIG are correct. The Commission clarifies that Statement G, relative to capacity release, requires only summary level total revenue and billing determinants by receipt and delivery rate zones by releasing shipper. It does not require such information for each capacity release transaction.

3. Schedule G–2

Schedule G–2 shows revenue and billing determinants by month, by customer name, by rate schedule, by receipt and delivery zone, if applicable, by major rate component and totals for the adjustment period. Great Lakes agrees that this requirement may be appropriate to the extent that a customer's adjusted throughput varies by month/season. However, Great Lakes states, in the absence of such a variation, the monthly breakdown of adjustment period throughput does not serve any useful purpose and creates unnecessary paperwork. Great Lakes requests clarification that no monthly breakdown is required if the pipeline provides a written statement that its projected annual throughput is evenly distributed over each month of the adjustment period.

The request for rehearing is denied. There is no need to make a generic change in the Rule. However, a pipeline demonstrating that its projected annual throughput is evenly distributed by months, may ask for a waiver of the monthly filing requirements.

4. Schedules G–5 and I–4

Revenues from the release by the pipeline of transportation and compression capacity it holds on other pipelines (Account 858 capacity) must be reflected as a credit to Account 858 in Schedule I–4 and also as revenue in Schedule G–5 (Other Revenues).

INGAA seeks clarification that revenues from capacity release are not double counted. INGAA states that, while inclusion of such revenues as a credit against Account 858 costs is appropriate, Schedule I–4 in Section 154.312(o)(4)(v) requires that revenues from released capacity be reflected, separately, in Schedule G–5. INGAA states that under this methodology, revenues from released capacity would count twice against cost of service; once as a credit towards Account 858 costs and second as other revenue. INGAA requests that the requirement to include these amounts in Statement G–5 be removed.

The Commission agrees that these revenues should not be double counted. However, the revenues must be shown in both Schedules I–4 and G–5. If the revenues are credited to the cost of service in Schedule G–5, then these revenues shown in Account 858 may be removed from the total costs claimed on Schedule I–4. However, if they are not reflected as a credit to the cost of service through Schedule G–5, then they must be counted as a credit in Schedule I–4 and Account 858.

5. Schedule H–1(1)

Schedule H–1 requires identification and explanation of all accrual or other normalizing accounting entries reflected in the applicant's base period expenses.

In response to a comment, the Commission revised proposed Schedule H–1(1) to require the disclosure and explanation of all accruals, not just special accruals reflected in the monthly per book expenses in order to allow customers to test whether a pipeline is inflating its expenses in order to increase its rates.[42]

i. *Explanation of all accruals.* A. *Requests for rehearing.* Great Lakes argues that this section should not require the explanation of all accruals. Great Lakes argues that numerous accruals are necessarily recorded for items such as payroll, insurance, taxes, *etc.* Great Lakes states that separately identifying and explaining all base period accruals would be very time consuming and burdensome; and that, disclosure of meaningful data can be accomplished much more efficiently by adhering to the requirements set forth in both the Commission's previous regulations and the NOPR. Great Lakes states that adherence to this requirement, in addition to the Commission staff's audit and data request procedure, is more than sufficient to meet the commenter's concerns without requiring the burdensome production of data, the usefulness of which is questionable at best. PEC argues that there is no evidence that routine true-ups cause special ratemaking concerns and the original language should be reinstated.

ANR and CIG also seek rehearing on these grounds and add that a rate case filing is not the proper forum for the disclosure and explanation of all accruals because such evaluation is currently performed by the Commission's Office of Chief Accountant (OCA) Staff and a company's external accounting firm. ANR and CIG also seek clarification or rehearing concerning whether the new rule requires a pipeline to explain the accruals appearing in every month in the base period. Since most of the individual monthly accruals will have been paid during the base or test period, and therefore there should be no question regarding inflation of such expenses, the only explanation of accruals that would be of value to any extent would be those that are recorded at the end of the test period. Thus, ANG and CIG state, to the extent that the rule requires an explanation of accruals, the

[40] III FERC Stats. & Regs. ¶ 31,025 at 31,412–3.

[41] For a full discussion on this issue, *see* ANR Pipeline Company, 65 FERC ¶ 61,280 at 62,304–7 (1993).

[42] III FERC Stats. & Regs. ¶ 31,025 at 31,417.

explanation should only be with respect to accruals remaining on the books at the end of the test period.

Williston Basin seeks rehearing of the requirement that certain expenses be stated on a cash basis. Schedule H–1(1) requires that pipelines reconcile their base period expenses to actual case expenditures. Williston Basin states that this imposes an enormous burden on pipelines as it conflicts with the method by which pipelines maintain their accounts under the Uniform System of Accounts.[43] Williston Basin states that recording these types of items on a cash basis would violate the Uniform System of Accounts and require companies to maintain two sets of accounting records: one which complies with the Uniform System of Accounts and one from which the H Schedules can be prepared. Williston Basin states that instead of adopting Schedule H–1(1) as written in Order No. 582, the Commission should adopt Schedule H–1(1) as written in the NOPR, whereby only ''special accruals'' would be reconciled rather than ''all accruals.''

B. *Commission response.* These requests for rehearing are granted. Under accrual accounting, many expenses are accrued one month and paid the next. With thousands of accrued entries on the books of most pipelines, the additional disclosure requirements included in Schedule H–1(1) regulations would be extremely lengthy, burdensome and, except for project development expenses, unnecessary. In addition, many of the accruals would have been paid during the base period, and thus present no danger of expense inflation. The only explanation of accruals that might be of value would be that of expenses recorded at the end of the base period. Accordingly, Schedule H–1(1) will be modified such that only ''special accruals'' are reconciled.

ii. *Project development costs.* INGAA seeks clarification that Schedule H–1(1) regulations apply only to project development costs, as the Commission indicated in the preamble, and that these regulations should apply only to accruals remaining on the books at the end of the base period. This clarification is granted and Schedule H–1(1) is amended accordingly.

6. Schedule H–1(1)(c)

Schedule H–1(1)(c) requires a pipeline to show expenses and associated quantities applicable to Accounts 810, 811 and 812. Williston Basin seeks rehearing of this requirement. Williston Basin states that the cost portion of this schedule should be eliminated because fuel costs are recovered by a separate mechanism under Williston Basin's existing tariff and such costs should, therefore, not be subject to review here. Alternatively, Williston Basin states that if a pipeline's fuel reimbursement tracker does not require a redetermination of the base level of gas in a rate proceeding, the Commission should not require that the pipeline provide this information.

Williston Basin's request for rehearing is denied. As noted in the Rule, the Commission must review all fuel costs, whether recovered in a separate mechanism or not.[44] Fuel usage is an important element of a pipeline's costs and though these costs may be tracked, a pipeline's tracker may require a redetermination of the base level in a rate proceeding. Since both volumes and costs are recorded in the fuel accounts the data are readily available.

7. Schedules H–1(2)(j)(iv)

Schedule H–1(2)(j)(iv) requires that a pipeline document the derivation of the allocations used to appropriate costs among affiliated companies. The pipeline must also identify by account number all costs paid to or received from affiliated companies which are included in a pipeline's cost of service for both the base and test periods.

INGAA requests that Schedule H–1 be amended such that documentation demonstrating the derivation of allocation bases with underlying calculations are to be provided, as they are today, during discovery. INGAA states that requiring all pipelines to provide this information with the original rate case filing is unduly burdensome because there are numerous types of costs allocated between divisions or companies, each with its own ''allocation basis and underlying calculations.'' INGAA states that in addition to reducing the burden on pipelines, providing the information during discovery would allow the data to be tailored better to the needs of intervenors and the nature of the pipeline.

Rehearing is granted. The Commission agrees with INGAA that providing this type of information with the initial filing is not generally necessary. Schedule H–1(2)(j)(iv) will be amended by removing the requirement to provide documentation of the derivation of allocation bases.

8. Schedule I–1, Functionalization of Cost-of-Service

Schedule I–1 replaces current Statement I (Allocation of overall cost-of-service). The information on jurisdictional and nonjurisdictional sales allocation is eliminated as no longer needed.

