

(B) The commodity pool operator has been informed by the certified public accountant selected to audit the commodity pool's financial statements that specified information establishing the value of the Investments is necessary in order for the accountant to render an opinion on the commodity pool's financial statements. The notice must include the name of the accountant; and

(C) The information specified by the accountant cannot be obtained in sufficient time for the Annual Report to be prepared, audited, and distributed before the Extended Date.

(v) For each fiscal year following the filing of the notice described in paragraph (f)(2)(i) of this section, the commodity pool operator may claim the extension of time by filing a statement containing the representations specified in paragraph (f)(2)(iv) of this section, at the same time as the pool's Annual Report.

(vi) Any notice or statement filed pursuant to paragraph (f)(2) of this section must be signed by the commodity pool operator in accordance with paragraph (h) of this section.

\* \* \* \* \*

Issued in Washington, D.C., on December 20, 2000 by the Commission.

**Jean A. Webb,**

*Secretary of the Commission.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

#### 18 CFR Parts 352, 357, and 385

[Docket No. RM99-10-000; Order No. 620]

#### Revisions to and Electronic Filing of the FERC Form No. 6 and Related Uniform Systems of Accounts

Issued December 13, 2000.

**AGENCY:** Federal Energy Regulatory Commission, DEO.

**ACTION:** Final rule.

**SUMMARY:** The Federal Energy Regulatory Commission (Commission) is amending of its regulations. The Commission is revising Form 6 schedules and instructions to better meet current and future regulatory requirements and industry needs; updating Uniform Systems of Accounts (USofA) requirements to be more consistent with current Generally Accepted Accounting Principles (GAAP), and amending its regulations to

provide for the electronic filing of Form 6 commencing with reporting year 2000, due on or before March 31, 2001. The Commission has tested the software and related elements of the electronic filing.

**EFFECTIVE DATE:** This final rule is effective January 25, 2001.

**ADDRESSES:** Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

**FOR FURTHER INFORMATION CONTACT:**

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## I. Introduction

The Federal Energy Regulatory Commission (Commission or FERC) is revising Parts 352, 357, and 385 of its regulations to revise its FERC Form No. 6: Annual Report of Oil Pipeline Companies (Form 6) schedules and instructions to better meet current and future regulatory requirements and industry needs; update Uniform Systems of Accounts (USofA) requirements to be more consistent with current Generally Accepted Accounting Principles (GAAP); and amend its regulations to provide for the electronic filing of Form 6 commencing with reporting year 2000, due on or before March 31, 2001. The Commission has tested the software and related elements of the electronic filing mechanism. This rule is part of the Commission's ongoing program to update and eliminate burdensome and unnecessary accounting and reporting requirements. These changes will reduce, by about 25 percent, the burden on regulated companies for maintaining and reporting information under the Commission's regulations.

## II. Background

In 1977, the responsibility to regulate oil pipeline companies was transferred to the Commission from the Interstate Commerce Commission (ICC).<sup>1</sup> In accordance with the transfer of authority, the Commission was delegated the responsibility under section 1 of the Interstate Commerce Act (49 U.S.C. 1) to regulate the rates and charges for transportation of oil by pipeline and establish valuation of those pipelines, and under section 20 of that Act to require pipelines to file annual reports of information necessary for the Commission to exercise its statutory responsibilities.<sup>2</sup>

The ICC developed the Form P to collect information on an annual basis to enable it to carry out its regulation of oil pipeline companies under the Interstate Commerce Act. A comprehensive review of the reporting requirements for oil pipeline companies

<sup>1</sup> Section 402(b) of the Department of Energy Organization Act (DOE Act), 42 U.S.C. 7172, provides that: "[t]here are hereby transferred to, and vested in, the Commission all functions and authority of the Interstate Commerce Commission or any officer of component of such Commission where the regulatory function establishes rates or charges for the transportation of oil by pipeline or established the valuation of any such pipeline."

<sup>2</sup> The Secretary of Energy delegated to the Commission the authority under the Interstate Commerce Act which was formerly vested in the ICC, as that statute relates "to the transportation of oil pipeline to the extent that such \* \* \* [statute is] not transferred to, and vested in, FERC by Section 402(b) of the DOE Act \* \* \*" (Delegation Order No. 0204-1, Oct. 1, 1977).

was performed on September 21, 1982, when the Commission issued Order No. 260<sup>3</sup> revising the former ICC Form P, "Annual Report of Carriers by Pipeline" and redesignating it as FERC Form No. 6, "Annual Report of Oil Pipeline Companies." In 1994, the Commission addressed additional revisions to the Form 6 in Order Nos. 571 and 571-A,<sup>4</sup> including adding a new page 700. The information included in the Form 6 was determined at that time to be the minimum necessary for Shippers to assess filed rate changes under Order No. 561.<sup>5</sup>

In Order No. 561, the Commission adopted an indexing methodology to regulate oil pipeline rate changes as well as certain alternative rate-changing methodologies where a Pipeline or a Shipper could justify a departure from the indexing methodology. The Commission found that this indexing methodology would simplify and thereby expedite the process of changing rates. Under the Commission's indexing methodology, oil pipeline Shippers play a more active role in monitoring the application of the Commission's rate indexing methodology. Unlike Shippers in the natural gas and electric industries regulated by the Commission, oil pipeline Shippers bear a greater burden in proving that proposed indexed rate changes are unjust and unreasonable. Moreover, when a Shipper attempts to justify a complaint against an existing or grandfathered rate, it must satisfy a substantial evidentiary burden before a hearing and formal discovery rights are granted. This burden requires an in-depth analysis of oil pipelines' cost and revenue data.

As a result of the shift in responsibilities and the specific information requirements outlined in Commission Rule 206<sup>6</sup> for a protest or complaint, the Commission makes the following changes to Form 6 information collection in this final rule.

<sup>3</sup> Order No. 260, 47 FR 42327 (Sept. 27, 1982); FERC Stats. & Regs. [Regulations Preambles 1982-1985] ¶ 30,397 (Sept. 21, 1982).

<sup>4</sup> Order No. 571, 59 FR 59137 (Nov. 16, 1994); FERC Stats. & Regs. [Regulations Preambles January 1991-June 1996] ¶ 31,006 (Oct. 28, 1994). Order No. 571-A, 60 FR 356 (Jan. 4, 1995); FERC Stats. & Regs. [Regulations Preambles January 1991-June 1996] ¶ 31,012 (Dec. 28, 1994).

<sup>5</sup> Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992, Order No. 561, 58 FR 58753 (Nov. 4, 1993) FERC Stats. & Regs. [Regulations Preambles January 1991-June 1996] ¶ 30,985 (Oct. 22, 1993); Order No. 561-A, 59 FR 40243 (Aug. 8, 1994) FERC Stats. & Regs. [Regulations Preambles, January 1991-June 1996] ¶ 31,000 (1994), *affirmed*, *Association of Oil Pipelines v. FERC*, 83 F.3d 1424 (D.C. Cir. 1996).

