

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 71****[Airspace Docket No. 96-AGL-18]****Establishment of Class E2 Airspace; Sawyer Airport, Gwinn, MI****AGENCY:** Federal Aviation Administration (FAA), DOT.**ACTION:** Final rule; correction.

**SUMMARY:** This action corrects the previous airport name from K.I. Sawyer AFB, Marquette, MI, to Sawyer Airport, Gwinn, MI, as stated in Docket 96-AGL-18. Also, the legal description has been changed to reflect the correct wording for a 24 hour service due to an AWOS being installed to provide continuous weather reporting. A minor correction is also being made in the geographic coordinates of the final rule that was published in the Federal Register on January 16, 1997 (62 FR 2265).

**EFFECTIVE DATE:** 0901 UTC, March 27, 1997.

**FOR FURTHER INFORMATION CONTACT:**  
John A. Clayborn, Air Traffic Division, Operations Branch, AGL-530, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294-7568.

**SUPPLEMENTARY INFORMATION:**

## History

Federal Register Document 97-1115, Airspace Docket No. 96-AGL-18, published on January 16, 1997 (62 FR 2265), revised the airport name and the seconds of the longitude for Sawyer Airport, Gwinn, MI. This action corrects those errors.

## Correction to Final Rule

Accordingly, pursuant to the authority delegated to me, the airport name, geographic coordinates and the legal description for the Class E2 airspace area at Gwinn, MI, as published in the Federal Register on January 16, 1997 (62 FR 2265), (Federal Register Document 97-1115; page 2265, column 3), are corrected as follows:

**§ 71.71 [Corrected]**

\* \* \* \* \*

AGL MI E2 Sawyer, MI [Revised]

By removing "(lat. 46°21'13" N, long. 87°23'43" W.)" and substituting "(lat. 46°21'13" N, long. 87°23'45" W.)."

Within a 4.6 mile radius of Sawyer Airport.

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Issued in Des Plaines, IL, on February 26, 1997.  
Maureen Woods,  
*Manager, Air Traffic Division.*  
[FR Doc. 97-5551 Filed 3-7-97; 8:45 am]

**BILLING CODE 4910-13-M****14 CFR Part 71****[Airspace Docket No. 96-AGL-19]****Revision of Class E5 Airspace; Sawyer Airport, Gwinn, MI****AGENCY:** Federal Aviation Administration (FAA), DOT.**ACTION:** Final rule; correction.

**SUMMARY:** This action corrects the previous airport name from K.I. Sawyer AFB, Marquette, MI, to Sawyer Airport, Gwinn, MI, as stated in Docket 96-AGL-19. Also, corrects an error in the geographic coordinates of the final rule that was published in the Federal Register on January 16, 1997 (62 FR 2265).

**EFFECTIVE DATE:** 0901 UTC, March 27, 1997.

**FOR FURTHER INFORMATION CONTACT:**  
John A. Clayborn, Air Traffic Division, Operations Branch, AGL-530, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294-7568.

**SUPPLEMENTARY INFORMATION:**

## History

Federal Register Document 97-1114, Airspace Docket No. 96-AGL-19, published on January 16, 1997 (62 FR 2265), revised the airport name and the seconds of the latitude for Sawyer Airport, Gwinn, MI. An error was discovered in the title, Summary and The Rule of the docket. This action corrects the title, Summary and The Rule to indicate the docket action to be modification versus establishment. Class E airspace existed prior to accommodate the Instrument Landing System (ILS).

## Correction to Final Rule

Accordingly, pursuant to the authority delegated to me, the airport name and the geographic coordinates for the Class E5 airspace area at Gwinn, MI, as published in the Federal Register on January 16, 1997 (62 FR 2265), (Federal Register Document 97-1114; page 2266, column 2), are corrected as follows:

**§ 71.71 [Revised]**

\* \* \* \* \*

AGL MI E5 Sawyer, MI [Revised]

By removing "(lat. 46°21'13" N, long. 87°23'43" W.)" and substituting "(lat. 46°21'13" N, long. 87°23'45" W.)."

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Issued in Des Plaines, IL, on February 26, 1997.

Maureen Woods,

*Manager, Air Traffic Division.*

[FR Doc. 97-5550 Filed 3-7-97; 8:45 am]

**BILLING CODE 4910-13-M****DEPARTMENT OF ENERGY****Federal Energy Regulatory Commission****18 CFR Part 284****[Docket No. RM96-1-004; Order No. 587-C]****Standards for Business Practices of Interstate Natural Gas Pipelines**

Issued March 4, 1997.

**AGENCY:** Federal Energy Regulatory Commission.**ACTION:** Final rule.

**SUMMARY:** The Federal Energy Regulatory Commission is amending its open access regulations by incorporating by reference standards promulgated by the Gas Industry Standards Board (GISB). These standards require interstate natural gas pipelines to publish specified information on Internet Web pages and to follow certain new and revised business practices procedures. These business practices standards supplement standards adopted by the Commission in Order No. 587. 61 FR 39053 (Jul. 26, 1996).

