

# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 989

[Doc. No. AMS-FV-09-0075 and FV10-989-1 IFR]

#### Raisins Produced From Grapes Grown in California; Final Free and Reserve Percentages for 2009-10 Crop Natural (Sun-Dried) Seedless Raisins

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Interim rule with request for comments.

**SUMMARY:** This rule establishes final volume regulation percentages for 2009-10 crop Natural (sun-dried) Seedless (NS) raisins covered under the Federal marketing order for California raisins (order). The order regulates the handling of raisins produced from grapes grown in California and is locally administered by the Raisin Administrative Committee (committee). The volume regulation percentages are 85 percent free and 15 percent reserve. The percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions.

**DATES:** Effective April 23, 2010. The volume regulation percentages apply to acquisitions of NS raisins from the 2009-10 crop until the reserve raisins from that crop are disposed of under the marketing order. Comments received by May 24, 2010, will be considered prior to issuance of a final rule.

**ADDRESSES:** Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or Internet: <http://www.regulations.gov>. All comments

should reference the document number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: <http://www.regulations.gov>. All comments submitted in response to this rule will be included in the record and will be made available to the public. Please be advised that the identity of the individuals or entities submitting the comments will be made public on the Internet at the address provided above.

**FOR FURTHER INFORMATION CONTACT:**

Terry Vawter, Senior Marketing Specialist, or Kurt J. Kimmel, Regional Manager, California Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA; Telephone: (559) 487-5901; Fax: (559) 487-5906; or E-mail: [Terry.Vawter@ams.usda.gov](mailto:Terry.Vawter@ams.usda.gov) or [Kurt.Kimmel@ams.usda.gov](mailto:Kurt.Kimmel@ams.usda.gov).

Small businesses may request information on complying with this regulation by contacting Antoinette Carter, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250-0237; Telephone: (202) 720-2491; Fax: (202) 720-8938; or E-mail: [Antoinette.Carter@ams.usda.gov](mailto:Antoinette.Carter@ams.usda.gov).

**SUPPLEMENTARY INFORMATION:** This rule is issued under Marketing Agreement and Order No. 989, both as amended (7 CFR part 989), regulating the handling of raisins produced from grapes grown in California, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the order provisions now in effect, final free and reserve percentages may be established for raisins acquired by handlers during the crop year. This rule establishes final free and reserve percentages for NS raisins for the 2009-10 crop year, which began August 1, 2009, and ends July 31, 2010.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any

handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing, USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This rule establishes final volume regulation percentages for the 2009-10 crop for NS raisins covered under the order. The volume regulation percentages are 85 percent free and 15 percent reserve. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the committee and are disposed of through various programs authorized under the order. For example, reserve raisins may be sold by the committee to handlers for free use or to replace part of the free tonnage raisins they exported; used in diversion programs; carried over as a hedge against a short crop; or disposed of in other outlets not competitive with those for free tonnage raisins, such as government purchase, distilleries, or animal feed.

The volume regulation percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions. The committee unanimously recommended final percentages for NS raisins on October 6, 2009.

#### Computation of Trade Demand

Section 989.54 of the order prescribes procedures and time frames to be followed in establishing volume regulation. This includes methodology used to calculate free and reserve percentages. Pursuant to § 989.54(a) of the order, the committee met on August 13, 2009, to review shipment and inventory data, and other matters relating to the supplies of raisins of all varietal types. The committee computed a trade demand for each varietal type for which a free tonnage percentage might be recommended. Trade demand is

computed using a formula specified in the order and, for each varietal type, is equal to 90 percent of the prior year's shipments of free tonnage and reserve tonnage raisins sold for free use into all market outlets, adjusted by subtracting the carry-in on August 1 of the current crop year, and adding the desirable carryout at the end of that crop year. As specified in § 989.154(a), the desirable carryout for NS raisins shall equal the total shipments of free tonnage during August and September for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three, or 60,000 natural condition tons, whichever is higher. For all other varietal types, the desirable carryout shall equal the total shipments of free tonnage during August, September and one-half of October for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three. In accordance with these provisions, the committee computed and announced the 2009–10 trade demand for NS raisins at 234,769 tons as shown below.