Schedule I–1 (c) requires a pipeline that maintains its records by zones and proposes a zone rate methodology to provide functionalized costs for each zone. NGSA suggests that Schedule I–1 (c) should only be required for pipelines which separate their cost-of-service by zones. This is already the case. Section 154.310 requires a cost-of-service by zone only if a pipeline maintains records of costs by zones and proposes a zone rate methodology based on these costs. (See the discussion of § 154.310.)

9. Schedule I–1 (d)

NGSA states that on Schedule I–1 (d), pipelines should be required to show the basis for allocating all costs (A&G, working capital) among functions. NGSA states that the experience of its member companies is that the ''common and joint costs'' required by Schedule I often do not include A&G. Thus, the method used by the company to allocate A&G must be ascertained by means of the discovery process. NGSA submits that to explicitly include A&G in these regulations would clarify the requirement, and reduce discovery burden and delay in the rate case proceeding, and provide parties with important information with respect to an increasingly important category of costs.

The Commission agrees with NGSA that Schedule I often does not include the allocation of A&G and this allocation should be included. Accordingly, Schedule I–1(d) will be revised to include the allocation of A&G.

10. Statement O

NGSA requests that the rate history filing requirement be retained but modified to require the company to show its rate history only since its last major rate filing in Statement O. NGSA submits that retention of this limited

[43] According to the Uniform System of Accounts: ''The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts of all known transactions of appreciable amount which affect the accounts.'' 18 CFR Part 201, General Instruction No. 11. Under accrual accounting, assets and liabilities are recognized as they occur—not when they are paid. For example, the expense and liability for payroll taxes are recorded at the time the associated payroll is recorded, not when the taxes are paid. Similarly, the expense and liability for receipt of purchased materials is recorded when the materials are received. It is at the time of that the obligation to the vendor is established. Other examples of where the liability accrued precedes the actual cash payment include interest expense, income taxes, prepaid insurance, pension costs, post retirement benefit costs, and use taxes.

[44] III FERC Stats. & Regs. ¶ 31,025 at 31,417.

form of the rate history requirement does not represent a burden on the pipeline, and provides parties with important summary information, difficult to obtain by other means, regarding the levels and effective periods for rates which have been in effect since the company's last filing.

NGSA's request is denied. One purpose of the rule was to eliminate any unnecessary burdens of production to the pipeline company. This involves avoiding the duplication of information that can be gathered from another source. The history provided by Statement O is not relied on in the Commission analysis of a rate proceeding and is available through the Commission Issuance Posting System (CIPS).

11. Statement P

In the past, pipelines filed their Statement P testimony 15 days after filing the rate proposal. The Rule requires Statement P to be filed concurrently with the rate case so as to make a more complete explanation of the rate proposal available at the outset.

Williston Basin seeks rehearing of this requirement. Williston Basin states that the removal of this 15-day period unnecessarily shortens the period in which a pipeline must prepare and file a rate case. Williston Basin states that the Commission should grant rehearing so as not to place additional burdens on companies in preparing the voluminous statements and schedules that must accompany rate case filings.

This request is denied for the reasons discussed in the Rule.[45] The Commission's experience is that Statement P provides the most comprehensive description of the proposed rate change. To achieve its intended purpose of expediting the hearing, Statement P must serve as the applicant's complete case-in-chief, not a mere description of proposed rates.[46]

It is the pipelines' statutory burden to demonstrate that proposed rates are just and reasonable. When the rates cannot be determined to be just and reasonable by the filed material alone, a hearing must be established. This Rule represents a concerted effort to avoid lengthy hearings. One way to expedite the process is to get the information needed to make merits determinations (Statement P) to the Commission and other parties sooner than under the current regulations.

q. 154.314 Other Support for a Filing

The Rule does not require pipelines to file monthly financial reports prepared for management purposes and copies of accounting analyses of balance sheet accounts.[47]

APGA requests that the Commission grant rehearing and require pipelines to file financial reports as an integral part of a Section 4 rate filing. APGA submits that a pipeline's financial statements are essential to an understanding of a pipeline's rate of return presentation and should be available up front to the parties to a rate proceeding. APGA states that if information contained in such reports is deemed commercially sensitive by the pipeline, it may file such information under seal subject to a protective agreement.

APGA's request is denied. This data is not generally necessary in the early part of the process. Such information may be obtained through discovery after a rate case has been set for hearing.

r. Section 154.403 Periodic Rate Adjustments

New § 154.403 governs the passthrough, on a periodic basis, of a single cost item or revenue item not otherwise covered by subpart E, such as remaining purchased gas adjustment mechanisms, fuel loss and unaccounted-for gas, and transition cost filings.

1. Requests for Rehearing

NGSA requests that the Commission reconsider NGSA's suggestions for periodic rate filing requirements, summarized in the Rule. Specifically, NGSA suggested the following items be required with filings made under this section:

a. Reconciliation information for the past period which compares the volumes and revenues actually recovered to the volumes and costs used to design the rates previously in effect, with discounted transactions separately identified, and showing any past period underrecovery to be included in the new rate;

b. Actual data on costs incurred since the last filing, compared to the costs on which the previous rates were based;

c. Derivation of any discounting adjustment included in the proposed rates, citing the authority under which such adjustment is being made;

d. Citations to data sources and approval order for data used which is derived elsewhere; and

e. Requirement that costs, volumes, allocation and rate design be shown by zone of receipt/zone of delivery or other category used to charge rates, where appropriate.

NGSA is concerned that where information is not required, it is not likely to be supplied. For example, NGSA states that the regulations do not require companies to include actual fuel used and fuel retained from shippers under the existing fuel rates when filing for new fuel retention rates. Thus, NGSA states, parties do not know if the pipeline's existing fuel rates have overrecovered or underrecovered actual fuel costs, and may have no actual basis on which to evaluate the proposed rates. NGSA states that, pursuant to § 154.403(d)(3)), actual data are not required by the regulations where the proposed rates are based on estimates. Consequently, NGSA states, for filing under this subpart where discovery is not available to interested parties, there may be no way of obtaining the needed information. NGSA states that this circumstance would occur, for example, where the filing has not been set for hearing or where the parties had not previously agreed to a submission of the data.

2. Commission Response

Section 154.403 is intended to cover a disparate array of potential cost recovery or revenue credit surcharges, in addition to fuel reimbursement mechanisms. The regulations adopted are intended to ensure the widest possible applicability.

The Rule states that the information NGSA seeks will be available in the filings under this subpart.[48] NGSA requests that the regulations be revised to require reconciliation information for the past period which compares the volumes and revenues actually recovered to the volumes and costs use to design the rates previously in effect. Section 154.403(c)(6) already requires that where costs or revenue credits are accumulated over a past period for periodic recovery or return, the tariff must include provisions to define the past period, to detail the mechanism for recovering the cost or revenue, to describe the mechanism for calculating the entries to the deferral account and for passing through the account balance. Where necessary, the information NGSA seeks would be covered in the tariff provision required by § 154.403(c)(6).

[45] III FERC Stats. & Regs. ¶ 31,025 at 31,382 and 31,424.

[46] Statement P requires the pipeline to:

Provide copies of prepared testimony indicating the line of proof which the company would offer for its case-in-chief in the event that the rates are suspended and the matter set for hearing. Name the sponsoring witness of all text and testimony. Statement P must be filed concurrently with the other schedules.

[47] III FERC Stats. & Regs. ¶ 31,025 at 31,425.

[48] III FERC Stats. & Regs. ¶ 31,025 at 31,427.

Similarly, while the derivation of discounting adjustments is not specifically listed under the filing requirements in § 154.403(d), § 154.403(c)(8) requires the tariff to provide, on a step-by-step basis, how the pipeline's methodology for calculating its surcharge will be affected by rate discounts. The pipeline must then follow this methodology when it files to change its rates. When the pipeline files to establish its methodology in the tariff, sufficient detail must be incorporated in the tariff to establish the step-by-step calculation methodology. It is in fashioning the tariff provision that detailed information requirements will be established such as those NGSA would include in the regulations. It is not, therefore, necessary for the regulations to explicitly require discounted transactions to be separately identified. Nor is it necessary to modify the regulations to include the requirement that the derivation of any discounting adjustment be included in the proposed rates.