**DATES:** This rule is effective April 9, 1997.

Pipelines are to make *pro forma* tariff filings to implement the business practices standards by May 1, 1997. Implementation of the Internet Web page standards must take place by August 1, 1997, and the revised and new business practices standards by November 1, 1997.

**ADDRESSES:** Federal Energy Regulatory Commission, 888 First Street, N.E., Washington DC, 20426.

**FOR FURTHER INFORMATION CONTACT:**

Michael Goldenberg, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, (202) 208-2294.

Marvin Rosenberg, Office of Economic Policy, Federal Energy Regulatory Commission, 888 First Street, N.E.,

Washington, DC 20426, (202) 208–1283.  
 Kay Morice, Office of Pipeline Regulation, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, (202) 208–0507.

**SUPPLEMENTARY INFORMATION:** In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 2A, 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 1–800–856–3920 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 order will be available on CIPS in ASCII and WordPerfect 5.1 format. CIPS user assistance is available at 202–208–2474.

CIPS is also available on the Internet through the Fed World system. Telnet software is required. To access CIPS via the Internet, point your browser to the URL address: <http://www.fedworld.gov> and select the “Go to the FedWorld Telnet Site” button. When your Telnet software connects you, log on to the FedWorld system, scroll down and select FedWorld by typing: 1 and at the command line and type: /go FERC. FedWorld may also be accessed by Telnet at the address [fedworld.gov](http://fedworld.gov).

Finally, the complete text on diskette in WordPerfect format may be purchased from the Commission's copy contractor, La Dorn Systems Corporation. La Dorn Systems Corporation is also located in the Public Reference Room at 888 First Street, N.E., Washington, DC 20426.

Standards for Business Practices of Interstate Natural Gas Pipelines; Order No. 587-C—Final Rule.

Docket No. RM96-1-004

Issued March 4, 1997.

The Federal Energy Regulatory Commission (Commission) is amending its open access regulations to adopt standards requiring interstate natural gas pipelines to publish certain information on Internet Web Pages and to implement new business practice standards covering nominations and

flowing gas. The regulations incorporate by reference standards promulgated by the Gas Industry Standards Board (GISB), a private standards organization devoted to developing standards representing a consensus of the interests in the natural gas industry.

## I. Background

In Order No. 587,<sup>1</sup> the Commission incorporated by reference consensus standards developed by GISB covering certain industry business practices—Nominations, Flowing Gas, Invoicing, and Capacity Release—as well as datasets that detailed the data requirements needed to conduct business transactions in these areas. On November 13, 1996, the Commission issued a Notice of Proposed Rulemaking (NOPR)<sup>2</sup> proposing to adopt additional standards submitted by GISB (on September 30, 1996) in three general areas: communication standards for conducting standardized business transactions across the Internet, standards for providing other information on Internet Web pages, and five revisions to existing business practices standards and 25 new principles, definitions, and standards covering nominations and flowing gas. The Commission already has issued, on January 30, 1997, a final rule incorporating by reference the standards for conducting the business transactions over the Internet. With respect to the remaining two areas—publication of information on Internet Web pages and the supplemental business practices standards, the NOPR proposed to follow GISB's proposed schedule of a final rule to be issued in March 1997, with implementation of the additional Internet standards in August of 1997 and pipeline tariff filings for the business practices standards to be made in May, June, and July of 1997, with implementation in November 1997.

In addition, the NOPR gave notice of a staff technical conference that would be convened to discuss the future direction of standardization and certain issues that had been disputed during the GISB meetings. The technical conference was held on December 12 and 13, 1996, with comments on the

conference to be submitted by February 21, 1997.

Fifteen comments were filed on the NOPR from Natural Gas Supply Association, Williams Interstate Natural Gas System (WINGS), Burlington Resources Oil & Gas Company (Burlington Resources), Natural Gas Clearinghouse, Conoco, Inc., and Vastar Gas Marketing Inc. (filing jointly) (NGC/Conoco/Vastar), Pacific Gas and Electric Company (PG&E), Williston Basin Interstate Pipeline Company (Williston Basin), Altra Energy Technologies, L.L.C. (Altra), Energy Managers Association (Energy Managers), Gas Industry Standards Board (GISB), NorAm Gas Transmission Company and Mississippi River Transmission Corporation (filing jointly) (NorAm), ANR Pipeline Company and Colorado Interstate Gas Pipeline Company (filing jointly), Enron Capital & Trade Resources Corp. (Enron Capital & Trade Resources), TransCapcity Limited Partnership (limited to technical conference issues), Southern California Edison Company (SoCal Edison), and the PanEnergy Companies. On February 21, 1997, comments on the technical conference were filed.

## II. Discussion

The Commission is incorporating by reference the GISB standards for providing information on Internet Web pages, with the exception of Standard 4.3.5, which provides that the documents posted on pipeline Web pages will be downloadable in a GISB-specified electronic structure. The Commission is not adopting this standard because GISB has failed to approve the requisite electronic structure.