**COMPUTED TRADE DEMAND CALCULATION**  
[Natural condition tons]

	NS raisins
Prior year's shipments .....	335,103
Multiplied by 90 percent .....	0.90
Adjusted base .....	301,593
Minus carry-in inventory .....	126,824
Plus desirable carryout .....	60,000
Computed NS trade Demand ...	234,769

**Computation of Volume Regulation Percentages**

Section 989.54(b) of the order requires that the committee announce, on or before October 5, preliminary crop estimates and determine whether volume regulation is warranted for the varietal types for which it computed a trade demand. That section allows the committee to extend the October 5 date up to 5 business days if warranted by a late crop. The 2009 crop harvest was late. If the committee determines that volume regulation is warranted, it must also compute and announce preliminary free and reserve percentages. The committee met on October 6, 2009, and announced a 2009–10 crop estimate of 275,000 tons for NS raisins pursuant to § 989.54(b). NS raisins are the major varietal type of California raisin. The crop estimate of 275,000 tons is higher than the computed trade demand of

234,769 tons. Thus, it was determined that volume regulation for NS raisins was warranted. Preliminary volume regulation percentages computed to 73 percent free and 27 percent reserve to release 85 percent of the computed trade demand.

Section 989.54(c) provides that the committee may modify the preliminary free and reserve percentages prior to February 15 by announcing interim percentages which release less than the trade demand. Section 989.54(d) requires the committee to recommend final percentages no later than February 15 which will tend to release the full trade demand.

Pursuant to § 989.54(c), at the same meeting on October 6, 2009, the committee announced interim volume regulation percentages for NS raisins to release less than the full trade demand at 84.75 percent free and 15.25 percent reserve, and recommended final volume regulation percentages of 85 percent free and 15 percent reserve pursuant to § 989.54(d). The committee's calculations and determinations to arrive at final percentages for NS raisins are shown in the table below:

**FINAL VOLUME REGULATION PERCENTAGES CALCULATIONS**  
[Natural condition tons]

	NS raisins
Trade demand .....	234,769
Divided by crop estimate .....	275,000
Equals the free percentage .....	85
Minus free percentage .....	100
Equals the reserve percentage	85
Equals the reserve percentage	15

USDA's "Guidelines for Fruit, Vegetable, and Specialty Crop Marketing Orders" (Guidelines) specify that 110 percent of recent years' sales should be made available to primary markets each season for marketing orders utilizing reserve pool authority. This goal is expected to be exceeded for the 2010 crop year for NS raisins. The application of a free percentage of 85 percent, combined with release of reserve raisins to handlers during the crop year and handler carry-in inventories, is estimated to result in an available supply of 392,485 tons of natural condition NS raisins, which equates to 124 percent of the 2008–09 shipments of 317,718 tons.

**Initial Regulatory Flexibility Analysis**

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), the Agricultural Marketing Service (AMS) has

considered the economic impact of this action on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 23 handlers of California raisins who are subject to regulation under the order and approximately 3,000 raisin producers in the regulated area. Small agricultural service firms are defined by the Small Business Administration (SBA) (13 CFR 121.201) as those having annual receipts of less than \$7,000,000, and small agricultural producers as those having annual receipts of less than \$750,000. No more than 7 handlers and a majority of producers of California raisins may be classified as small entities.

Since 1949, the California raisin industry has operated under a Federal marketing order. The order contains authority to limit the portion of a given year's crop that can be marketed freely in any outlet by raisin handlers. This volume regulation mechanism is used to stabilize supplies and prices, and to strengthen market conditions. If the primary market (the normal domestic market) is over-supplied with raisins, grower prices decline substantially.

Pursuant to § 989.54(d) of the order, this rule establishes final volume regulation percentages for the 2009–10 crop year for NS raisins. The volume regulation percentages are 85 percent free and 15 percent reserve. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the committee and are disposed of through certain programs authorized under the order. Volume regulation is warranted this season because the crop estimate of 275,000 tons is significantly higher than the 234,769 ton trade demand.

The volume regulation procedures have helped the industry address its marketing problems by keeping supplies in balance with domestic and export market needs, and strengthening market conditions. The volume regulation procedures fully supply the domestic and export markets, provide for market expansion, and help reduce the burden of oversupplies in the domestic market.

Raisin grapes are a perennial crop, so production in any year is dependent

upon plantings made in earlier years. The sun-drying method of producing raisins involves considerable risk because of variable weather patterns.

Even though the product and the industry are viewed as mature, the industry has experienced considerable change over the last several decades. Before the 1975–76 crop year, more than 50 percent of the raisins were packed and sold directly to consumers. Now, about 63 percent of the raisins are sold in bulk. This means that raisins are now sold to consumers mostly as an ingredient in another product such as cereal and baked goods. In addition, for a few years in the early 1970s, over 50 percent of the raisin grapes were sold fresh to the wine market for crushing. Since then, the percentage of raisin-variety grapes sold to the wine industry has decreased.