Some of the data NGSA wishes the regulations to require are already explicitly required by the new regulations. For example, § 154.403(d)(1)(ii) requires computations to be shown for each surcharge or fuel reimbursement percentage to be applied. The computations should be broken down by service, classification, area, zone, or other subcategory as appropriate. Therefore, NGSA's request that the regulations require costs, volumes, allocation, and rate design be shown by zone of receipt/zone of delivery or other category used to charge rates would be redundant. In addition, §§ 154.403(d)(1)(iv) and (v) require the pipeline to cite the source of the costs, revenues, rates, quantities, indices, load factors, percentages, or other numbers used in the calculations. NGSA's request that citations to data sources be required is, therefore, already in the regulations.

Section 154.403(c)(5) requires a step-by-step description of the cost calculation and flowthrough methodology to be included in the tariff. Any comparison between actual costs incurred and the costs underlying the previous rate may be appropriate for inclusion in the methodology required by the referenced section. That determination must be made at the time the tariff language setting forth the methodology is accepted.

s. Section 154.501(a)

Section 154.501(a) states that ''[t]he refund plus interest must be distributed as specified in the Commission order requiring or approving the refund, or if no date is specified, within 60 days of the order.''

1. Refund Upon Final Order

Williston Basin states that refunds should be required only upon the issuance of the final Commission order in the proceeding. Williston Basin states that in an instance where a pipeline requests rehearing or appellate review of a Commission order imposing refund liability, the refund should be deferred until after final ruling to avoid the necessity for further refunds or for the required rebilling of prematurely refunded amounts. Williston Basin states that it has become increasingly difficult, if not impossible, to collect prematurely refunded amounts from transient shippers.

Williston Basin states that shippers are well protected from any delay they might experience in receiving their refunds since they receive interest on the amount which the pipeline must refund; thus, they are made whole for any overpayment amounts which the pipeline held. Williston Basin states that if pipelines are forced prematurely to make refunds before a final, nonappealable agency order is issued pipelines could be left holding an empty bag as they would have to track down shippers that may no longer exist to recover these premature refunds.

2. Commission Response

Section 154.501(a) was patterned in part after former § 154.67(c). Former § 154.67(c) noted that the date of any refund would be determined in a final Commission order. Section 154.501(a) retained this provision but added that if no specific date is set, the refund must be made within 60 days of the order. The regulation did not specify the procedure to follow in an instance where a pipeline requests rehearing or appellate review of a Commission order imposing refund liability. To avoid any confusion, the regulation will be revised to read that in the event no date for the refund is set by the Commission order establishing the refund obligation, the refund must be made within 60 days of a final Commission order. For purposes of this section, final order will mean an order no longer subject to rehearing. Williston Basin's request that the refund disbursement be delayed until after judicial review is denied as inconsistent with the NGA.[49]

t. Section 501(d)

1. Higher Interest Rate

AGD proposes procedures to reduce the level and duration of excessive pipeline rate increases including an amendment to § 154.501(d). AGD proposes that the Commission exercise its discretion to prescribe a higher interest rate to apply to refunds of pipeline's excessive charges. The proposed percentage AGD recommends is one that would be high enough to deter the pipeline from seeking excessive rate increases so that such increases are limited to those which can be fully justified. AGD states that such an interest rate would be equal to the rate of return on equity sought by the pipeline in its rate filing. AGD states that this interest rate would be a significant deterrent to a pipeline's unsubstantiated rate increase proposal and provide the pipeline with a necessary incentive to cooperate with its customers in the early disposition of its rate increase proposal, an incentive that no longer exists under the SFV rate design standard.

2. Commission Response

AGD seeks to change the Commission's provision for carrying charges under § 154.501(d) from a vehicle to ensure compensation for the time value of money into an incentive mechanism for modest rate increase proposals on the part of the pipelines. The Commission does not intend to change any substantive ratemaking policies through this Rule. Thus, AGD's request is beyond the scope of the Rule and is denied.

3. Surcharges

ANR and CIG request clarification that the Commission's intent is to allow pipelines, that are required to pay surcharges to other pipelines as a result of a Commission order, to recover such surcharges from customers within 30 days of the pipeline paying such charges through the mechanism of a limited section 4 filing.[50]

[49] Section 19(c) of the NGA provides that:

The filing of an application for rehearing under subsection (a) shall not, unless specifically ordered by the Commission, operate as a stay of the Commission's order. The commencement of proceedings under subsection (b) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order. Waiting to disburse a refund until after appeals court review would entail undue delay and would be inconsistent with current practice. 15 U.S.C. 717r(c).

[50] For example, in Docket No. RP91–143–027, 72 FERC ¶ 61,081 (Remand Order), the Commission directed Great Lakes to effectuate refunds and surcharges to expansion and pre-expansion shippers, respectively. Under the clarification sought by ANR and CIG, pipelines that incur surcharges pursuant to the Remand Order could file limited section 4 filings seeking authority to increase their rates to pass through to their shippers the amount of the Great Lakes surcharge, and such authority would be granted.

If such clarification is denied, ANR and CIG request rehearing stating that the change to § 154.501 improperly mandates a one-sided exception to test period ratemaking. ANR and CIG state that requiring a pipeline to pay to customers refunds received after the end of the test period underlying the pipeline's rates violates §§ 154.303 and 154.63(e)(2) of the Commission's regulations. ANR and CIG state, unless the Commission implements an exception to this regulation in an even handed manner, equity dictates that pipelines should not be required to pass through a refund from an upstream pipeline unless the Commission determines that the pipeline is overrecovering its costs after reviewing all of the pipeline's other costs and revenues.

In any event, ANR and CIG request that the 30-day provision be clarified with respect to minor refunds and surcharges. Specifically, they request that minor refunds be treated as billing adjustments which will be reflected in the next billing 30 days subsequent to receipt, and surcharges be reflected in the next billing 30 days subsequent to billing.

4. Commission Response

In response to ANR/CIG's comments to the NOPR, the Commission stated in the Rule that cost increases must be filed for by the pipeline. Pipelines would not receive automatic passthrough authority within 30 days of the pipeline paying such charges. A pipeline paying increased charges to an upstream pipeline must file to recover these costs through a section 4 filing. The Commission will not prejudge the proper approach for passing through costs paid to one pipeline by another. Regulations governing such cost passthrough are contained elsewhere in Part 154. ANR/CIG's request for clarification is denied.

5. One-Way Tracker

ANR/CIG reiterates, on rehearing, its comment to the NOPR that the language proposed in the NOPR mandated the institution of a one-way tracker. In response to that comment, the Commission clarified the language of § 154.501(a)(2) to ensure that the refund either is a product of a prior Commission order or occurs in conjunction with a tracker filing instituted under § 154.403. The provision is not a universal requirement for flow through of upstream pipeline refunds as ANR/CIG implies and does not violate the test period concept. This is so because the refund passthrough either is required by a specific Commission order or is made in conjunction with a cost tracking provision approved by the Commission. A cost tracker permits the pipeline to recover costs paid subsequent to the end of the test period without having to file a general rate case and submit to a review of all costs and revenues. Therefore, to ensure those costs are not over-recovered, refunds of costs collected from customers by means of a rate established under a tracking mechanism must be flowed through to customers.

6. Minor Refunds

ANR/CIG request clarification that the 30-day provision relates to minor refunds and surcharges. Sections 154.501 and 154.502 relate solely to refunds, not to surcharges.

The Commission adopted a single generic standard of 30 days to pass through refunds. The difficulty with making an exception for minor refunds is defining what constitutes a minor refunds. A minor amount on one pipeline may represent a significant amount on another pipeline. It is preferable to have a single generic standard. The Commission will review requests for exceptions for disbursing minor refunds through billing adjustments on a case-by-case basis, thereby allowing such a provision to be tailored to the specific circumstances of each pipeline.

u. Topsheets

APGA requests rehearing of the Commission's determination that it should not establish a time frame for the submission of Staff topsheets.