<sup>6</sup> 18 CFR 385.206.

On July 27, 2000, the Commission issued a notice of proposed rulemaking (NOPR) in Docket No. RM99-10-000.<sup>7</sup> The Commission received six comments on the NOPR representing oil pipeline companies and oil pipeline shippers.<sup>8</sup>

### III. Discussion

The Commission is revising Part 357—Annual Special or Periodic Reports: Carriers Subject to Part I of the Interstate Commerce Act for pipeline carriers subject to the provisions of section 20 of the Interstate Commerce Act. For the most part, these revisions amend the annual filing requirements and raise the minimal filing threshold for the Form 6. The Commission is also revising the Form 6 instructions and schedules to clarify definitions and general instructions, eliminate duplicate reporting requirements, remove and consolidate schedules, update current schedules, and revise current schedules. Therefore, the final rule lowers the reporting burden on relatively small companies and clarifies the Form 6 reporting requirements which promotes consistent reporting practices among pipeline carriers. Since the Form 6 is intended to be both a financial and ratemaking document,<sup>9</sup> the final rule ensures that the Commission has the financial, operational, and ratemaking information needed to carry out its regulatory responsibilities to monitor the oil pipeline industry in a dynamically changing environment. Respondents to the NOPR commended the Commission's efforts in generally reducing the burden to the pipeline industry while providing a balanced approach to the need for information by oil pipeline shippers and providing for electronic submissions of the Form 6. However, several respondents had differing opinions on the necessity for additional information requirements on several of the Form 6 pages and several definitions and thresholds. Topics addressed in the NOPR that were agreed to or accepted by industry are not commented upon in this final rule. Specific topics requiring a Commission response to industry's comments are addressed below.

<sup>7</sup> 65 FR 50376 (Aug. 17, 2000).

<sup>8</sup> Association of Oil Pipe Lines (AOPL), Marathon Ashland Pipe Line LLC (Marathon), Equilon Pipeline Company LLC (Equilon), Williams Pipeline Company (Williams), Sinclair Oil Corporation (Sinclair), The Society for the Preservation of Oil Pipeline Shippers (SPOPS).

<sup>9</sup> Cost of Service Reporting and Filing Requirements for Oil Pipelines, FERC Stats., & Regs. [Regs. Preambles, 1991-1996] ¶ 31,006 at 31,169 and FERC Form No. 6, p. i, Roman Numeral I.

#### A. Changes to the Form 6 Reporting Threshold

Sinclair Oil Corporation (Sinclair) argued that raising the reporting threshold for submission of a complete Form 6 from \$350,000 to \$1,000,000 would be excessive and contribute to distortions in the data. Sinclair believes that a reporting threshold of \$1,000,000 is too high and eliminates too many companies. Sinclair recommends raising the reporting threshold to \$500,000 in order to reduce the reporting burden for smaller companies and prevent inconsistencies in data reported.

Upon further review, the Commission believes that Sinclair's statement has merit and grants its request to raise the reporting threshold to \$500,000 rather than the proposed \$1,000,000. In this final rule, the Commission is requiring jurisdictional oil pipeline companies with annual jurisdictional operating revenues greater than \$350,000 but less than \$500,000 for each of the three previous calendar years to prepare and file pages 1—"Identification and Attestation," 301—"Operating Revenue Accounts (Account 600)," and 700—"Annual Cost of Service Based Analysis Schedule" of the Form 6 on or before March 31 of each year. Also, the Commission requires those jurisdictional oil pipeline companies with annual jurisdictional operating revenues of \$350,000 or less for each of the three previous calendar years are required to prepare and file with the Commission pages 1—"Identification and Attestation" and 700—"Annual Cost of Service Based Analysis Schedule" of FERC Form No. 6 on or before March 31 of each year for the previous calendar year.

#### B. Form 6 Revisions.

##### 1. General Instructions (Page i-ii).<sup>10</sup>

Williams Pipeline Company (Williams) questioned the requirement to report in whole dollar amounts rather than rounding to the nearest thousand. Williams claims that "reporting dollars below the thousand dollar threshold provides no incremental benefit," and that companies small enough to fall below the \$500 threshold would also be below the Form 6 reporting threshold.

The Commission believes that rounding dollars to the nearest thousand may inaccurately reflect the operations of smaller companies. If oil pipeline companies are permitted to round to the nearest thousand the Commission will not know whether a number is not

<sup>10</sup> **Note:** The page numbers referred to throughout the final rule reference the page numbers in the revised Form 6.

reported because the value is zero or the value is rounded down to zero. In addition, rounding to whole dollar amounts ensures consistency with other Commission filings, including FERC Forms 1 and 2. Therefore, Williams suggested revision to the whole dollar reporting requirement is denied.

## 2. Definitions (Page iii)

The Association of Oil Pipe Lines (AOPL), Equilon Pipeline Company, LLC (Equilon), Marathon Ashland Pipe Line Company, LLC (Marathon), and Williams stated that the definition of an "undivided joint interest pipeline" as "a common carrier by pipeline controlled by more than one common carrier" was inconsistent with the meaning of the term in the industry and would apply to all joint interest pipelines, not just those that are "undivided" joint interest. AOPL stated that an undivided joint interest pipeline was not a legal entity. Rather it was a "legal fiction" created to cover situations where several common carrier pipelines had "a separate and distinct property interest, as opposed to shareholder interest, in a single physical pipeline." Marathon proposed defining an "undivided joint interest pipeline" as "physical pipeline property owned in undivided joint interest by more than one person/entity." The Commission agrees with Marathon and adopts the recommended definition.<sup>11</sup>

## 3. Instructions for Schedules 212–215 (New Title—Instructions for Schedules 212–217 (Page 211))

Marathon does not support excluding undivided joint interest pipelines from schedules 212 and 213. Marathon argues that the schedules should reflect carriers' total company activity within the property accounts. The Commission believes that total company data can be obtained by adding the data on pages 212–213 to the data on pages 214–215. Shippers that want to contest a rate need the undivided joint interest pipeline information separated from the total carrier property information. The Commission maintains its position to require separate reporting of undivided joint interest pipeline information.

## 4. Carrier Property (Pages 212–213)

AOPL, Williams, and Equilon believe that accounting for carrier property by gathering, trunk and general facilities is "an undue burden and unwarranted." AOPL disagrees with the Commission's stated purpose for requiring such a breakout.<sup>12</sup> AOPL states that few

depreciation studies are requested and that the "benefit to be gained by breaking these costs out by gathering, trunk and general facilities \* \* \* is small and \* \* \* not enough to offset the burden." AOPL argues that the requested breakout for depreciation purposes can be readily obtained after a depreciation study is requested.

Additionally, AOPL states that shippers participating in the rulemaking stated that they did not need such information.

Marathon, on the other hand, had no objection to breaking out carrier property by gathering, trunk and general facilities, and Sinclair endorsed maintaining the distinctions between gathering, trunk and delivery lines. Sinclair stated that the information is invaluable to shippers in understanding and analyzing the financial data reported by pipeline companies.