California's grapes are classified into three groups—table grapes, wine grapes, and raisin-variety grapes. Raisin-variety grapes are the most versatile of the three

types. They can be marketed as fresh grapes, crushed for juice in the production of wine or juice concentrate, or dried into raisins. Annual fluctuations in the fresh grape, wine, and concentrate markets, as well as weather-related factors, cause fluctuations in raisin supply. This type of situation introduces a certain amount of variability into the raisin market. Although the size of the crop for raisin-variety grapes may be known, the amount dried for raisins depends on the demands for crushing. This makes the marketing of raisins a more difficult task. These supply fluctuations can result in producer price instability and disorderly market conditions.

Volume regulation is helpful to the raisin industry because it lessens the impact of such fluctuations and contributes to orderly marketing. For example, producer prices for NS raisins remained fairly steady between the 1993–94 through the 1997–98 crop

years, although production varied. As shown in the table below, during those years, production varied from a low of 272,063 tons in 1996–97 to a high of 387,007 tons in 1993–94.

According to committee data, the total producer return per ton during those years, which includes proceeds from both free tonnage plus reserve pool raisins, has varied from a low of \$904.60 in 1993–94 to a high of \$1,049.20 in 1996–97. Producer prices for the 1998–99 and 1999–2000 crop years increased significantly due to back-to-back short crops during those years. Record large crops followed and producer prices dropped dramatically for the 2000–01 through 2003–04 crop years, as inventories grew while demand stagnated. However, as noted below, producer prices were higher for the 2004–05 through the 2008–09 crop years. Crop prices fluctuate depending upon variable winery and table grape demand for raisin variety grapes.

#### NATURAL SEEDLESS (NATURAL CONDITION) DELIVERIES, FIELD PRICES AND PRODUCER PRICES

Crop year	Deliveries (tons)	Field prices (per ton) <sup>1</sup>	Producer prices (per ton)
2008–09 .....	364,268	\$1,310.00	<sup>2</sup> \$1,139.70
2007–08 .....	329,288	1,210.00	<sup>2</sup> 1,028.50
2006–07 .....	282,999	1,210.00	<sup>1</sup> 1,089.00
2005–06 .....	319,126	1,210.00	<sup>1</sup> 998.25
2004–05 .....	265,262	1,210.00	<sup>3</sup> 1,210.00
2003–04 .....	296,864	810.00	567.00
2002–03 .....	388,010	745.00	491.20
2001–02 .....	377,328	880.00	650.94
2000–01 .....	432,616	877.50	603.36
1999–2000 .....	299,910	1,425.00	1,211.25
1998–99 .....	240,469	1,290.00	<sup>3</sup> 1,290.00
1997–98 .....	382,448	1,250.00	946.52
1996–97 .....	272,063	1,220.00	1,049.20
1995–96 .....	325,911	1,160.00	1,007.19
1994–95 .....	378,427	1,160.00	928.27
1993–94 .....	387,007	1,155.00	904.60

<sup>1</sup> Field prices for NS raisins are established by the Raisin Bargaining Association, and are also referred to in the industry as the “free tonnage price” for raisins.

<sup>2</sup> Return-to-date, reserve pool still open.

<sup>3</sup> No volume regulation.

There are essentially two broad markets for raisins—domestic and export. Domestic shipments generally increased over the years. Although domestic shipments decreased from a high of 204,805 packed tons during the 1990–91 crop year to a low of 156,325 packed tons in 1999–2000 crop year, they increased from 174,117 packed tons during the 2000–01 crop year to 193,609 packed tons during the 2007–08 crop year and decreased to 191,929 packed tons during the 2008–09 crop year. Export shipments ranged from a high of 107,931 packed tons in the 1991–92 crop year to a low of 91,599 packed tons in the 1999–2000 crop year.

Since that time, export shipments increased to 106,755 tons of raisins during the 2004–05 crop year, fell to 101,684 tons in 2006–07 crop year, and again increased to 142,541 tons in 2007–08 crop year. This significant increase was due to a short crop in Turkey. Export shipments remained relatively high in 2008–09 at 125,789 tons.

The per capita consumption of raisins has declined from 2.07 pounds in 1988 to 1.46 pounds in 2007. This decrease is consistent with the decrease in the per capita consumption of dried fruits in general, which may be due to the increasing year-round availability of

most types of fresh fruit throughout the year.