This matter has been fully considered and discussed in the Rule. APGA's arguments do not warrant further consideration or a different conclusion. This request is denied for the reasons discussed in the Rule.[51]

v. Bifurcation

AGD suggests, as a strategy to expedite pipeline rate case decisions, an early bifurcation of a given proceeding into two separate categories for decisionmaking. The Commission's suspension order in a pipeline rate case would divide the issues to be addressed by the ALJ and the parties in two categories, one of which would be subject to a final Commission decision deadline of 12 months from the filing date, while the other category could have a different Commission decision deadline. In the first, 12 months-to-decision category, the issues would include those concerning the pipeline's filed-for cost of service and its throughput and/or other issues which lend themselves to prompt decisions. The Commission's rules would provide that, in the absence of compelling reasons, all rate case issues concerning the pipeline's cost of service and its throughput volume, including rate of return, depreciation rate and other similar issues would be addressed by the ALJ and by the Commission within 12 months of the filing date.

The second category of issues would be those concerning the pipeline's rate design and/or its allocation of costs among functions and among customers according to their rate schedule. This latter category of issues may involve more complex questions and may require the use of expert testimony, exhibits and other evidence to frame the issues for Commission decision.

The Commission recognizes that the proposed procedure might have the effect of expediting pipeline rate case decisions. However, before implementation, the Commission would require more study as to the potential effects of such a procedure on the rate case as well as what further changes would have to be made to the filing requirements. The suggested change is simply beyond the scope of the purposes of this Rule and will not be adopted.

w. Electronic Pleading

NGC states that the Commission on rehearing should add to its list of goals the electronic service of pleadings. NGC states that, with the internet and world-wide web gaining such increased prominence in recent months, it is time the Commission implemented electronic service through the CIPS system.

Expanding electronic filing requirements to pleadings is outside the scope of this rulemaking.

x. Suspension of Electronic Filing

The Commission is suspending the requirement to submit filings under subpart D electronically until the new electronic filing requirements are fully developed.[52]

INGAA seeks clarification that after electronic filing requirements have been finalized, there would be a period of six months for pipelines to develop internal software and procedures that match their data to the newly developed electronic filing requirements. During this period, pipelines would continue to file rate cases on paper.

In accordance with the Rule, staff convened an informal conference on December 1, 1995, to discuss issues

[51] III FERC Stats. & Regs. ¶ 31,025 at 31,431.

[52] III FERC Stats. & Regs. ¶ 31.025 at 31,433.

relating to electronic filing which had not been resolved. Issues relating to the Index of Customers and discount rate filings have been resolved. The final specifications will be issued shortly. Two working groups were established—one to complete work on Form Nos. 2, 2A and 11 and one to complete work on rate case filings. The working groups met on December 12, 1995, February 7, 1996 and February 8, 1996.

The Commission expects to have work completed on Form No. 11 in time for the first filings due on May 15, 1996. Given the relative simplicity of the Form No. 11, there should be no difficulty meeting this timetable. A delay of six months is excessive for this filing.

The Form Nos. 2, and 2A, and rate case filings, however, are far more complex. Form Nos. 2 and 2A must be filed electronically on April 30, 1997. However, staff and the Working Group—Forms are urged to use due diligence to complete the filing specifications by October 31, 1996, in order to provide the six month preparation time INGAA seeks.

As regards electronic filing for rate cases, the Commission will not adopt INGAA's proposal that its implementation be delayed until six months after the Commission issues the electronic filing specifications. Several pipelines in the working group are providing test files of rate case data in the new file format. It is preferable to wait until the working group process is complete and staff has better information about the amount of time the test pipelines required to create files in the new file format before making a decision on the appropriate amount of delay between the issuance of file specifications and implementation of the electronic filing requirements for rate cases. Therefore, the Commission will defer making a ruling on this issue until staff issues the file specifications for the rate case.

y. Effective Date

The final rule became effective on November 13, 1995, 30 days after publication in the Federal Register.

The NOPR proposed that the revised regulations would be effective 90 days after publication in the Federal Register.[53] However, the Rule made the revisions effective 30 days after publication in the Federal Register.[54]

INGAA states that it would be impossible for pipelines who might be in the process of preparing a rate case to implement the Rule within 30 days. INGAA seeks clarification that the effective date will be 90 days after publication in the Federal Register. The Rule already is in effect. Thus, this request is denied as the issue is moot.

INGAA also seeks clarification that the order does not apply to pending rate cases. This request is granted.

ANR and CIG request clarification of when pipelines are required to make changes to their tariff to bring the tariff into compliance with the new Rule. In some instances, such as a filing for a rate change, it is clear that the next filing would trigger the Rule's requirements. However, it is not clear when pipelines will have to make other revisions to their present tariffs, such as conforming the title page of their tariff to the new Rule's requirements or providing explanations of policies on such issues as discounts.

The Commission clarifies that all filings and tariffs on file must be in compliance with the revised regulations no later than December 31, 1996.

List of Subjects in 18 CFR Part 154

Alaska, Natural Gas, Pipelines, Reporting and recordkeeping requirements.

The Commission Orders

(A) The requests for rehearing and clarification of Order No. 582, the final rule issued in this docket on September 28, 1995, are granted and denied as discussed in the text of this order.

(B) All filings and tariffs on file must be in compliance with the revised regulations promulgated by Orders No. 582 and 582–A, no later than December 31, 1996. By the Commission.

Lois D. Cashell,

Secretary.

In consideration of the foregoing, the Commission is amending part 154, Chapter I, Title 18, Code of Federal Regulations, as set forth below.

PART 154—RATE SCHEDULES AND TARIFFS

1. The authority citation for part 154 continues to read as follows:

Authority: 15 U.S.C. 717–717w; 31 U.S.C. 9701; 42 U.S.C. 7102–7352.

2. Section 154.7 is amended by revising paragraph (a)(6) to read as follows:

§ 154.7 General requirements for the submission of a tariff filing or executed service agreement.

* * * * *

(a) * * *

(6) A statement of the nature, the reasons, and the basis for the filing. The statement must include a summary of the changes or additions made to the tariff or executed service agreement, as appropriate. The statement must include a quantified summary comparing the cost of service, rate base and throughput underlying each change in rate made to the tariff or executed service agreement compared to the same information underlying the last rate found by the Commission to be just and reasonable. A detailed explanation of the need for each change or addition to the tariff or executed service agreement must be included. The natural gas company also must note all relevant precedents relied upon to prepare its filing.

* * * * *

§ 154.101 [Amended]

3. In § 154.101, the words ''¼ inches'' are removed and the words ''1¼ inches'' are added in their place.

4. Section 154.208 is amended by revising paragraph (c) and adding paragraph (d) as follows:

§ 154.208 Service on customers and other parties.

* * * * *

(c) Within two business days of receiving a request for a complete copy from any customer or state commission that has not made a standing request, the company must serve a full copy of any filing.

(d) A customer or other party may designate a recipient of service. The filing company must serve the designated recipient, in accordance with paragraphs (a), (b) and (c) of this section, instead of the customer or other party. For the purposes of this section, service upon such designated recipient will be deemed service upon the customer or other party.

5. Section 154.301 is amended by revising paragraph (c) as follows:

§ 154.301 Changes in rates.

* * * * *

(c) A natural gas company filing for a change in rates or charges must be prepared to go forward at a hearing and sustain, solely on the material submitted with its filing, the burden of proving that the proposed changes are just and reasonable. The filing and supporting workpapers must be of such composition, scope, and format as to comprise the company's complete case-in-chief in the event that the change is suspended and the matter is set for hearing. If the change in rates or charges presented are not in full accord with any prior Commission decision directly involving the filing company, the company must include in its working

[53] IV FERC Stats. & Regs. ¶ 32,511 at 32,944.

[54] III FERC Stats. & Regs. ¶ 31,025 at 31,375.

papers alternate material reflecting the effect of such prior decision.

6. Section 154.303 is amended by revising paragraph (c)(2) to read as follows:

§ 154.303 Test periods.

* * * * *

(c) * * *

(2) When a pipeline files a motion to place the rates into effect, the filing must be revised to exclude the costs associated with any facilities that will not be in service as of the end of the test period, or for which certificate authorization is required but will not be granted as of the end of the test period. At the end of the test period, the pipeline must remove from its rates costs associated with any facility that is not in service or for which certificate authority is required but has not been granted.

* * * * *

7. Section 154.304 is amended by revising paragraphs (b) and (c) to read as follows:

§ 154.304 Format of statements, schedules, workpapers and supporting data.