The Commission believes that the carrier property information broken out by gathering, trunk and general facilities is vital in order to determine whether a full depreciation study should be requested, and to assist the shipper in meeting its burden to show that a rate should be set for full hearing and investigation. Therefore, the Commission maintains the requirement to provide carrier property information by gathering, trunk, and general facilities.

## 5. Depreciation Base and Rates

*Undivided Joint Interest Property* (Pages 214–215).

*Accrued Depreciation-Carrier Property* (Page 216).

*Accrued Depreciation—Undivided Joint Interest Property* (Page 217).

AOPL, Williams, Equilon, Marathon believe that undivided joint interest property should only be reported separately if the depreciation rates differ from that of the carrier's other assets. AOPL states that if the undivided joint interest property is depreciated at the same rate as the carrier's other assets the carrier should only be required to make a statement to that effect. AOPL contends that the Commission's assertion that depreciation rates vary among the classes of property<sup>13</sup> is rarely true. In addition, Marathon believes that there should be a carrier property threshold of \$10 million for any undivided joint interest property that must be reported separately.

The Commission believes that even if the depreciation rate is the same for both carrier property and undivided joint interest property, the breakout of undivided joint interest pipeline base

information is needed in its own right. Carrier property and accrued depreciation data is used not only for depreciation studies, but is needed to calculate a rate base to determine items such as rate of return and income taxes in a cost of service analysis. The Commission believes that even if depreciation rates rarely vary among the different classes of property, that is hardly a reason not to require the numbers to be shown separately. As to Marathon's suggested threshold of \$10 million in undivided joint interest property before reporting that information separately, the Commission believes that a \$10 million threshold would render the data on undivided joint interest pipelines useless. The Commission, therefore, maintains the requirement to identify undivided joint interest property separately, and denies the request to require such identification only when the depreciation rate is different than the carrier property or more than \$10 million.

## 6. Noncarrier Property (Page 220)

Williams requests that the Commission abandon the requirement to report detailed cost information of noncarrier property and income from noncarrier property. Williams states that the Commission is concerned with activities related to the transportation of oil in interstate commerce and that nonjurisdictional activities of a pipeline are of no concern to the Commission or shippers. Williams also states that it is inappropriate to require companies to divulge nonjurisdictional information to competitors.

The Commission needs information related to noncarrier property for ratemaking proceedings, settlements, and discovery. Additionally, the Commission uses the information to ascertain whether joint costs have been allocated properly between carrier and noncarrier property. In order to reduce the burden to jurisdictional companies, the Commission has raised the reporting threshold from \$250,000 to \$1,000,000. Therefore, the Commission denies Williams' request to abandon the reporting requirement for noncarrier property.

## 7. Operating Revenue Accounts (Account 600) (Page 301)

AOPL, Williams, and Equilon disagree with the Commission's requirement to distinguish between crude oil and product movements, stating that this distinction is without relevance. AOPL argues that companies that operate both crude and product lines do not break their costs down

<sup>11</sup> FERC Form No. 6, p. iii, New Instruction No. 13.

<sup>12</sup> 65 FR 50376 (Aug. 17, 2000), IV FERC Stats. & Regs. ¶ 32,553 at 33,949 (July 27, 2000).

<sup>13</sup> 65 FR 50376 (Aug. 17, 2000), IV FERC Stats. & Regs. ¶ 32,553 at 33,949 (July 27, 2000).

between the two commodities. AOPL believes that the Commission's assertion that companies must maintain such an accounting distinction under Statements of Financial Accounting Standards (SFAS) No. 131—Disclosures about Segments of an Enterprise and Related Information is misguided. AOPL states that many of the carriers reporting to FERC are not publicly held and do not report to the Securities and Exchange Commission so they are not covered under SFAS 131. AOPL recommends that if the Commission continues to require cost allocation between crude and product systems, the burden should only be imposed on pipelines that carry more than 10 percent of the other commodity.

In addition, AOPL believes that pipelines should not be required to allocate revenues among gathering, trunk and delivery systems. AOPL states that when the Commission examines function for purposes of cross-subsidization it obtains the information it needs directly from the carrier, making mandatory Form 6 reporting an unwarranted burden.

Marathon, however, does not oppose the reporting of revenue data by crude oil and product movements or by gathering, trunk and delivery systems. Sinclair approves of reporting the distinctions between crude oil and product lines by gathering, trunk and delivery lines. Sinclair states that the separate reports are invaluable for analyzing financial data and vital to the analysis of the performance of the ceiling price index.

AOPL recommends the Commission reconsider its NOPR decision not to revise page 301 to include prior year information.<sup>14</sup> AOPL states that adding prior year information would bring page 301 into alignment with other Form 6 schedules and would facilitate review of revenue data.

The Commission finds that there are significant differences between crude and product lines in the way they operate, the markets they serve, and the costs they incur, necessitates the reporting of such revenues separately. Pipelines, also, recognize these differences in their oil pipeline tariffs which clearly distinguish between services and rates for crude or product transportation. The Commission believes that it is essential for a shipper who is trying to allocate costs and revenues to specific facilities, and match those facilities with a pipeline's different services (gathering, trunk or delivery, crude or product), to know

what functions the facilities serve. The Commission believes that a proper allocation is important to the shipper regardless of the percentage of crude or product transported. Therefore, the Commission denies the request to eliminate the distinctions between crude oil or product lines and gathering, trunk or delivery lines. Additionally, the Commission denies the request to require only those companies that carry more than 10 percent of either crude oil or product to allocate their costs between the different product lines. However, the Commission agrees with AOPL that requiring carriers to report prior year revenues will facilitate review of revenue data while not adding an additional burden to the industry and has revised page 301 to include this requirement.

#### 8. Operating Expense Accounts (Account 610) (Pages 302–304)

AOPL, Williams, and Equilon argue that separate crude and product service accounting should not be required of companies that carry less than 10 percent of either commodity. AOPL also objects to the requirement to allocate costs by gathering, trunk or delivery, stating that this information is not needed to functionalize costs or analyze rates.

As stated in our response to Operating Revenue Accounts above, the Commission believes that it is essential for a shipper who is trying to allocate costs and revenues to specific facilities, and match those facilities with a pipeline's different services (gathering, trunk or delivery, crude or product), to know what functions the facilities serve. The Commission believes that a proper allocation is important to the shipper regardless of the percentage of crude or product transported. Therefore, the Commission maintains the requirement to distinguish between crude oil or product lines and gathering, trunk or delivery lines, and denies the request to allow companies that carry less than 10 percent of either crude oil or product to be relieved of the separate reporting requirement.