While the overall demand for raisins has increased in four of the last five years (as reflected in increased commercial shipments), production has been decreasing. Deliveries of NS dried raisins from producers to handlers reached an all-time high of 432,616 tons in the 2000–01 crop year. This large crop was preceded by two short crop years; deliveries were 240,469 tons in 1998–99 crop year and 299,910 tons in 1999–2000 crop year. Deliveries for the 2000–01 crop year soared to a record level because of increased bearing acreage and yields. Deliveries for the

2001–02 crop year were at 377,328 tons, 388,010 tons for the 2002–03 crop year, 296,864 tons for the 2003–04 crop year, and 265,262 tons for the 2004–05 crop year.

After three crop years of high production and a large 2001–02 carry-in inventory, the industry diverted raisin production to other uses or removed bearing vines. Diversions/removals totaled 38,000 acres in 2001; 27,000 acres in 2002; and 8,000 acres of vines in 2003. These actions resulted in declining deliveries of 296,864 tons for the 2003–04 crop year and 265,262 tons for the 2004–05 crop year. Although deliveries increased in 2005–06 crop year to 319,126 tons, this may have been because fewer growers opted to contract with wineries, as raisin variety grapes crushed in 2005–06 crop year decreased by 161,000 green tons, the equivalent of over 40,000 tons of raisins. In the 2006–07 crop year, raisin deliveries were again less than 300,000 tons at 282,999 tons and increased to 329,288 tons in 2007–08 crop year. The 2008–09 crop year was considered to be a good crop and the quality of the crop has a direct bearing on the overall production with 364,268 tons of NS raisins delivered.

Raisins are generally marketed at relatively lower price levels in the more elastic export market than in the more inelastic domestic market. This results in a larger volume of raisins being marketed and enhances producer returns. In addition, this system allows the U.S. raisin industry to be more competitive in export markets.

The reserve percentage limits provides for raisins that handlers can market as free tonnage. Based on the 2009–10 crop year estimate of 275,000 tons, the 15 percent reserve would limit the total free tonnage to 233,750 natural condition tons (.85 × the 275,000 ton crop). Adding the estimated figure of 41,250 tons of raisins offered to handlers through the 10 + 10 program to the 233,750 tons of free tonnage, plus 126,824 tons of carry-in inventory, plus the 12,137 tons of 2008–09 NS reserve pool raisins released in the 2009–10 crop year results in a total supply of 413,961 tons of natural condition raisins.

With volume regulation, producer prices are expected to be higher than without volume regulation. This price increase is beneficial to all producers regardless of size, and enhances producers' total revenues in comparison to no volume regulation. Establishing a reserve allows the industry to help stabilize supplies in both domestic and export markets, while improving returns to producers.

Free and reserve percentages are established by varietal type; and, generally, established in years when the supply exceeds the trade demand by a large enough margin that the committee believes volume regulation is necessary to maintain market stability.

Accordingly, in assessing whether to apply volume regulation or, as an alternative, not to apply such regulation, the committee determined that volume regulation is warranted this season for only one of the nine raisin varietal types defined under the order.

The free and reserve percentages established by this rule release the full trade demand and apply uniformly to all handlers in the industry, regardless of size. For NS raisins, with the exception of the 1998–99 and 2004–05 crop years, small and large raisin producers and handlers have been operating under volume regulation percentages every year since the 1983–84 crop year. There are no known additional costs incurred by small handlers that are not incurred by large handlers. The stabilizing effects of the volume regulations impact small and large handlers positively by helping them maintain and expand markets even though raisin supplies fluctuate widely from season to season. Likewise, price stability positively impacts small and large producers by allowing them to better anticipate the revenues their raisins will generate.

There are some reporting, recordkeeping and other compliance requirements under the order. The reporting and recordkeeping requirements are necessary for compliance purposes and for developing statistical data for maintenance of the program. The requirements are the same as those applied in past seasons. Thus, this action imposes no additional reporting or recordkeeping requirements on either small or large raisin handlers. The forms require information which is readily available from handler records and which can be provided without data processing equipment or trained statistical staff. The information collection and recordkeeping requirements have been previously approved by the Office of Management and Budget (OMB) under OMB Control No. 0581–0178, Vegetable and Specialty Crops. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

AMS is committed to complying with the E-Government Act, to promote the use of the Internet and other

information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

In addition, USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

Further, the committee's meetings were widely publicized throughout the raisin industry and all interested persons were invited to attend the meetings and participate in the committee's deliberations. Like all committee meetings, the August 13 and October 6, 2009, meetings were public meetings and all entities, both large and small, were able to express their views on this issue.