The Commission is incorporating by reference the revisions to and the new business practices principles, definitions, and standards, with the exception of three standards, Nomination Standard 1.3.32 dealing with intra-day nominations and Flowing Gas Standards 2.3.29 and 2.3.30 dealing the obligation of pipelines to enter into operational balancing agreements (OBAs) and the ability of shippers to net imbalances across contracts, respectively. While the Commission agrees that standards are needed in these areas, it is not accepting these standards at this time because the scope of the pipelines' obligations to comply are not clear.

The Commission also is making one change to the schedule proposed by GISB. Rather than staggered compliance filings in May, June, and July, all pipelines must file their *pro forma* tariff sheets on May 1, 1997. Pipelines are

<sup>1</sup> Standards For Business Practices Of Interstate Natural Gas Pipelines, Order No. 587, 61 FR 39053 (Jul. 26, 1996), III FERC Stats. & Regs. Regulations Preambles ¶ 31,038 (Jul. 17, 1996), *reh'g denied*, Order No. 587-A, 61 FR 55208 (Oct. 25, 1996), 77 FERC ¶ 61,061 (Oct. 21, 1996), Order No. 587-B, 62 FR 5521 (Feb. 6, 1997), 78 FERC ¶ 61076 (1997).

<sup>2</sup> Standards For Business Practices Of Interstate Natural Gas Pipelines, Notice of Proposed Rulemaking, 61 FR 58790 (Nov. 19, 1996), IV FERC Stats. & Regs. Proposed Regulations ¶ 32,521 (Nov. 13, 1996).

required to implement the requirements to publish information on Web pages by August 1, 1997 and to implement the business practices standards by November 1, 1997.

NGC/Conoco/Vastar and Energy Managers contend that GISB was unable to satisfactorily resolve issues in several hotly disputed areas, and they ask the Commission to act now to adopt standards in these areas that they have proposed.<sup>3</sup> These suggested standards are all within the areas discussed at the December 12 and 13, 1996 technical conference on which comments were filed on February 21, 1997.

The Commission, therefore, will not act in these areas until it has an opportunity to review the technical conference comments. The Commission, however, is firmly committed to standardizing those elements of pipeline service that will increase the efficiency of the interstate pipeline grid as well as the competitive position of the natural gas industry as a whole. As the Commission recognized in Order No. 587, standardization is an on-going process, with new standards being developed and refinements and enhancements made to existing standards as experience is gained.<sup>4</sup>

The Commission recognizes that GISB too is continuing to consider revisions and new standards in some of the same areas.<sup>5</sup> If progress in developing standards is impeded by intractable disputes over policy issues, the Commission will resolve these policy issues to expedite the process. The Commission urges GISB to identify such issues as soon as they are manifest. Once the Commission makes a determination, GISB can then develop the technical standards needed for implementation.

#### *A. Posting of Information on Internet Web Pages*

GISB passed two standards relating to the posting of information on Internet Web pages. Standard 4.3.6 requires pipelines to establish a World Wide Web home page that provides the following information: notices (critical

<sup>3</sup> The proposed standards involve pooling, title transfer tracking, ranking of gas packages, predetermined allocations, intra-day nominations, operation flow orders, fuel sales, and imbalance trading.

<sup>4</sup> Order No. 587, 61 FR at 39057, III FERC Stats. & Regs. Preambles at 30,060.

<sup>5</sup> For instance, during the technical conference, participants pointed out that the disputed issues relating to pooling, title transfer tracking, and gas package rankings, are part of a pilot test being conducted by GISB on title transfer tracking.

Transcript of December 12, 1996 Conference, at 183. The results of this pilot test are due in September of 1997.

notices, operation notices, system-wide notices); Order No. 566 affiliated marketer information (affiliate allocation log, discount postings); operationally available and unsubscribed capacity; Index of Customers; and the pipeline's tariff. Standard 4.3.5 requires that the documents maintained on the pipeline's designated Web site will be downloadable on demand in a GISB specified electronic structure. All commenters support these requirements.

However, in the November 13, 1996 NOPR, the Commission stated that GISB needed to file the electronic structures referenced in Standard 4.3.5 prior to the issuance of the final rule, so these structures could be included in the rule.<sup>6</sup> Since GISB has not yet approved these electronic structures, the Commission cannot adopt Standard 4.3.5.

The Commission will adopt Standard 4.3.6, since specification of the electronic structure for file downloads is not required for pipelines to implement this standard's requirement for publishing the specified information on Web pages. The ability to download information, however, is critical for customers who do not want to read the information on-line or who want the information in computer-readable form. GISB, therefore, needs to adopt the required electronic structure quickly. A rapid determination will still enable the Commission to issue a final rule in time for the download structure to be implemented on August 1, 1997, at the same time as the requirement for publishing the information on Web pages.

Williston Basin raises questions about the portion of Standard 4.3.6 which states that pipelines should make all pertinent information and functions now performed or contained on the pipelines' proprietary Electronic Bulletin Boards (EBBs) available in one mode of communication (either through the Internet or another technology) within a reasonable time after standards are developed for such functions.