Sinclair states that two new subcategories consisting of "direct" and "indirect" expenses be created within the operations and maintenance accounts. Sinclair argues that it needs this more precise information to determine if there is a need for a further evaluation of proposed tariff changes. The Commission sees no benefit and Sinclair has provided no compelling arguments for further burdening pipelines with the additional requirement of subdividing the operations and maintenance accounts

into "direct" and "indirect" expenses. Pipelines are already required to aggregate significant indirect costs such as employee benefits and taxes in separate accounts in the general expense group of accounts. This information should be sufficient to determine if there is a need for a further evaluation of proposed tariff changes. Therefore, the Commission denies Sinclair's request.

#### 9. Statistics of Operations (Pages 600–601) and Miles of Pipeline Operated at End of Year (Pages 602–603)

AOPL, Williams, and Equilon state that the Commission should not change the reporting of volumes moved on undivided joint interest pipelines as the operator of an undivided joint interest pipeline is not privy to company tariffs and volumes shipped under those tariffs. AOPL states that if the Commission wants to be able to track the volumes shipped on an undivided joint interest pipeline, that information must be provided by each of the individual owners.

The Commission believes that the changes to the instructions for reporting volumes moved are appropriate but agrees with AOPL that they have not clearly indicated the Commission's intentions. Therefore, the instructions are revised to ensure that volumes moved on undivided joint interest pipelines operated by others are reported. The last sentence in Instruction No. 2 is revised to read "Any barrels received into a pipeline owned by the respondent, but operated by others, should be reported separately on additional pages (For example 600a–601a, 600b–601b, etc.)." and Instruction No. 3 has been reorganized and the final sentence revised to read "Any barrels delivered out of a pipeline owned by the respondent, but operated by others, should be reported separately on additional pages (For example 600a–601a, 600b–601b, etc.)."

In order to be consistent in the reporting of mileage and volumes reported for undivided joint interest property operated by others, pages 602 and 603 have been revised to include a reporting category for undivided joint interest property owned by respondents, but operated by others.

#### 10. Annual Cost of Service Based Analysis Schedule (Page 700)

AOPL, Williams, Equilon, and Marathon opposed requiring pipelines to file additional cost of service information as proposed in the NOPR, specifically lines 1 through 8 on Form 6, page 700. AOPL suggests shippers have several sources of information,

<sup>14</sup> 65 FR 50376 (Aug. 17, 2000), IV FERC Stats. & Regs. ¶ 32,553 at 33,955 (July 27, 2000).

such as a pipeline's tariff and the existing Form 6, that provides sufficient information. On the other hand, Sinclair and the Society for the Preservation of Oil Pipeline Shippers (SPOPS) supports the NOPR proposal to require a breakdown of the total cost of service, but urges the Commission to require additional cost of service reporting not only by the company as a whole, but also for each system. SPOPS also urges the Commission to require pipelines to report "Return on Equity," which the Commission's NOPR does not propose to collect.

Sinclair urges the Commission to augment the current reporting requirements of page 700 by requiring pipelines to report total cost of service, operating revenues, throughput in barrels, and throughput in barrel miles on a system-by-system basis. In addition to requesting cost of service reporting by system, Sinclair asks the Commission to require those companies with multiple forms of rate regulation to report separate cost of service, revenue, expense and throughput data on the portion of operations still subject to the indexing methodology.

The Commission believes that the proposed page 700 breakdown is a reasonable compromise in this instance. Therefore, the Commission adopts revised page 700 data requirements identified on Line Nos. 1 through 8 in order to balance the competing needs of pipelines and shippers in the regulation of oil pipelines.

The stated purpose of page 700 is to provide a means whereby a shipper can determine whether a pipeline's cost of service or per-barrel/mile costs is so substantially divergent from the revenues produced by its cost of service rates to warrant a challenge that requires the pipeline to justify its rates.<sup>15</sup> In Order No. 571, the Commission rejected requests that the data reported on page 700 include separate cost of service information for each individual system,<sup>16</sup> and stated that page 700 was not intended to require a pipeline to demonstrate with precision its cost of service attributable to each individual system it operates.<sup>17</sup> Consistent with our decision in Order No. 571, the Commission denies suggestions by shippers that pipelines be required to file separate cost of service information for each individual system and additional information specifying debt and equity components.

Form 6, page 700, Instruction 2 requires that values for the components of the existing data requirements (Total Cost of Service on Line No. 9) be computed on a total company basis consistent with Commission Opinion No. 154-B *et al.* methodology. Instruction 3 requires the reporting of total company revenue (Total Interstate Operating Revenue) on Line No. 10.

AOPL states that current total cost of service under Opinion No 154-B does not equate to total company costs, asserting that cost of service consists of those costs related to the pipeline's jurisdictional services. AOPL argues that respondents' values on page 700 should only reflect jurisdictional cost of service and revenues. AOPL does not object to providing total revenue information, but states total revenue information is not identical to Opinion No. 154-B cost of service.

SPOPS asserts that the Commission can only address jurisdictional rates in its determinations and, therefore, it should be matching total company costs with total company revenues. SPOPS argues that the numbers on page 700 are understated since the current page 700 compares total cost of service and only pipeline revenues. SPOPS also argues that pipelines could manipulate the jurisdictional cost of service to fit revenues by including nonjurisdictional revenues. SPOPS recommends the Commission, as proposed in the NOPR, require pipelines to report total company revenues along with total company cost of service.

The Commission agrees that revenues reported on Line No. 10 of page 700 should reflect only jurisdictional revenues, not nonjurisdictional revenues. Therefore, Line 10 of page 700 is revised to require pipelines to report "Total Interstate Operating Revenues," as reported on page 301, bringing it in sync with the reporting requirements specified in Instruction 2.

SPOPS states that the Commission cannot call upon shippers to prove a particular rate is not just and reasonable without the information necessary to ascertain the cost of service allocated to that rate. Form 6, page 700, Instruction 7 requires a pipeline to make its cost of service workpapers available for inspection when requested by the Commission or its staff. Commission Order No. 571 stated that the use of page 700 should be limited and should not be misleading.<sup>18</sup> The information on page 700 was intended to be a preliminary screening tool for pipeline rate filings. As such, page 700 provides a means

whereby a shipper can determine whether a pipeline's cost of service is so substantially divergent from the revenues produced by its rates to warrant a challenge that requires the pipeline to justify its rates. The Commission clarifies the circumstances under which a pipeline is required to provide supporting workpapers for data reported on page 700. The workpapers must fully support all amounts reported on page 700 including but not limited to the total company Opinion 154-B calculations and all of its associated components, total company revenues, including allocations of costs and revenues between jurisdictional and nonjurisdictional facilities/services, and between interstate and intrastate services, and all assumptions made for the Opinion 154-B calculations and cross-references to underlying source documents. Additionally, the Commission revises Instruction 7 to state that "A respondent may be requested by the Commission or its staff to provide its workpapers which support the data reported on page 700."

SPOPS urges the Commission to require the filing of total company cost of service as proposed in the NOPR, and to reconsider its stated position to play a less active role in monitoring and overseeing pipeline rates and practices.<sup>19</sup> The NOPR raised the Commission's recently adopted complaint procedures as well as recent interpretations of the "changed circumstances" requirements of the EPAct as reasons to expand page 700 reporting.