* * * * *

(b) The data in support of the proposed rate change must include the required particulars of book data, adjustments, and other computations and information on which the company relies, including a detailed narrative explanation placed at the beginning of the specific statement or schedule to which they apply, explaining each proposed adjustment to base period actual volumes and costs.

(c) Book data included in statements and schedules required to be prepared or submitted as part of the filing must be reported in a separate column or columns. All adjustments to book data must also be reported in a separate column or columns so that book amounts, adjustments thereto, and adjusted amounts will be clearly disclosed. All adjustments must be supported by a narrative explanation placed at the beginning of the specific statement or schedule to which they apply.

* * * * *

8. Section 154.311 is revised to read as follows:

§ 154.311 Updating of statements.

(a) Certain statements and schedules in § 154.312, that include test period data, must be updated with actual data by month and must be resubmitted in the same format and with consecutive monthly totals for each month of the adjustment period with a single set of updates encompassing a 12-month period. The updated statements or schedules must be filed 45 days after the end of the test period. The updated filing must be provided to parties specifically requesting them. The updated filing must reference the associated docket number and must be filed in the same format, form, and number as the original filing.

(b) The statements and schedules in § 154.312 to be updated are: Statements C, D and H–4; Schedules B–1, B–2, C–3, D–2, E–2, E–4, G–1, G–4, G–5, G–6, H–1 (1)(a), H–1 (1)(b), H–1 (1)(c), H–1 (2)(a) through H–1 (2)(k), H–2 (1), H–3 (3), I–4, and I–6.

(c) This requirement to file updates may be extended by the Secretary pursuant to § 375.302 of this chapter.

9. Section 154.312 is amended by revising paragraphs (d)(1), (k)(1), (k)(15)(iv) and (o)(1)(iv) as follows:

§ 154.312 Composition of Statements.

* * * * *

(d) * * *

(1) *Schedule D–1.* This schedule is part of the workpapers. Show the depreciation reserve book balance applicable to that portion of the depreciation rate not yet approved by the Commission, the depreciation rates, the docket number of the order approving such rate, and an explanation of any difference. Reflect actual end of base period depreciation reserve functionalized and test period depreciation reserve functionalized. Show accumulated depreciation and amortization, in columnar form, for the ending base and test period balances by functional classifications of Accumulated Depreciation reserve. (Examples are provided in Schedule C–1). For each functional plant classification, show depreciation reserve associated with offshore and onshore plant separately.

* * * * *

(k) * * *

(1) *Schedule H–1 (1).* This schedule is part of the workpapers. Show the labor costs, materials and other charges (excluding purchased gas costs) and expenses associated with Accounts 810, 811, and 812 recorded in each gas operation and maintenance expense account of the Uniform System of Accounts. Show these expenses, under the columnar headings, with subtotals for each functional classification, as follows: operation and maintenance expenses by months, as booked, for the 12 months of actual experience, and the 12-month total; adjustments, if any, to expenses as booked; and total adjusted operation and maintenance expenses. Disclose and explain all accrual on the books at the end of the base period or other normalizing accounting entries for internal purposes reflected in the monthly expenses presented per book. Explain any amounts not currently payable, except depreciation charged through clearing accounts, included in operation and maintenance expenses.

* * * * *

(15) * * *

(iv) The bases used in determining the amounts of the charges (credits). Explain and demonstrate the derivation of the allocation bases with underlying calculations used to allocate costs among affiliated companies, and identify (by account number) all costs paid to, or received from affiliated companies which are included in a pipeline's cost-of-service for both the base and test periods.

* * * * *

(o) * * *

(1) * * *

(iv) *Schedule I–1(d).* Show the method used to allocate common and joint costs to various functions including the allocation of A&G. Provide the factors underlying the allocation of general costs (e.g., miles of pipe, cost of plant, labor). Show the formulae used and explain the bases for the allocation of common and joint costs.

* * * * *

10. Section 154.501 is amended by revising paragraph (a)(1) to read as follows:

§ 154.501 Refunds.

(a) *Refund Obligation.* (1) Any natural gas company that collects rates or charges pursuant to this chapter must refund that portion of any increased rates or charges either found by the Commission not to be justified, or approved for refund by the Commission as part of a settlement, together with interest as required in paragraph (d) of this section. The refund plus interest must be distributed as specified in the Commission order requiring or approving the refund, or if no date is specified, within 60 days of a final order. For purposes of this paragraph, a final order is an order no longer subject to rehearing. The pipeline is not required to make any refund until it has collected the refundable money through its rates.

* * * * *

Note: This Appendix will not appear in the Code of Federal Regulations.

Appendix

Minor modifications are made to the electronic filing instructions for tariff sheets. The instructions for completing the ''TF07''

record have been corrected. In the previous version of these instructions, the position for the FERC Cite was erroneously given as character position 43–49. The correct character position is 5–11. The Commission's software, the FERC Automated System for Tariff Retrieval, FASTR, will recognize the FERC cite whether entered in positions 43–49 or 5–11. The Commission is allowing pipelines to file other electronic filings on CD-ROM. The Commission will extend this option to electronic tariff filings as well.

Natural Gas Pipeline Company Tariff Filings

Revised

Docket No. RM95–3–001

OMB Nos.	Expiration date
1902–0066	5/31/97
1902–0070	5/31/97
1902–0152	5/31/97
1902–0153	5/31/97
1902–0154	6/30/96
1902–0155	5/31/97

This document replaces the Tariff Filing Record Formats issued August 31, 1989.

General Information

I. Purpose

All companies which maintain a gas tariff with the Federal Energy Regulatory Commission (FERC) are required to submit, along with the paper copies, an electronic version of all tariff filings pursuant to section 385.2011 of the Commission's regulations. Companies are required to have an electronic version of their entire gas tariff (excluding Volume No. 2 contractual rate schedules) on file with FERC on or before January 26, 1996 This form does not modify the existing tariff sheet format required in section 154.102 or section 385.2003 for tariff sheets filed on paper. Nor does it modify the requirement in section 154.201(a) to file a marked paper version of the pages to be changed by showing additions and deletions using highlighting, background shading, bold text, or underlined text.

II. Who Must File

All companies who are required to maintain a FERC Gas Tariff on file with the FERC.

III. What To Submit

All proposed revisions to the FERC Gas Tariff will be submitted in conformance with this form. Such proposed revisions include, but are not limited to, rate changes pursuant to a Section 4 filing or changes in service pursuant to a certificate issued as a result of a section 7 proceeding. Upon request of the Secretary of the FERC, companies must submit such additional supporting and clarifying data and information as may be specified.

All data will be submitted on diskette(s), preferably 3.5″ High Density diskettes, and must conform to the specific instructions provided in Exhibit A. Optionally, data may be submitted on CD. Filings in this medium must conform to the specifications in Exhibit A. The diskette(s) or CD(s) must be accompanied by paper copies of the information submitted on the diskette. The paper copies must conform in all respects to the requirements of sections 154 and 157 and will consist of the required number of copies of the transmittal letter, the tariff sheets, the certification of service, and a form of notice suitable for publication in the Federal Register.

The letter of transmittal and the certification of service will be submitted on paper only. The letter of transmittal must include the subscription provided in section 385.2005(a). The subscription provided must state, in addition to the requirement in section 385.2005(a), that the paper copies contain the same information as the diskette(s) and that the signer has read and knows the contents of the paper copies and that the contents as stated in the paper copies are true to the best knowledge and belief of the signer.

Respondents claiming that information is privileged must file in accordance with section 385.1112; otherwise, all data submitted will be considered non-privileged and will be made available to the public upon request.

IV. When To Submit

The tariff sheets should be filed with the Commission at the time the company proposes a change in service or rate. The notice period should be consistent with the Commission's regulations.

V. Where To Submit

(1) Submit this report to: Office of the Secretary, Federal Energy Regulatory Commission, Washington, DC 20426.

(2) Hand deliveries may be made to the same address.

You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

General Instructions

(1) Schedule TF. Records TF01 through TF07 and the text line records are intended to capture all of the tariff elements which the pipeline has historically filed as part of its FERC Gas Tariff. Record TFO1 identifies the company and the filing date. Record TF02 captures information about the tariff volume; and Records TF03, TF04, TF05, TF06, and TF07 contain requisite marginal information for an individual tariff sheet. The actual tariff sheet text will follow Record TF07.