Williston Basin contends that, while EBB information is being transferred to the Internet, pipelines should not have to develop GISB-approved procedures for both the Internet and EBBs because to do so would be burdensome and cost prohibitive. Williston Basin also requests clarification of the terms "pertinent EBB functions" and a "reasonable amount of time," claiming that they do not provide pipelines with

specific direction to implement the standards.

Standard 4.3.6 applies only to providing information at pipeline Web sites. Thus, Williston Basin is not required by this standard to make any changes to its EBB procedures.<sup>7</sup> There is no need to interpret the terms referenced by Williston Basin. This portion of the standard is hortatory, establishing the consensus of the industry on the goals to be achieved. The standard requires no further implementation by the pipelines until additional standards are developed. Williston Basin will have the opportunity at that time to raise any concerns with implementation.

#### *B. Business Practices Standards*

The revised and new business practices principles, definitions, and standards<sup>8</sup> clarify and supplement the standards adopted in Order No. 587.<sup>9</sup> In part, these standards require pipelines to honor shippers' determinations of delivery priorities, clarify shipper's abilities to correct operational flow orders (OFOs), and standardize the methods for calculating the amount of gas needed to reimburse pipelines for compressor fuel, so that shippers can accurately submit nominations for transportation across multiple pipelines, with many zones.

Out of the 30 business practices standards passed by GISB, the Commission is not adopting three of the standards at this time, because the pipelines' obligations under the standards are unclear. The lack of clarity in these standards is understandable given the tight deadlines on GISB and the obvious need for the various segments of the industry to reach compromises. However, during the process of reviewing the filings to comply with Order No. 587, it became clear that adoption of imprecise standards can sometimes cause more harm than good. When obligations are

<sup>7</sup> Pipelines have to make changes to their EBBs when required by other standards. For instance, Invoicing Standard 3.3.2 requires that all paper and electronic transactions use standard field name descriptors. This would apply both to paper and EBB invoicing procedures. See GISB Interpretation C96012, approved February 6, 1997, <http://www.NeoSoft.com/-gisb/gisb.htm> (Committees, Sub-Committees, and Task Forces) (Feb. 20, 1997).

<sup>8</sup> The revised standards are 1.3.7, 1.3.14, 1.3.23, 2.3.9, and 5.3.22. The new principles are 1.1.12 through 1.1.16, and 2.1.2 and 2.1.3. The new definitions are 1.2.5 through 1.2.7 and 2.2.1. The new standards are 1.3.24 through 1.3.31, 1.3.33, 1.3.34, and 2.3.31.

<sup>9</sup> After issuance of the November 13, 1996 NOPR, GISB approved a change to Flowing Gas Standard 2.3.9 that clarified the language, but did not change the meaning of the standard. The Commission is adopting the revised language.

<sup>6</sup> 61 FR at 58793, IV FERC Stats. & Regs. Proposed Regulations at 33,259.

not fully defined by the standard, pipelines propose divergent and non-standardized approaches. The adoption of divergent approaches often runs counter to the very purpose of standardization—the creation of efficiency through adoption of uniform procedures.

For these three standards, the Commission has been unable to discern from the GISB documentation the intended scope and meaning of a standard. The discrepancies in implementation, therefore, make the compliance filings much more difficult to process because the Commission has difficulty, on an individual case basis, trying to reconcile the divergent approaches, especially given the short time frames established for compliance filings.

Rather than approving standards which are vague and then try to create standardization during the compliance process, the Commission will not accept the standards at this time. Standards in these areas are needed. The Commission, however, will give GISB and the industry more time—until September 1, 1997—in which to reconsider and devise standards that delineate clearly the pipelines' obligations in these areas. If no resolution is reached by then, the Commission will take appropriate action to devise the needed standards.

The Commission will address below the specifics of the three standards that are not being accepted. It will also address the comments regarding a standard the Commission is accepting—Nomination Standard 1.3.28 dealing with the posting of fuel rate standards.

#### 1. Intra-Day Nominations and Standard 1.3.32

GISB proposed one additional definition and a new intra-day nomination standards. Definition 1.2.7 provides for two types of intra-day nominations: (i) A nomination received during the gas day for the same day of gas flow, and (ii) A nomination received after the nomination deadline for the following gas day. Standard 1.3.32 provides that:

All pipelines should allow at least one intra-day nomination per day for each transportation service that allows for intra-day nominations. Additional intra-day nominations should be permitted on a best efforts basis.

WINGS, NGC/Conoco/Vastar, Energy Managers, and Burlington Resources raise questions about the intra-day nomination process. WINGS comments that additional standards for intra-day nominations are needed, to avoid discrepancies in pipeline

implementation of the two kinds of intra-day nominations defined by GISB. Energy Managers contends that Standard 1.3.32 is a poor standard and should not be adopted, and it suggests three replacement standards. NGC/Conoco/Vastar and Burlington Resources contend further intra-day nomination standards are needed. NGC/Conoco/Vastar seek standards to ensure that intra-day nominations are available for all rate schedules and to deal with rescheduling of service that is bumped by a higher priority firm service. Burlington Resources argues that since GISB has not established standards on whether firm intra-day nominations can bump scheduled interruptible service, the Commission should establish a policy on this issue. It maintains that firm service should be given bumping rights to reflect the higher priority of that service, for which shippers are paying a premium price.