AOPL disagrees with shippers' need for adequate information in complaint proceedings and notes that since the new, more stringent complaint procedures became effective, eight complaints have been set for hearing.<sup>20</sup> Further, AOPL argues that nothing has changed since Order Nos. 561 and 571 were issued. Specifically, AOPL asserts the number of recent complaints suggests that shippers don't need better information; and that total volume, cost and revenue information currently available to shippers is sufficient to meet the Commission's "changed circumstances" tests.

As stated previously, page 700 was designed as a preliminary screening tool for pipeline rate filings. It provides a

<sup>15</sup> 65 FR 50376 (Aug. 17, 2000), IV FERC Stats. & Regs. ¶32,553 at 33,943-4 (July 27, 2000).

<sup>20</sup> The Commission notes that more than half of these complaints were filed by various shippers against SFPP, LP which were virtually identical in the issues raised in their complaints. Consequently, these complaints are not good examples of why shippers do not need better, more complete information.

<sup>15</sup> FERC Stats. & Regs. ¶ 31,006 at 31,168 (1991-1996).

<sup>16</sup> *Id.* at 31,169.

<sup>17</sup> *Id.* at 31,168.

<sup>18</sup> FERC Stats. & Regs. ¶ 31,006 at 31,169 (1991-1996).

means for a shipper to determine whether a pipeline's cost of service or per-barrel/mile cost is so substantially divergent from the revenues produced by its rates to warrant a challenge that requires the pipeline to justify its rates. The Commission believes that the additional information provided on the new page 700 provides the information necessary to monitor the reasonableness of a pipeline's filed rates and will further enable a shipper to challenge a pipeline's rates.

11. Miscellaneous Items

a. *Electronic Filing of Form 6.* In the NOPR, the Commission proposed requiring electronic filing of the Form 6 with conforming paper copies commencing with the report for calendar year 2000, due on or before March 31, 2001. No industry comments were received in opposition to this proposal. Therefore, the Commission implements the Form 6 electronic filing requirement with issuance of this final rule. Additionally, respondents should identify an electronic filing technical contact and inform the Secretary of the contact's name, telephone number and e-mail address by the effective date of this final rule. Any changes to this information should be submitted to the Secretary.

b. *Form 6 Reporting Alternatives.* Williams expressed its disappointment that the Commission ignored industry's initiative to shift to GAAP financial statements, and encouraged the Commission to continue exploring a shift to a reporting format that is consistent with other financial reviews. AOPL and Marathon support the Commission's efforts to align the Uniform System of Accounts (USofA) with GAAP requirements, but feel that uniformity of accounting systems among oil pipeline companies is more important to the industry than the filing format for the information.

As stated in the NOPR, this final rule updates the USofA regulations to reflect Statements of Financial Accounting Standards.<sup>21</sup> The Commission believes these changes simplify the Form 6, reduce the overall reporting burden on pipeline companies, and result in more consistent industry reporting while providing the Commission the information it needs to regulate the oil industry. The Commission will consider future changes to the Form 6 based on changes to the Statements of Financial Accounting Standards.

12. Miscellaneous Corrections

After issuance of the NOPR, it was noted that a change was proposed to the regulatory text under the Instructions for Carrier Property Accounts for Instruction 3-3. This was done inadvertently. No changes to this instruction are planned at this time.

IV. Environmental Statement

Commission regulations require that an environmental assessment or an environmental impact statement be prepared for any Commission action that may have a significant adverse effect on the human environment.<sup>22</sup> No environmental consideration is necessary for the promulgation of a rule that is clarifying, corrective, or procedural or that does not substantially change the effect of legislation or regulations being amended,<sup>23</sup> and also for information gathering, analysis, and dissemination.<sup>24</sup> The final rule does not substantially change the effect of the underlying legislation. However, the final rule makes changes to Form 6, and also impacts information gathering. Accordingly, no environmental considerations are necessary.

V. Regulatory Flexibility Act

The Commission received no comments on its certification, in the NOPR, that the proposed rule would not have a significant economic impact on

a substantial number of small entities and that an initial Regulatory Flexibility Act (RFA)<sup>25</sup> analysis is not required.

In *Mid-Tex Elect. Coop. v. FERC*, 773 F. 2d 327 (D. C. Cir. 1985), the court found that Congress, in passing the RFA, intended agencies to limit their consideration "to small entities that would be directly regulated" by proposed rules. *Id.* at 342. The court further concluded that "the relevant 'economic impact' was the impact of compliance with the proposed rule on regulated small entities." *Id.* at 342.

This final rule will not have an adverse impact on small entities, nor will it impose upon them any significant costs of compliance. Rather, this rule will significantly reduce the reporting burden on relatively small companies by raising the reporting threshold, and promote consistent reporting practices among pipeline carriers. Most filing entities regulated by the Commission do not fall within the RFA's definition of a small entity.<sup>26</sup> Therefore, the Commission certifies that this rule will not have a significant economic impact on a substantial number of small entities.

VI. Information Collection Statement

The following collection of information contained in this final rule was submitted to the Office of Management and Budget (OMB) for review under Section 3507(d) of the Paperwork Reduction Act of 1995.<sup>27</sup> FERC identifies the information provided under Part 352 and § 357.2 as FERC Form No. 6.

*Public Reporting Burden: Estimated Annual Burden.*

The final rule establishes new reporting requirements, modifies existing reporting requirements and eliminates those requirements that are no longer applicable. The burden for complying with this proposed rule are as follows:

Data collection	Number of respondents	Number of responses	Hours per response	Total annual hours
FERC Form 6 .....	129	1	119	15,351
(Pages 1 & 700) .....	11	1	10	110
(Pages 1, 301 & 700) .....	19	1	11	209
Totals .....	159	1	99	15,670

<sup>21</sup> 65 FR 50376 (Aug. 17, 2000), IV FERC Stats. & Regs. ¶32,553 at 33,964 (July 27, 2000).

<sup>22</sup> Regulations Implementing National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987); FERC Stats. & Regs. ¶30,783 (Dec. 10, 1987).

<sup>23</sup> 18 CFR 380.4(a)(2)(ii).

<sup>24</sup> 18 CFR 380.4(a)(5).

<sup>25</sup> 5 U.S.C. 601-612.

<sup>26</sup> 5 U.S.C. 601(3), citing to section 3 of the Small Business Act, 15 U.S.C. 632. Section 3 of the Small

Business Act defines a "small-business concern" as a business which is independently owned and operated and which is not dominant in its field of operation.

<sup>27</sup> 44 U.S.C. 3507(d).

Total Annual Hours for collections (Reporting + Record keeping, (if appropriate)) = 15,670 hours.  
The simplified filing requirements under the final rule and the reduced

number of filings per year result in a reduction of 5,141 hours per year from the revised OMB burden inventory for the above data collection.