Each tariff sheet should be identified by the nature of the sheet, and assigned the appropriate ''Text ID'' from among those listed in the layout for Record TF03. For example, a tariff sheet which includes the table of contents must be assigned Text ID = ''1''. The text of a tariff sheet should include any footnotes applicable to the individual tariff sheet. When filing the tariff sheet on paper, footnotes should appear inside the ruled borders required by section 154.101.

All of the marginal information required under 18 CFR § 154.102(d) is to be included only in the tariff sheet header records. These header records will be utilized to print a hard copy with the appropriate marginal information.

If a tariff sheet is filed to be read vertically in hard copy, this is referred to hereinafter as ''Portrait'' orientation. If the sheet will be read horizontally, the orientation is referred to as ''Landscape.'' The requirements of section 154.101 imply that the length of a line of actual text is 6.75 inches in Portrait orientation, and 10.0 inches in Landscape. The pitch, the number of print characters per horizontal inch (cpi); the number of lines per vertical inch (lpi); and the page orientation for printing the tariff sheet must be given in the first Tariff Sheet Header Record, (Record TF03). The number of characters per horizontal inch (cpi) must not exceed 17. The acceptable lines per vertical inch are 6 or 8. The maximum line length and lines per page for Portrait and Landscape orientation are as follows:

Page orientation	Maximum line length (characters)				Maximum lines per page	
	10cpi	12cpi	15cpi	17cpi	6lpi	8lpi
Vertical (portrait)	65	79	98	112	50	70
Horizontal(landscape)	98	118	148	168	31	44

(2) Record Types. Records must be filed in the following order:

Company Header Record (TF01): One record per dataset.

Volume Header Record (TF02): One record per volume. All pages for the same volume will be grouped together. If more than one dataset is required for the filing of a volume, this record must appear in each dataset. Note: When more than one dataset is needed to accommodate a filing, name the datasets in accordance with the instructions in Exhibit A.

Note: The Appropriate Tariff Sheet Header Records Must Precede Each Tariff Sheet!

Sheet Header Record (TF03): One record per sheet.

Superseded Sheet Header Record (TF04): This record pertains to the superseded sheet information. One record per sheet unless there is no superseded sheet (e.g., Original and Substitute Original sheets). In that case, this record may be omitted.

Issuing Officer Header Record (TF05): One record per filing, unless the filing contains sheets that reference more than one issuing officer or the tariff sheets are submitted in more than one dataset. Optionally, this record may precede every tariff sheet filed.

Date and Docket Header Record (TF06): One record per filing, unless the effective date or other information in this record changes from sheet to sheet or the tariff sheets are submitted in more than one dataset. Optionally, this record may precede every tariff sheet filed.

FERC Cite (TF07): One record per sheet. This header record should only accompany tariff sheets filed in compliance with an order of the Commission.

Text Line Records: The actual tariff sheet text. Note: any special codes placed in the text (such as bold, italic, underline, etc.) are removed when converting to ASCII format.

(3) Numeric Fields. All numeric fields in Records TF01 through TF06 must not be left blank, and must be right justified unless indicated otherwise. The following conventions should be followed in preparing each header record in the filing:

(A) If a numeric data item is not applicable to the respondent, enter the numeric value ''0'' in the field provided for this data item.

(B) Do not include commas in reporting any numeric value.

(C) Report all dates as six digit numerics (month, day, year, MMDDYY).

(4) Pipeline Company ID. Use the code for the pipeline as contained in the Buyer Seller Code List, U.S. Department of Energy's publication DOE/EIA–0176. A code may be obtained by calling EIA at (202) 586–8841.

(5) Record Lengths. Do not pad the end of data records with blanks.

Specific Instructions

(1) Effective Date. The date, given as month, day, and year, on which the respondent expects the filing to be put into effect subject to the concurrence of the FERC.

(2) Tariff Volume Number. The number of the volume to which the tariff sheets belong. For example, if the volume is labeled ''Second Revised Volume No. 1,'' report a ''1'' in this field.

(3) Tariff Volume Revision Number. Report the number of the revision. For example, if the tariff volume is labelled ''Second Revised Volume No. 1,'' report a ''2'' in this field. If the tariff volume is an original volume, report a zero in this field.

(4) Tariff Volume ID. Report the full tariff volume name in this field. For example, if the volume is labelled ''First Revised Volume No. 1,'' report ''First Revised Volume No. 1'' in this field.

(5) Sheet Number. Report the number of the tariff sheet being filed. For example, if the sheet is numbered ''First Revised Sheet No. 3 superseding Original Sheet No. 3,'' report a ''3'' in this field.

(6) Sheet Revision Number. Report the number of the revision. For example, if the tariff sheet is numbered ''Second Substitute Third Revised Sheet No. 4 superseding Second Revised Sheet No. 4,'' report a ''3'' in this field. If this is an original tariff sheet, report a ''0'' in this field.

(7) Sheet ID. Report the full designation for the tariff sheet being reported. For example, if the sheet is designated ''First Revised Sheet No. 3 superseding Original Sheet No. 3,'' report ''First Revised Sheet No. 3'' in this field. If the Sheet ID exceeds the allowed 40 character positions for this item, use the ''Abbreviation Conventions List'' at Exhibit C.

(8) Superseded Sheet ID. Report the full designation for the tariff sheet being superseded. For example, if the tariff sheet being filed is designated ''First Revised Sheet No. 3 superseding Original Sheet No. 3,'' report ''Original Sheet No. 3'' in this field. If the Superseded Sheet ID exceeds the allowed 40 character positions for this item, use the ''Abbreviation Conventions List'' at Exhibit C.

(9) First Superseded Sheet Number. When a single sheet supersedes a range of sheets (such as canceling a rate schedule or reserving sheets for future use), report the number of the first sheet in the range. Otherwise this field may be left blank.

(10) Last Superseded Sheet Number. When a single sheet supersedes a range of sheets (such as canceling a rate schedule or reserving sheets for future use), report the number of the last sheet in the range. Otherwise this field may be left blank.

(11) Alternate Sheet ID. When filing primary and alternative tariff sheets, the sheets are uniquely identified by reporting ''00'' in this field for the primary sheet, ''01'' for the first alternate, ''02'' for the second alternate, and so on.

(12) Issuing Officer. Report the name and title of the person authorized to issue the tariff sheet.

(13) Issue Date. The date given as month, day, and year when the tariff sheet is issued.

(14) Order Reference. For tariff sheets which are filed to make rate schedules or provisions ordered by the Commission effective, report the Docket Number and the date of such order. (If more than one docket applies, report the lead docket relating to the filing company in the proceeding.)

(15) FERC Cite. In this field, enter the numbers of the cite to the FERC Reports for the order listed in ''Order Reference'' as follows: For a citation which appears as 12 FERC ¶ 34,567, enter all of the numbers but none of the letters, symbols, or commas. It will appear as 1234567. If the order has no FERC Reports citation, do not enter a TF07 record.

ELECTRONIC TARIFF FILE LAYOUT—SCHEDULE TF

Item	Character position	Data type	Comments
(1) Company Header Record:			
Schedule ID	1–2	character	sch=TF.
Record ID	3–4	numeric	code=01.
Company ID	5–10	numeric	company code from buyer/seller code list, see general instruction 4.
Date Submitted	11–16	numeric	month, day and year report is filed (mmddyy).
Company Name	17–65	character	name of filing company.
(2) Volume Header Record:			
Schedule ID	1–2	character	sch=TF.
Record ID	3–4	numeric	code=02.
Tariff Volume Number	5–8	character	see specific instruction 2.
Tariff Volume Revision Number	9–11	numeric	see specific instruction 3.
Tariff Volume ID	12–51	character	see specific instruction 4.
(3) Sheet Header Record:			
Schedule ID	1–2	character	sch=TF.
Record ID	3–4	numeric	code=03.
Sheet Number	5–12	character	see specific instruction 5.
Sheet Revision Number	13–15	numeric	see specific instruction 6.
Alternate Sheet ID	16–17	numeric	see specific instruction 11.
Text ID	18–19	numeric	0=Title Page.
			1=Table of Contents.