The Commission agrees with WINGS that Standard 1.3.32 does not provide sufficient clarity as to what is expected of the pipelines. The term "best efforts," as used in this context does not describe exactly when pipelines can decline to process intra-day nominations. For instance, it may mean that pipelines have to process intra-day nominations whenever submitted as long as such nominations do not affect scheduled quantities for other shippers.<sup>10</sup>

The Commission is particularly chary about adopting another non-specific intra-day nomination standard given the lack of standardization in the implementation of the intra-day nomination standards adopted in Order No. 587. Nomination Standard 1.3.10 provides that "at least one (1) intra-day nomination can be submitted 4 hours prior to gas flow." The standard, however, did not specify the method of implementation, and pipelines chose two divergent models: a "rolling intra-day" nomination permitting the shipper to choose the time at which it submits the intra-day nomination, which the pipeline then processes in four hours from the time of submission; and a "batch process" in which the pipeline sets a specified time for processing intra-day nominations and all intra-day nominations submitted before that time are accumulated and processed together.

<sup>10</sup> The Commission already has dealt with the imprecision in the phrase "for each transportation service that allows for intra-day nominations." In Tennessee Gas Pipeline Company, 78 FERC ¶ 61,007, slip op. at 9, the Commission held that all regular open-access services, including interruptible service, must be accorded the right to submit intra-day nominations. The Commission concluded, however, that pipelines could propose a service eliminating the intra-day nomination right for a reduced rate.

The batch process also differs from pipeline to pipeline. Pipelines, for instance, have established different times for batching intra-day nominations. In addition, on some pipelines using the batch process, intra-day nominations for firm service bump scheduled interruptible gas.<sup>11</sup> Other batch pipelines propose only that the firm intra-day nominations will be given priority over interruptible intra-day nominations.<sup>12</sup>

This diverse approach means that shippers will be unable to coordinate effectively their intra-day nominations, since an intra-day nomination may be due at one time on one pipeline, while a different time is specified on an interconnecting pipeline. In addition, during the staff technical conference held on December 12 and 13, 1996, other issues relating to intra-day nominations were raised. Some participants favored the rolling intra-day nomination approach over the batch process because it gave shippers more flexibility in scheduling their intra-day nominations.<sup>13</sup> Others raised the question of whether a rolling approach to intra-day nominations can be implemented without a no-bump rule. They claimed that permitting firm intra-day nominations to bump scheduled interruptible transportation would create scheduling difficulties, because each intra-day nomination potentially would affect other nominations, causing a ripple effect up and down the pipeline and interconnecting pipelines.<sup>14</sup>

GISB itself appears to recognize that its current standards do not achieve the necessary standardization. The GISB Executive Committee has voted to establish a task force to examine the lack of coordination in intra-day nomination procedures.

In order to achieve the efficiencies that derive from uniform nomination procedures, greater standardization of intra-day nomination procedures clearly is required. Clarification of the intended meaning of Standard 1.3.32 may not

<sup>11</sup> Tennessee, for instance, has a batch intra-day process and permits bumping of interruptible with four hours notice to the interruptible shipper. It does not, however, permit bumping for its hourly intra-day nominations (available to firm shippers). Tennessee Gas Pipeline Company, *Pro Forma Tariff*, Article III, section 4 (d)-(m), Sheets 312–314c.

<sup>12</sup> See Northern Border Pipeline Company, *Pro Forma Second Revised Volume No. 1, Pro Forma Sheet Nos. 100 and 101* (when intra-day nominations exceed the capacity of the pipeline firm intra-day nominations have priority over interruptible).

<sup>13</sup> Transcript of December 12, 1996 conference, at 116, 213; Transcript of December 13, 1996 conference, at 127.

<sup>14</sup> Transcript of December 12, 1996 conference, at 117; transcript of December 13, 1996 conference, at 136.

create the needed standardization, and the focus, therefore, should not be on clarifying the existing standard, but on achieving the needed uniformity in the intra-day nomination process.

Accordingly, the Commission will review the comments submitted on February 21, 1997 along with any recommendations from GISB filed on September 1, 1997 in determining how to proceed on this issue.

## 2. Flowing Gas Standards 2.3.29 and 2.3.30

GISB Standard 2.3.29 states:

At a minimum, transportation service providers should enter into Operational Balancing Agreements at all pipeline-to-pipeline (interstate and intrastate) interconnects, where economically and operationally feasible.

GISB Standard 2.3.30 states:

All transportation service providers should allow service requesters (in this instance, service requester excludes agents) to net similarly situated imbalances on and across contracts with the service requester. In this context, "similarly situated imbalances" includes contracts with substantially similar financial and operational implications to the transportation service provider.