*Information Collection Costs:* The Commission projected the average annualized costs for all respondents to comply with these requirements to be:

Data collection	Annualized capital/start-up costs	Annualized costs (operations & maintenance)	Total annualized costs
FERC Form No. 6 .....	\$0.00	\$840,341	\$840,341

(For 129 respondents completing the FERC Form No. 6, the cost per company would be \$6,382, pages 1 & 700 = \$536 and pages 1, 301 & 700 = \$590).

The OMB regulations require OMB to approve certain information collection requirements imposed by agency rule.<sup>28</sup> Accordingly, pursuant to OMB regulations, the Commission has provided notice of information collections to OMB.

*Title:* FERC Form No. 6, Annual Report of Oil Pipeline Companies.  
*Action:* Proposed Data Collection.  
*OMB Control No.:* 1902-0022.

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

*Respondents:* Businesses or other for profit.

*Frequency of Responses:* Annually.  
*Necessity of Information:* The final rule revises the Commission's requirements contained in 18 CFR Parts 352, 357, and 385. This rule revises Form 6 schedules and instructions to better meet current and future regulatory requirements and industry needs; updates the USofA requirements to be more congruent with current GAAP accounting; and amends regulations to provide for the electronic filing of Form 6 commencing with reporting years 2000, due on or before March 31, 2001. The Commission uses the information for administration of the Interstate Commerce Act and in various rate proceedings.

*Internal Review:* 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 Commission's staff uses the data for compliance reviews on the financial conditions of regulated companies. These requirements conform to the Commission's plan for efficient information collection, communication, and management within the oil pipeline industry. Data will contribute to well-informed decision-making and streamlined workload processing. Interested persons may obtain information on the reporting

requirements by contacting the following:

Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, Attention: Michael Miller, Office of the Chief Information Officer, Phone: (202) 208-1415, fax: (202) 208-2425, email: [mike.miller@ferc.fed.us](mailto:mike.miller@ferc.fed.us).

For submitting comments concerning the collection of information and the associated burden estimates, please send your comments to the contact listed above and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503. [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone (202) 395-7318, fax: (202) 395-7285].

**VII. Document Availability**

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.fed.us>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington, DC 20426.

From FERC's Home Page on the Internet, this information is available in both the Commission Issuance Posting System (CIPS) and the Records and Information Management System (RIMS).

- CIPS provides access to the texts of formal documents issued by the Commission since November 14, 1994.
- CIPS can be accessed using the CIPS link or the Energy Information Online icon. The full text of this document will be available on CIPS in ASCII and WordPerfect 8.0 format for viewing, printing, and/or downloading.
- RIMS contains images of documents submitted to and issued by the Commission after November 16, 1981.

Documents from November 1995 to the present can be viewed and printed from FERC's Home Page using the RIMS link or the Energy Information Online icon. Descriptions of documents back to November 16, 1981, are also available from RIMS-on-the-Web; requests for copies of these and other older documents should be submitted to the Public Reference Room.

User assistance is available for RIMS, CIPS, and the Website during normal business hours from our Help line at (202) 208-2222 (E-Mail to [WebMaster@ferc.fed.us](mailto:WebMaster@ferc.fed.us)) or the Public Reference Room at (202) 208-1371 (E-Mail to [public.referenceroom@ferc.fed.us](mailto:public.referenceroom@ferc.fed.us)).

During normal business hours, documents can also be viewed and/or printed in FERC's Public Reference Room, where RIMS, CIPS, and the FERC Website are available. User assistance is also available.

**VIII. Effective Date and Congressional Notification**

This Final Rule will take effect January 25, 2001. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs, of the Office of Management and Budget, that this rule is not a "major rule" within the meaning of Section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996.<sup>29</sup> The Commission will submit the Final Rule to both houses of Congress and the General Accounting Office.<sup>30</sup>

**List of Subjects**

18 CFR Part 352

Pipelines, Reporting and recordkeeping requirements, Uniform System of Accounts.

<sup>29</sup> 5 U.S.C. 804(2).

<sup>30</sup> 5 U.S.C. 801(a)(1)(A).

<sup>28</sup> 5 CFR 1320.11.

18 CFR Part 357

Pipelines, Reporting and recordkeeping requirements, Uniform System of Accounts.

18 CFR Part 385

Administrative practice and procedure, Electric power, Penalties, Pipelines, Reporting and recordkeeping requirements.

By the Commission.

David P. Boergers,  
Secretary.

In consideration of the foregoing, the Commission amends Parts 352, 357 and 385 Chapter I, Title 18 of the Code of Federal Regulations, as follows:

**PART 352—UNIFORM SYSTEMS OF ACCOUNTS PRESCRIBED FOR OIL PIPELINE COMPANIES SUBJECT TO THE PROVISIONS OF THE INTERSTATE COMMERCE ACT**

1. The Authority citation for Part 352 is revised to read as follows:

**Authority:** 49 U.S.C. 60502; 49 App. U.S.C. 1–85 (1988).

2–4. In Part 352, in List of Instructions and Accounts, Definitions, Definition 30, paragraphs (e) through (h) and paragraph (j) are revised to read as follows:

*Definitions.*

\* \* \* \* \*

30. \* \* \*

(e) “Temporary difference” means a difference between the tax basis of an asset or liability and its reported amount in the financial statements that will result in taxable or deductible amounts in future years when the reported amount of the asset or liability is recovered or settled, respectively. Some events recognized in financial statements do not have tax consequences. Certain revenues are exempt from taxation and certain expenses are not deductible. Events that do not have tax consequences do not give rise to temporary differences.

(f) “Deductible temporary difference” means temporary differences that result in deductible amounts in future years when the related asset or liability is recovered or settled, respectively.

(g) “Deferred tax asset” means the deferred tax consequences attributable to deductible temporary differences and carryforwards. A deferred tax asset is measured using the applicable enacted tax rate and provisions of the enacted tax law. A valuation allowance should be recognized if it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax asset will not be realized.

(h) “Deferred tax liability” means the deferred tax consequences attributable to taxable temporary differences. A deferred tax liability is measured using the applicable enacted tax rate and provisions of the enacted tax law.

\* \* \* \* \*

(j) “Tax allocation within a period” means the process of allocating income tax expense applicable to a given period among continuing operations, discontinued operations, extraordinary items, and items charged or credited directly to shareholders’ equity.

\* \* \* \* \*

5. In General Instructions, Instruction 1–6, paragraph (d) is revised as follows:

1–6 *Extraordinary, unusual or infrequent items, prior period adjustments, discontinued operations and accounting changes.*

\* \* \* \* \*

(d) *Prior Period Adjustments.* The correction of an error in the financial statements of a prior period and adjustments that result from realization of income tax benefits of preacquisition loss carryforwards of purchased subsidiaries shall be accounted for as prior period adjustments and excluded from the determination of net income from the current year. All other revenues, expenses, gains, and losses recognized during a period shall be included in the net income of that period.