ELECTRONIC TARIFF FILE LAYOUT—SCHEDULE TF—Continued

Item	Character position	Data type	Comments
	.....	.....	2=Preliminary Statement.
	.....	.....	3=Rate Sheets.
	.....	.....	4=Rate Schedule Text.
	.....	.....	5=General Terms and Conditions.
	.....	.....	6=Form of Service Agreements.
	.....	.....	7=Index of Customers.
	.....	.....	8=Other Indices.
	.....	.....	9=Other Tariff Sheets.
	.....	.....	10=Sheets Reserved for Future Use.
Orientation	20	character	P=Portrait.
	.....	.....	L=Landscape.
Pitch	21–22	numeric	Characters per Horizontal Inch=10, 12, 15, or 17.
Lines Per Inch	23	numeric	Lines per Vertical Inch=6 or 8.
Sheet ID	24–63	character	see specific instruction 7.
(4) Superseded Sheet Header Record:			
Schedule ID	1–2	character	sch=TF.
Record ID	3–4	numeric	code=04.
First Superseded Sheet Number	5–12	character	see specific instruction 9.
Last Superseded Sheet Number	13–20	character	see specific instruction 10.
Superseded Sheet ID	21–60	character	see specific instruction 8.
(5) Issuing Officer Header Record:			
Schedule ID	1–2	character	sch=TF.
Record ID	3–4	numeric	code=05.
Issued By	5–58	character	name and title of issuing official; see specific instruction 12.
(6) Date and Docket Header Record:			
Schedule ID	1–2	character	sch=TF.
Record ID	3–4	numeric	code=06.
Date Issued	5–10	numeric	(mmddyy); see specific instruction 13.
Order Date	11–16	numeric	(mmddyy); see specific instruction 14.
Docket Number	17–36	character	see specific instruction 14.
Effective Date	37–42	numeric	(mmddyy); see specific instruction 1.
(7) FERC Cite:			
Schedule ID	1–2	character	sch=TF.
Record ID	3–4	numeric	code=07.
FERC Cite	5–11	numeric	see specific instruction 15.
(8) Sheet Text Line Records: Each entire record consists of the text of the corresponding line of the tariff sheet, without prefix of any kind.			

Exhibit A—Filing Procedures

Diskette(s) or CD(s) containing the information specified for each record ID of the tariff filing filed with the FERC must conform with the following requirements:

(1) The character code for representing all data should be the American National Standard Code for Information Interchange (ASCII) as defined in FIPS PUB 1–2. An exception will be made for the cents (¢) symbol, which should be coded as hexadecimal 8B, or decimal 155, as defined in the IBM-US (PC–8) symbol set. Note that there are symbol sets which define it differently.

(2) The definitions, instructions, and schedule ID/record ID data layouts for this form specify explicitly the data items to be reported and the sequence for recording the information on the diskette(s) or CD(s). The information required for a tariff filing should be recorded on the diskette(s) or CD(s) exactly as specified in the data layout for each schedule/record and in accordance with the general instructions.

(3) All tariff sheets filed under a given docket number should all be included in the same ''file'' or data set, if possible. (Large files may be split as a matter of convenience or diskette size limitation). The file should be named: ''TFMMDDYY.ASC'' where ''TF'' stands for ''Tariff Filing'', and ''MMDDYY'' is the two-digit month, day, and year the tariff filing is submitted. If more than one tariff filing is made on the same day, the subsequent filings should be given file names ''TFMMDDYY.BSC'', ''TFMMDDYY.CSC'', etc., where ''BSC'' indicates the second filing of the day, ''CSC'' the third filing, etc. The file name for each submission must be included in the transmittal letter accompanying the respondent's filing.

(4) Each logical record must be terminated by a CR (ASCII carriage return-13 decimal, OD hexadecimal). An ASCII line feed (LF) following a CR is accepted but not required as part of termination. Do Not pad the end of data records with spaces.

(5) Do not omit any numeric item. Numeric items do not require leading zeros unless specifically noted in the description of the data item. See the General Instructions of this form for detailed instructions for recording numeric data on the diskette(s).

(6) When refiling only to correct an electronic data error on the electronic version of a tariff sheet and not in the paper version, use the same file name, pagination and submittal date.

(7) Each diskette must have a label affixed to it stating the pipeline's name. The CD must be enclosed in an appropriate disc protector with a label affixed to the protector stating the pipeline's name. The label must also state that tariff sheets are enclosed. If more than one diskette is necessary to accommodate a filing, the diskettes should be numbered 1 of N, 2 of N, *etc.*, where N is the total number of diskettes.

CD Specifications

Filing on CD is an option for those respondents who wish to do so. However, all data filed on CD must adhere to the following two constraints:

1. All data submitted must be on CD-Recordable (CD-R) media or traditional CD-ROM media.

2. The file directory structure of the CD must adhere to the ISO 9660 Level One standard.

What is CD-R and how does it differ from traditional CD-ROM media?

CD-R is a technology that allows for creating CD-ROMs on the desktop more cheaply than traditional CD-ROM media. Traditional CD-ROMs are made by using a laser to ''burn'' pits in a thin metallic layer thus recording the binary data. By comparison CD-R uses special discs impregnated with an organic dye which serves the same function as the pits, but at a much lower cost. Both kinds of discs are readable with a traditional CD-ROM drive. Other kinds of discs, magneto optical, or floptical discs are not readable by the common CD-ROM drive and require a different system altogether.

What is Level One ISO 9660?

The ISO 9660 standard is for file directory systems on CD-ROMs. It is a non-proprietary standard and can be used on different platforms. It defines naming conventions, and directory depth. There are two main levels of ISO 9660: level one and level two. The major difference lies within the naming conventions. Level one ISO 9660 allows for MS-DOS style filenames (eight character and three character extensions). Level two ISO 9660 allows for thirty-two character filenames. Because the commission relies upon MS-DOS compatible personal computers, data submitted on CD-ROMs must be in compliance with Level One ISO 9660.

Exhibit B—Tariff Sheet Pagination Guidelines

Section 154.102(d)(2) of the Commission's regulations requires companies to number their tariff sheets as provided below.

(1) Original Sheets. Paginate a sheet as ''Original Sheet No. ____'' when the sheet number has not been used previously in the tariff volume. When filing an entire original or revised tariff volume, all sheets should be paginated as ''Original Sheet No. ____'' unless the sheet falls within the exception under Guideline (11).

(2) Revised Sheets. Designate a sheet as ''Revised'' if it is (a) filed in a different proceeding than the sheet it is superseding or (b) filed in the same proceeding but given a new proposed effective date. Each subsequent ''Revised'' pagination should be numbered sequentially. (See Examples 1 and 2.)

(3) Substitute Sheets. Designate a sheet as ''Substitute ____ Revised Sheet No. ____'' if it is filed to replace a sheet filed in the same proceeding with the same effective date. If a substitute sheet needs to be replaced, paginate the new sheet as ''Second Substitute,'' and so on. (See Example 1.)

(4) Superseded Sheets. Designate as the superseded sheet the most recent sheet filed in a different proceeding effective or proposed to be effective on the same day or on a day prior to the new sheet. This means when filing a substitute sheet the designated superseded sheet stays the same. Provided that the sheet does not fall under the exception in guideline (9). Never designate a rejected or suspended sheet as the superseded sheet. However, if a sheet designated as superseded is subsequently rejected, it is not necessary to refile solely to correct the superseded sheet designation. (See Example 1.)

(5) Rejected Sheets. If a sheet is rejected by order of the Commission, do not reuse the pagination of the rejected sheets. Designate a sheet ''Substitute'' if it is filed to replace a rejected sheet in the same proceeding, but do not designate a rejected sheet as the superseded sheet. Refer to Guidelines (3) and (4).

(6) Alternate Sheets. When filing two versions of a proposed tariff sheet, designate the sheets '' ____ Revised Sheet No. ____'' and ''Alternate ____ Revised Sheet No. ____.'' Paginate a replacement alternate sheet ''Sub Alternate.''

(7) Inserted Sheets. Designate sheets inserted between two consecutively numbered sheets using an uppercase letter following the first sheet number (*e.g.,* sheets inserted between sheets 8 and 9 would be 8A, 8B, etc.). For sheets inserted between two consecutively lettered sheets, add a ''.'' followed by a two digit number (*e.g.,* sheets inserted between sheets 8A and 8B would be 8A.01 through 8A.99). For further insertions, add a lowercase letter (*e.g.,* between sheets 8A.01 and 8A.02 would be 8A.01a, 8A.01b, etc.).