Energy Managers suggests that the phrase "economically and operationally feasible" waters down, and therefore should be removed from, Standard 2.3.29. NGC/Conoco/Vastar state that they support Standard 2.3.30 as long as the term "similarly situated" is not read so narrowly as to defeat the purpose of the standard.

While the Commission finds that standards requiring OBAs and netting of imbalances are necessary, the use of the terms "economically and operationally feasible" and "similarly situated financial and operational implications" do not define precisely enough the pipelines' obligations under the standards. For example, there is no basis for determining whether shippers should be able to net imbalances between an interruptible contract and a firm contract in the same zone. Also, the terms economically feasible and similarly situated financial implications are undefined and seem unnecessary in both standards. If "financial" in Standard 2.3.30 refers to the rate paid for service, for instance, there seems no basis for treating a discounted contract differently from a full-rate contract in terms of netting imbalances.<sup>15</sup>

<sup>15</sup> A review of the discussions at the GISB Executive Committee meeting, where the language was developed, does not clarify the intended meaning of the standards. Volume IV, Report of the Gas Industry Standards Board, Docket No. RM96-1-000, 398-99, 412-428 (September 30, 1996). For instance, examples are discussed of situations that

Rather than attempting to deal with the meaning of these terms in individual compliance filings, GISB needs to define precisely the circumstances in which pipelines can decline to permit netting of imbalances. Therefore, the Commission will not be accepting this standard in this rule and will give GISB until September 1, 1997 to clarify these standards.

### 3. Nomination Standard 1.3.28

Two comments raise questions about Standard 1.3.28, which provides that fuel rates for in-kind fuel reimbursement should be made effective only at the beginning of the month. WINGS expresses concern about this standard because one of its pipelines, Kern River, has little or no system storage. Without storage, WINGS contends that the pipeline may, on rare occasions, have to adjust fuel rates in the middle of the month. WINGS suggests that this standard be made a principle or that, if adopted as a standard, the Commission should not preclude a pipeline from filing to change fuel rates in mid-month upon a showing of need.

The Commission will not change this standard to a principle as requested by WINGS. Standardizing the in-kind reimbursement process for fuel is important to simplify the nomination process, particularly when shippers are transporting gas across many pipelines, with a multiplicity of zones. A consensus of the industry found that to simplify the nomination process, all pipelines must set fuel rates at the beginning of the month. With this limitation on fuel rate changes, shippers can obtain the correct fuel rates at one time and update their computer programs to reflect these rates on a set schedule, without having to be concerned about mid-month, random changes on select pipelines. WINGS fails to provide data or other evidence that pipelines without storage are unable to make adjustments or other arrangements so that they can comply with the standard. For example, Great Lakes Gas Transmission Limited Partnership, another pipeline without storage, posts monthly fuel percentages and makes adjustments for actual fuel use in the percentages for subsequent months.<sup>16</sup>

Enron Capital & Trade Resources seeks clarification that in implementing this standard, pipelines should notify shippers of fuel rate changes no less

than 30 days prior to the proposed effective date. Enron Capital & Trade Resources contends that 30-days notice is in accord with the notice requirement for tariff changes contained in section 154.207 of the Commission's regulations.

The Commission will not grant the requested clarification. The standard itself specifies no advance notice period. The purpose of the standard is to establish one date when shippers can obtain fuel reimbursement percentages so that they can program their computers once for the entire month. Thus, the fuel rates need to be posted in sufficient time for shippers to use these rates in making nominations subject to the new rate. To the extent that pipelines make tariff filings to change fuel reimbursement rates, they would have to comply with the Commission filing and notice regulations. Some pipelines, however, have fuel tracking or other provisions in their tariffs which permit changes in fuel rates without tariff filings.<sup>17</sup>

## III. Implementation Schedule

Pipelines will be required to implement the Internet Web page standards by August 1, 1997, and the revised and new business practices standards on November 1, 1997. Rather than adopting the staggered schedule for pipeline tariff filings proposed by GISB, the pipelines will be required to make their *pro forma* tariff filings to comply with the standards by May 1, 1997.

The Commission's experience based on the first set of compliance filings is that it takes a substantial period of time to review all of the filings. Under the proposed staggered schedule, 60 tariff filings would be due on July 1, 1997, which would not provide the Commission with sufficient time to review these filings and issue the two rounds of orders in time to meet a November 1, 1997 implementation date.

The Commission recognizes that some pipelines may be in the process of implementing the standards adopted in Order No. 587 at the same time they are making *pro forma* tariff filings to comply with this rule. However, there are many fewer business practices standards adopted in this rule than in Order No. 587, and, more important, implementation of these standards do not require fundamental changes in pipeline operations. They merely build upon the standards previously adopted. Thus, pipelines should not face major obstacles in making the required filings on May 1, 1997, and the Commission will require all filings on this date to

<sup>16</sup> Great Lakes Gas Transmission Limited Partnership, 76 FERC ¶ 61,260, at 62,333 (1996).