Also, the committee has a number of appointed subcommittees to review certain issues and make recommendations to the committee. The committee's Reserve Sales and Marketing Subcommittee met on August 13 and October 6, 2009, and discussed these issues in detail. Those meetings were also public meetings, and both large and small entities were encouraged to participate and express their views. Finally, interested persons are invited to submit comments on this interim rule, including the regulatory and informational impacts of this action on small businesses.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateN&page=MarketingOrdersSmallBusinessGuide>. Any questions about the compliance guide should be sent to Antoinette Carter at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

This rule invites comments on the establishment of final volume regulation percentages for the 2009–10 crop year for NS raisins covered under the order. Any comments received will be considered prior to finalization of this rule.

After consideration of all relevant material presented, including the information and recommendation submitted by the committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect, and that good cause exists for not postponing the effective

date of this rule until 30 days after publication in the **Federal Register** because: (1) The relevant provisions of this part require that the percentages designated herein for the 2009–10 crop year apply to all NS raisins acquired during the crop year; (2) handlers are aware of this action, which was unanimously recommended at a public meeting, and need no additional time to comply with these percentages; and (3) this interim rule provides a 30-day comment period, and all comments timely received will be considered prior to finalization of this rule. Also, for the

reasons stated above, a 30-day comment period is deemed appropriate.

**List of Subjects in 7 CFR Part 989**

Grapes, Marketing agreements, Raisins, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 989 is amended to read as followed:

**PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA**

■ 1. The authority citation for 7 CFR part 989 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 989.257 is revised to read as follows:

**§ 989.257 Final free and reserve percentages.**

(a) The final percentages for the respective varietal type(s) of raisins acquired by handlers during the crop year beginning August 1, which shall be free tonnage and reserve tonnage, respectively, are designated as follows:

Crop year	Varietal type	Free percentage	Reserve percentage
2003–04 .....	Natural (sun-dried) Seedless .....	70	30
2005–06 .....	Natural (sun-dried) Seedless .....	82.50	17.50
2006–07 .....	Natural (sun-dried) Seedless .....	90	10
2007–08 .....	Natural (sun-dried) Seedless .....	85	15
2008–09 .....	Natural (sun-dried) Seedless .....	87	13
2009–10 .....	Natural (sun-dried) Seedless .....	85	15

(b) The volume regulation percentages apply to acquisitions of the varietal type of raisins for the applicable crop year until the reserve raisins for that crop are disposed of under the marketing order.

Dated: April 16, 2010.

**Rayne Pegg,**  
Administrator, Agricultural Marketing Service.

[FR Doc. 2010–9241 Filed 4–21–10; 8:45 am]

**BILLING CODE 3410–02–P**

**DEPARTMENT OF ENERGY**

**Federal Energy Regulatory Commission**

**18 CFR Part 38**

[Docket No. RM05–5–017; Order No. 676–F]

**Standards for Business Practices and Communication Protocols for Public Utilities**

Issued April 15, 2010.

**AGENCY:** Federal Energy Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Federal Energy Regulatory Commission (Commission) is amending its regulations at 18 CFR 38.2 to incorporate by reference business practice standards adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board (NAESB) to categorize various demand response products and services and to support the measurement and verification of these products and services in wholesale electric energy markets. This rule ensures that participants in wholesale energy markets where demand response products are administered receive standardized access to information that will enable them to participate in those markets and addresses performance evaluation methods appropriate to use for demand response products. This rule facilitates the ability of demand response providers to participate in electricity markets, reducing transaction costs and providing an opportunity for more customers to participate in these programs, especially customers that operate in more than one organized market. It also provides a foundation for further business practice standardization efforts, and participants in the NAESB process can use these

standards to identify those elements for which standardization would be beneficial. Further, adoption of measurement and verification standards will improve the methods and procedures for measuring accurately the performance of demand response resources and assist in monitoring demand response services for potential manipulation.

**DATES: Effective Date:** This rule will become effective May 24, 2010. Dates for implementation of the standards are provided in the Final Rule. This incorporation by reference of certain publications in the rule is approved by the Director of the Federal Register as of May 24, 2010.

**FOR FURTHER INFORMATION CONTACT:** Ryan Irwin (technical issues), Office of Energy Policy and Innovation, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 502–6454.

Gary D. Cohen (legal issues), Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 502–8321.

**SUPPLEMENTARY INFORMATION:**

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