(8) Pre-dated Sheets. When a sheet is filed with a proposed effective date which pre-dates the effective date of a suspended or effective sheet with the same number filed in a different proceeding, designate the new sheet ''____ Rev ____ Revised Sheet No. ____'' where the second and third blanks are numbered the same as the sheet with the later effective date and the first blank contains ''1st,'' ''2nd,'' *etc.* Commonly, this situation occurs when a sheet is suspended for five months and subsequent sheets need to be made effective prior to the date the suspended sheet becomes effective. (See Example 3.) Note: When using the ''1st Rev'' pagination, drop extraneous words if the superseded sheet provides the same information. (See Example 4.)

(9) Retroactive Sheets. When filing a retroactive change back to a certain date, all sheets which are or were in effect from that date forward need to be changed. The first sheet should be designated either as ''Substitute'' in accordance with Guideline (3) above or ''____ Rev'' in accordance with Guideline (8), depending on whether the retroactive filing is in the same docket as or a different docket from the sheet being replaced. The rest of the sheets should be designated as a ''Substitute'' of each sheet already on file. For the first new sheet in the series of sheets, the superseded sheet shall be designated in accordance with Guideline (4) above. However, the remainder of the sheets in the series should supersede each other in order, even though they are all filed in the same docket. In this way, the ''superseded'' designation will reflect the last sheet in effect on each given effective date. (See Examples 5 and 6.)

(10) Canceled Sheets. When filing to cancel a rate schedule, file one sheet with a new revision number and the sheet number of the first canceled sheet. Designate as superseded ''Sheet Nos. ____–____'' where the blanks refer to the first and last canceled sheet numbers in a series. The specific pagination of each individual canceled sheet should be included in the body of the tariff sheet. When using the formerly canceled sheet numbers, refer to the pagination of the sheets listed in the body of the canceling sheet, and paginate each sheet with the next higher revision number. See Example 8.

(11) Sheets Reserved For Future Use. When reserving a number of sheets for future use, file one sheet paginated ''Sheet Nos. ____–____'', where the blanks refer to the first and last reserved sheet numbers in series. In the body of the sheet state ''Reserved for Future Use.'' (See Example 9.) Note: in the electronic tariff sheet records, report the first sheet number in the series in the ''Sheet No.'' field and the full pagination in the ''Sheet ID'' field.

(12) Abbreviations. *Pagination cannot exceed 40 characters.* Abbreviate from left to right using the Abbreviation Conventions List in Exhibit C. *Abbreviate only as needed* to reduce the pagination to 40 characters or less. (See Example 7.) Electronic and paper versions of a tariff sheet must be paginated *exactly* alike, including abbreviations.

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Example 1

"Original Sheet No. 4" is filed in Docket No. CP94-44-000 to be effective January 1, 1994. Subsequently, a sheet filed in Docket RP94-1-000 is to be effective February 1, 1994. Paginate that sheet "First Revised Sheet No. 4 superseding Original Sheet No. 4." A mistake is discovered and a corrected sheet needs to be filed in Docket No. RP94-1-001. Paginate that sheet "Substitute First Revised Sheet No. 4 superseding Original Sheet No. 4." Note the superseded sheet is from the prior proceeding.

Docket	Filed	Effective	Pagination	Superseded Sheet
CP94-44-000	11/30/93	1/1/94	Original	
RP94-1-000	12/31/93	2/1/94	First Revised	Original
RP94-1-001	2/15/94	2/1/94	Sub First Revised	Original

Example 2

"Second Revised Sheet No. 4" is filed in Docket No. TM94-1-77-000 to be effective April 1, 1994. Subsequently, a sheet is filed in Docket No. RS94-1-50-000 to be effective on the same date. Paginate that sheet with the next revision number, "Third Revised Sheet No. 4" even though it is to be effective on the same date.

Docket	Filed	Effective	Pagination	Superseded Sheet
TM94-1-77-000	2/28/94	4/1/94	Second Revised	Sub First Revised
RS94-1-50-000	3/31/94	4/1/94	Third Revised	Second Revised

Example No. 3

"Fourth Revised Sheet No. 4" is filed July 31, 1994, in Docket No. RP94-134-000 to be effective September 1, 1994. An order suspends this sheet until February 1, 1995. Subsequently two filings are to be made effective prior to February 1, 1995. Paginate these sheets as "1st Rev Third Revised Sheet No. 4" and "2nd Rev Third Revised Sheet No. 4." When filing to move the suspended tariff sheet into effect, paginate the revised tariff sheet as "Sub Fourth Revised Sheet No. 4". Note: using the alpha-numeric "1st, 2nd" for the additional revision number assists in keeping the pagination clear.

Docket	Filed	Effective	Pagination	Superseded Sheet
RP94-134-000	7/31/94	2/1/95	Fourth Revised	Third Revised
TM94-2-77-000	8/31/94	10/1/94	1st Rev Third Revised	Third Revised

TM94-3-77-000	10/31/94	11/1/94	2nd Rev Third	1st Rev Third
RP94-134-001	1/31/95	2/1/95	Sub Fourth Revised	2nd Rev Third

Example 4

When needing to insert a sheet between "Third Revised" and "Sub Alt Second Revised" with the designation 1st Rev Sub Alt Second Revised, paginate the new sheet "1st Rev Second Revised" (dropping "Sub Alt" from the name), and designate the superseded sheet "Sub Alt Second Revised." In the alternative, the abbreviations in Exhibit C may be used.

Example No. 5

The sheet given in Example No. 1, "Sub First Revised Sheet No. 4" filed in Docket No. RP94-1-001 is in effect February 1, 1994, subject to the resolution of issues. A year later, settlement is reached resulting in a restatement of base rates back to that date. The revised sheets filed under Docket No. RP94-1-002 (using prior examples):

Docket	Filed	Effective	Pagination	Superseded Sheet
RP94-1-002	4/15/95	2/1/94	2nd Sub First Revised	Original
		4/1/94	Sub Second Revised	2nd Sub First
		4/1/94	Sub Third Revised	Sub Second
		10/1/94	Sub 1st Rev Third Revised	Sub Third
		11/1/94	Sub 2nd Rev Third	1st Rev Third
		2/1/95	2nd Sub Fourth Revised	2nd Rev Third

Example No. 6

Continuing from Example 5, a subsequent tracker filing retroactive to November 1, 1994:

Docket	Filed	Effective	Pagination	Superseded Sheet
TM96-1-77-000	4/30/95	11/1/94	3rd Rev Third Revised	Sub 2nd Rev Third
		2/1/95	3rd Sub Fourth Revised	3rd Rev Third

Example No. 7

Abbreviate "Fourth Revised Twenty-Third Revised Sheet No. 4" as "4th Rev Twenty-Third Revised Sheet No. 4."

Example No. 8

To cancel Rate Schedule X-26 which consists of Original Sheet No. 10, First Revised Sheet Nos. 11 through 36, Substitute First Revised Sheet No. 37, and Second Revised Sheet Nos. 38 and 39, file "First Revised Sheet No. 10:"

My Pipeline Company
FERC Gas Tariff
Original Volume No. 1

First Revised Sheet No. 10
Superseding
Sheet Nos. 10 Through 39

Notice of Cancellation

Rate Schedule X-26
Exchange Agreement with YOUR Pipeline Company
Dated January 1, 1980

The following tariff sheets have been superseded:

Original Sheet No. 10
First Revised Sheet Nos. 11 through 36
Substitute First Revised Sheet No. 37
Second Revised Sheet Nos. 38 and 39

Example No. 9

Your general terms and conditions end on page 75 and you want to reserve sheets 76 through 99 for future use:

My Pipeline Company
FERC Gas Tariff
Original Volume No. 1

Sheet Nos. 76 through 99

Sheet Nos. 76 through 99 are reserved for future use.

Exhibit C
Abbreviation Conventions List

Substitute:	Sub
Alternate:	Alt
Revised:	/
First, Second, etc.:	1st, 2nd, etc.
Sheet No.:	(omit these words)

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