\* \* \* \* \*

6. In General Instructions, Instruction 1–12, paragraph (a) is amended by removing the words “where material timing differences (see definition 30(e)) occur between pretax accounting income and taxable income” and inserting, in their place, the words “to all material temporary differences (see definition 30(e)) between the tax basis of an asset or liability and its reported amount in the financial statements that will result in taxable or deductible amounts in future years”.

7. In General Instructions, Instruction 1–12, paragraphs (b) and (c) are revised to read as follows:

1–12 *Accounting for income taxes.*

\* \* \* \* \*

(b) Under the interperiod tax allocation method of accounting a deferred tax liability or asset is to be recognized for all temporary differences (see definition 30(e)) that result in taxable amounts in future years when the related asset or liability is recovered or settled. Deferred taxes are classified as current or noncurrent based on the classification of the related asset or liability. A carrier shall apply the applicable enacted tax rate in

determining the amount of deferred taxes. The carrier shall adjust its deferred tax liabilities and assets for the effect of the change in tax law or rates in the period that the change is enacted. The adjustment shall be recorded in the proper deferred tax balance sheet accounts based on the nature of the temporary difference and the related classification requirements of the account.

(c) An entity shall record the income tax effects of a net operating loss carryforward or a tax credit carryforward as a deferred tax asset in the year the loss occurs. In the event that it is more likely than not (a likelihood of more than 50 percent) that some portion of its deferred tax assets will not be realized, a carrier shall reduce the asset by a valuation allowance. The valuation allowance should be recorded in a separate subaccount of the deferred tax asset account. The carrier shall disclose full particulars as to the nature and amount of each type of operating loss and tax credit carryforward in the notes to its financial statements.

8. In General Instructions, Instruction 1–12, paragraph (e) is amended by removing the words “Accumulated deferred income tax credits” and adding, in their place, the words “Accumulated Deferred Income Tax Liabilities”.

9. In Instructions for Balance Sheet Accounts, Instruction 2–7 is revised to read as follows:

*Instructions for Balance Sheet Accounts*

\* \* \* \* \*

2–7 *Contingent assets and liabilities.*

(a) A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to a carrier that will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm the acquisition of an asset or the reduction of a liability or the loss or impairment of an asset or the incurrence of a liability.

(b) An estimated loss from a contingent liability shall be charged to income if it is probable that an asset had been impaired or a liability had been incurred and the amount of the loss can be reasonably estimated. The carrier shall disclose in a footnote in its annual report any accrued contingent liabilities, along with any contingent liabilities not meeting both conditions for accrual if there is a reasonable possibility that a liability may have been incurred.

(c) Contingent assets should not be reflected in the accounts. The carrier

shall disclose in a footnote in its annual report any contingencies that might result in an asset.

10. In Instructions for Carrier Property Accounts, Instruction 3–5, paragraph (a) is amended by removing the words “except that the related labor expense shall be charged to the maintenance expense account”.

11. In Instructions for Operating Revenues and Operating Expenses, Instruction 4–4, paragraph (a) is revised, paragraph (b) is removed, and paragraph (c) is redesignated as paragraph (b) to read as follows:

*Instructions for Operating Revenues and Operating Expenses*

4–4 *Expense classification.* \* \* \*

(a) *Operations and maintenance expense.* This group of accounts includes all costs directly associated with the operation, repairs and maintenance of property devoted to pipeline operations including scheduling, dispatching, movement, and delivery of crude oil, oil products and other commodities.

\* \* \* \* \*

12. In Balance Sheet Accounts, a new Account 14–5 is added to read as follows:

*Balance Sheet Accounts*

14–5 *Accumulated provision for uncollectible accounts.*

This account shall be credited with amounts provided for losses on notes and accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. This account shall be charged with any amounts which have been found to be impractical of collection.

13. In Balance Sheet Accounts, Account 19–5 is revised to read as follows:

*Balance Sheet Accounts*

19–5 *Deferred income tax assets.*

(a) This account shall include the portion of deferred income tax assets and liabilities relating to current assets and liabilities, when the balance is a net debit.

(b) A net credit balance shall be included in Account 59, Deferred income tax liabilities.

\* \* \* \* \*

14. In Balance Sheet Accounts, Account 45 is revised to read as follows:

*Balance Sheet Accounts*

\* \* \* \* \*

45 *Accumulated deferred income tax assets.*

This account shall include the amount of deferred taxes determined in accordance with instruction 1–12 and the text of Account 64, Accumulated

deferred income tax liabilities, when the balance is a net debit.

\* \* \* \* \*

15. In Balance Sheet Accounts, Account 59 is revised to read as follows:  
*Balance Sheet Accounts*

\* \* \* \* \*

59 *Deferred income tax liabilities.*

(a) This account shall include the portion of deferred income tax assets and liabilities relating to current assets and liabilities, when the balance is a net credit.

(b) A net debit balance shall be included in Account 19–5, Deferred income tax assets.

\* \* \* \* \*

16. In Balance Sheet Accounts, Account 64, the title is amended by removing the word “credits” and adding, in its place, the word “liabilities”; in paragraph (a), by removing the words “material timing differences (see definitions 30 (g) and (e)) originating and reversing in” and adding, in their place, the words “changes in material temporary differences (see definition 30(e)) during;” in paragraph (d), by removing the word “unamortized” and removing the word “timing” and adding, in its place, the word “temporary”; and in Notes A and B to Account 64, by revising the text to read as follows:

*Balance Sheet Accounts*

64 *Accumulated deferred income tax liabilities.*

\* \* \* \* \*

**Note A:** The portion of deferred assets and liabilities relating to current assets and liabilities should likewise be classified as current and included in Account 19–5, Deferred Income Tax Assets, or Account 59, Deferred Income Tax Liabilities, as appropriate.

**Note B:** This account shall include a net credit balance only. A net debit balance shall be recorded in Account 45, Accumulated deferred income tax assets.

\* \* \* \* \*

17. In Operating Expenses, the title “Operations” is revised to read “Operations and Maintenance” and Accounts 300, 310, and 320 are revised and Accounts 350 and 390 are added to read as follows:

*Operating Expenses*

Operations and Maintenance

300 *Salaries and wages.*

This account shall include the salaries and wages (including pay for holidays, vacations, sick leave and similar payroll disbursements) of supervisory and other personnel directly engaged in transportation operations and the maintenance and repair of transportation property.

310 *Materials and supplies.*

This account shall include the cost of materials applied in the repair and maintenance of transportation property. The salvage value of materials recovered in maintenance work shall be credited to this account. This account shall also include the cost of supplies consumed and expended in operations and in support of the maintenance activity.

320 *Outside services.*

This account shall include the cost of operating and maintenance services provided by other than company forces under contract, agreement, and other arrangement. The cost of service performed by affiliated companies shall be segregated within the account.

\* \* \* \* \*

350 *Rentals.*

This account shall include the cost of renting property used in the operations and maintenance of carrier transportation service, such as complete pipeline or segment thereof, office space, land and buildings, and other equipment and facilities.