<sup>17</sup> *Id.*

ensure that the filings can be reviewed and processed in a timely fashion.

In making their *pro forma* tariff filings, pipelines must file the *pro forma* sheets as if they are proposed revisions of sheets in the existing tariff volume (with changes identified as provided in § 154.201 of the Commission's regulations) with the words "Pro Forma" before the volume name.<sup>18</sup> In addition, in complying with § 154.203 of the Commission's regulations, a pipeline must file as part of its statement of the nature, the reasons, and the basis for the filing, a complete table showing for each GISB standard adopted by the Commission, in this rule, the complying tariff sheet number, and an explanatory statement, if necessary, describing any reasons for deviations from or changes to each GISB standard. Any pipeline seeking waiver or extension of the requirements of this rule is required to file its request within 30 days of the issuance of this rule. Comments on these filings will be due 21 days from the date of filing.

#### IV. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act of 1980 (RFA)<sup>19</sup> generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities.

The regulations adopted in this rule impose requirements only on interstate pipelines, which are not small businesses, and, these requirements are, in fact, designed to reduce the difficulty of dealing with pipelines by all customers, including small businesses. Accordingly, pursuant to section 605(b) of the RFA, the Commission hereby certifies that the regulations adopted in this rule will not have a significant adverse impact on a substantial number of small entities.

#### V. Environmental Analysis

The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.<sup>20</sup> The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.<sup>21</sup> The action taken here falls within categorical exclusions in the Commission's regulations for rules that are clarifying, corrective, or procedural, for information gathering, analysis, and dissemination, and for sales, exchange, and transportation of natural gas that requires no construction of facilities.<sup>22</sup> Therefore, an environmental assessment is unnecessary and has not been prepared in this rulemaking.

#### VI. Information Collection Statement

OMB's regulations in 5 CFR 1320.11 require that it approve certain reporting and recordkeeping requirements (collections of information) imposed by an agency. Upon approval of a collection of information, OMB shall assign an OMB control number and an expiration date. Respondents subject to the filing requirements of this Rule shall not be penalized for failing to respond to these collections of information unless the collections of information display valid OMB control numbers.

The collections of information related to the subject Final Rule fall under the existing reporting requirements of FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines (OMB Control No. 1902-0174) and FERC-545, Gas Pipeline Rates: Rate Change (Non-Formal) (OMB Control No. 1902-0154). The following estimates of reporting burden are related only to this Rule and include the costs for pipelines to comply with the new and revised business practice standards and the additional costs of implementing the requirement for posting additional information on an Internet Web page. The burden estimates are primarily related to start-up and will not be ongoing costs.

*Public Reporting Burden:* (Estimated Annual Burden).

Affected data collection	Number of respondents	Total responses (annual)	Estimated hours per response	Estimated total hours (annual)
FERC-545 .....	86	86	58	4,988
FERC-549C .....	86	86	3,147	270,642
<b>Total .....</b>	<b>86</b>	<b>86</b>	<b>3,205</b>	<b>275,630</b>

The total annual hours for collection (including record keeping, if appropriate) is estimated to total 275,630. The average annualized cost per respondent is projected to be the following:

Affected data collection	Annualized capital/start-up costs per respondent	Annualized costs (operations and maintenance) per respondent	Number of respondents	Total annualized costs
FERC-545 .....	\$2,900	0	86	\$249,400
FERC-549C .....	157,350	0	86	13,532,100
<b>Total .....</b>	<b>160,250</b>	<b>0</b>	<b>86</b>	<b>13,781,500</b>

The business practices standards and Internet protocols adopted in this Rule are necessary to establish a more

efficient and integrated pipeline grid. Requiring such standards on an industry-wide basis will reduce the

variations in pipeline business and communication practices and will allow buyers to easily and efficiently obtain

<sup>18</sup> E.g. Fourth Revised Sheet No. 150, FERC Gas Tariff, Pro Forma Third Revised Volume No. 1. For the electronically filed tariff sheets, "Pro Forma" must be inserted at the beginning of the name field (VolumeID) in the Tariff Volume Record, i.e., the TF02 record.

<sup>19</sup> 5 U.S.C. 601-612.

<sup>20</sup> Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. Preambles 1986-1990 ¶ 30,783 (1987).

<sup>21</sup> 18 CFR 380.4.

<sup>22</sup> See 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), 380.4(a)(27).

and transport gas from all potential sources of supply. The standardization of business practices conforms to the Commission's plan for efficient information collection, communication, and management within the natural gas industry. The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

The information required in this Final Rule will be reported directly to the industry users and later be subject to audit by the Commission. The implementation of these data requirements will help the Commission carry out its responsibilities under the Natural Gas Act and coincide with the current regulatory environment which the Commission instituted under Order No. 636 and the restructuring of the natural gas industry.

Interested persons may obtain information on the reporting requirements by contacting the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 [Attention: Michael Miller, Information Services Division, 202-208-1415] or the Office of Management and Budget [Attention: Desk Officer for the Federal Energy Regulatory Commission 202-395-3087].