390 *Other expenses.*

This account shall include the expenses of aircraft, vehicles, and work equipment used in support of operations and maintenance activities; travel, lodging, meals, memberships, and other expenses of operating and maintenance employees; and other related operating and maintenance expenses that are not defined or classified in other accounts.

18. In Operating Expenses, the undesignated centerhead. “Maintenance” and Accounts 400, 410, 420 and 430 are removed.

19. In Operating Expenses, General, Accounts 510, 530, and 550 are revised and Account 590 is added to read as follows:

*Operating Expenses*

\* \* \* \* \*

510 *Materials and supplies.*

This account shall include the cost of materials and supplies consumed and expended for administration and general services.

\* \* \* \* \*

530 *Rentals.*

This account shall include the cost of renting property used in the administration and general operations of carrier transportation service, such as complete pipeline or segment thereof, office space, land and buildings, and other equipment and facilities.

\* \* \* \* \*

550 *Employee benefits.*

This account shall include the cost to the carrier of annuities, pensions, and benefits for active or retired employees,

their beneficiaries or designees. Contributions to health or welfare funds or payment for similar benefits to or on behalf of employees shall be included herein. Premiums, to the extent borne by the carrier, for group life, health, accident and other beneficial insurance for employees shall also be included in this account.

\* \* \* \* \*

#### 590 Other expenses.

This account shall include the cost of expenses expended for administrative and general services including, the expenses of aircraft, vehicles, and work equipment used for general purposes; travel, lodging, meals, memberships, and other expenses of general employees and officers; utilities services; and all other incidental general expenses not defined or classified in other accounts.

20. In Income Accounts, Account 671, paragraph (a) is amended by removing the words "all material timing differences (see definitions 30 (g) and (e)) originating and reversing in," and adding, in their place, the words "changes in material temporary timing differences (see definition 30(e)) during".

21. In Income Accounts, Account 695, is amended by removing the words "timing differences caused by recognizing an item in the account provided for extraordinary items in different periods in determining accounting income and taxable income" and adding, in their place, the words "temporary differences caused by recognizing an item in the account provided for extraordinary items".

22. In Income Accounts, Account 696, is amended by removing the words "debits or credits for the current accounting period for income taxes deferred currently, or for amortization of income taxes deferred in prior accounting periods" and adding, in their place, the words "the deferred tax expense or benefit related to temporary differences".

### PART 357—ANNUAL SPECIAL OR PERIODIC REPORTS: CARRIERS SUBJECT TO PART I OF THE INTERSTATE COMMERCE ACT

1. The Authority citation for Part 357 is revised to read as follows:

**Authority:** 42 U.S.C. 7101–7352; 49 U.S.C. 60502; 49 App. U.S.C. 1–85 (1988).

2. Section 357.2 is revised to read as follows:

#### § 357.2 FERC Form No. 6, Annual Report of Oil Pipeline Companies.

(a) *Who must file.* (1) Each pipeline carrier subject to the provisions of section 20 of the Interstate Commerce Act whose annual jurisdictional operating revenues has been \$500,000 or more for each of the three previous calendar years must prepare and file with the Commission copies of FERC Form No. 6, "Annual Report of Oil Pipeline Companies," pursuant to the General Instructions set out in that form. Newly established entities must use projected data to determine whether FERC Form No. 6 must be filed.

(2) Oil pipeline carriers exempt from filing Form No. 6 whose annual jurisdictional operating revenues have been more than \$350,000 but less than \$500,000 for each of the three previous calendar years must prepare and file pages 301, "Operating Revenue Accounts (Account 600)," and 700, "Annual Cost of Service Based Analysis Schedule," of FERC Form No. 6. When submitting pages 301 and 700, each exempt oil pipeline carrier must include page 1 of Form No. 6, the Identification and Attestation schedules.

(3) Oil pipeline carriers exempt from filing Form No. 6 and pages 301 and whose annual jurisdictional operating revenues were \$350,000 or less for each of the three previous calendar years must prepare and file page 700, "Annual Cost of Service Based Analysis Schedule," of FERC Form No. 6. When submitting page 700, each exempt oil pipeline carrier must include page 1 of Form No. 6, the Identification and Attestation schedules.

(b) *When to file.* This report must be filed on or before March 31st of each year for the previous calendar year.

(c) *What to submit.* (1) This report form must be filed as prescribed in § 385.2011 of this chapter and as indicated in the General Instructions set out in the report form, and must be properly completed and verified.

(2) A copy of the report must be retained by the pipeline carrier in its files. The conformed copies may be produced by any legible means of reproduction.

(3) Filing on electronic media pursuant to § 385.2011 of this chapter will be required with report year 2000, due on or before March 31, 2001.

### PART 385—RULES OF PRACTICE AND PROCEDURE

3. The Authority citation for Part 385 is revised to read as follows:

**Authority:** 5 U.S.C. 551–557; 15 U.S.C. 717–717z, 3301–3432; 16 U.S.C. 791a–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–

7352; 49 U.S.C. 60502; 49 App. U.S.C. 1–85 (1988).

4. In § 385.2011, paragraph (a)(7) is added to read as follows:

#### § 385.2011 Procedures for filing on electronic media (Rule 2011).

(a) \* \* \*

(7) FERC Form No. 6, Annual Report of Oil Pipeline Companies.

\* \* \* \* \*

[FR Doc. 00–32382 Filed 12–22–00; 8:45 am]

BILLING CODE 6717–01–P

## DEPARTMENT OF THE TREASURY

### Customs Service

#### 19 CFR Parts 10 and 178

[T.D. 01–01]

RIN 1515–AC79

#### Refund of Duties Paid on Imports of Certain Wool Products

**AGENCY:** U.S. Customs Service, Department of the Treasury.

**ACTION:** Final rule.

**SUMMARY:** This document adopts as a final rule the proposed amendments to the Customs Regulations that provide for the refund of duties paid on imports of certain wool products. This document implements the provisions of section 505 of Title V of the Trade and Development Act of 2000, whereby U.S. manufacturers of certain wool articles are eligible to claim a limited refund of duties paid in each of calendar years 2000, 2001, and 2002 on imports of select wool products. The maximum amount eligible to be refunded in each of these claim years is limited to an amount not to exceed one-third of the amount of duties actually paid on such wool products imported in calendar year 1999. This document adds to the Customs Regulations the eligibility, documentation and procedural requirements necessary to substantiate a wool duty refund claim, and makes conforming changes to other regulatory provisions that are impacted by these requirements.

**EFFECTIVE DATE:** January 25, 2001.

**FOR FURTHER INFORMATION CONTACT:** Bruce Ingalls, Chief, Entry and Drawback Management (202) 927–1082.

**SUPPLEMENTARY INFORMATION:**

#### Background

On May 18, 2000, President Clinton signed into law the Trade and Development Act of 2000 ("the Act"), Public Law 106–200, 114 Stat. 251. Title