## VII. Effective Date

These regulations are effective April 9, 1997. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB, that this rule is not a "major rule" as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996.

## List of Subjects in 18 CFR Part 284

Continental shelf, Incorporation by reference, Natural gas, Reporting and recordkeeping requirements.

By the Commission.  
Lois D. Cashell,  
Secretary.

In consideration of the foregoing, the Commission amends Part 284, Chapter I, Title 18, *Code of Federal Regulations*, as set forth below.

## PART 284—CERTAIN SALES AND TRANSPORTATION OF NATURAL GAS UNDER THE NATURAL GAS POLICY ACT OF 1978 AND RELATED AUTHORITIES

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

Authority: 15 U.S.C. 717-717w, 3301-3432; 42 U.S.C. 7101-7532; 43 U.S.C. 1331-1356.

2. In § 284.10, paragraphs (b)(1)(i) through (b)(1)(v) are revised to read as follows:

### **§ 284.10 Standards for Pipeline Business Operations and Communications.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(i) Nominations Related Standards (Version 1.1, January 31, 1997), with the exception of Standard 1.3.32;

(ii) Flowing Gas Related Standards (Version 1.1, January 31, 1997), with the exception of Standards 2.3.29 and 2.3.30;

(iii) Invoicing Related Standards (Version 1.1, January 31, 1997);

(iv) Electronic Delivery Mechanism Related Standards (Version 1.0, October 24, 1996), with the exception of Standard 4.3.5; and

(v) Capacity Release Related Standards (Version 1.1, January 31, 1997).

\* \* \* \* \*

[FR Doc. 97-5786 Filed 3-7-97; 8:45 am]

BILLING CODE 6717-01-P

## **ENVIRONMENTAL PROTECTION AGENCY**

### **40 CFR Parts 52 and 81**

[CO-001-0011; CO-001-0012; CO-001-0013; CO-001-0014; FRL-5692-3]

### **Clean Air Act Approval and Promulgation of State Implementation Plan for Colorado; Carbon Monoxide Attainment Demonstrations and Related SIP Elements for Denver and Longmont; Clean Air Act Reclassification; Oxygenated Gasoline Program**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Final rulemaking.

**SUMMARY:** In this document, EPA is approving the State Implementation Plan (SIP) revisions submitted by the State of Colorado for the purpose of bringing about the attainment of the national ambient air quality standards (NAAQS) for carbon monoxide (CO). The implementation plan revisions were submitted by the State on July 11 and 13, 1994, September 29, 1995, and December 22, 1995 to satisfy certain Federal requirements for an approvable nonattainment area CO SIP for Denver and Longmont. This action includes approval of revisions to Colorado Regulations 11 (vehicle inspection and maintenance (I/M)) and 13 (oxygenated fuels) submitted to satisfy conditions in the SIP, and further revisions to

Regulation 13 to shorten the effective period of the oxygenated fuels program. It also includes reclassification of the Denver CO nonattainment area from Moderate to Serious. EPA proposed to approve the July 1994 and September 1995 SIP submissions and to reclassify the Denver area to Serious in the Federal Register on July 9, 1996. EPA published a supplemental proposal to approve the December 22, 1995 SIP submission shortening the oxygenated fuels program period and to approve the Denver and Longmont CO SIPs based on the shortened period on December 6, 1996. The rationale for the final approvals and reclassification are set forth in this document. Additional information is available at the address indicated below.

**EFFECTIVE DATE:** This action is effective on April 9, 1997.

**ADDRESSES:** Copies of the State's submittals and other information are available for inspection during normal business hours at the following locations: Environmental Protection Agency, Region VIII, Air Programs, 999 18th Street, 3rd Floor, South Terrace, Denver, Colorado 80202-2466; and Colorado Air Pollution Control Division, 4300 Cherry Creek Dr. South, Denver, Colorado 80222-1530.

**FOR FURTHER INFORMATION CONTACT:** Jeff Houk at (303) 312-6446.

## **SUPPLEMENTARY INFORMATION:**

### I. Background

The air quality planning requirements for CO nonattainment areas are set out in sections 186-187 of the Clean Air Act (Act) Amendments of 1990 (CAA) which pertain to the classification of CO nonattainment areas and to the submission requirements of the SIPs for these areas, respectively. The EPA has issued a "General Preamble" describing EPA's preliminary views on how EPA intends to review SIPs and SIP revisions submitted under Title I of the Act, [see generally 57 FR 13498 (April 16, 1992) and 57 FR 18070 (April 28, 1992)]. Because EPA is describing its interpretations here only in broad terms, the reader should refer to the General Preamble for a more detailed discussion of the interpretations of Title I advanced in today's rulemaking action. In today's action on the Denver and Longmont CO SIPs, EPA is applying its interpretations taking into consideration the specific factual issues presented and comments received from the public.

This Federal Register document addresses several requirements of the 1990 CAAA which were required to be submitted no later than November 15, 1992, and which the State did not