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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 40

[Docket No. RM08–19–002; Order No. 729–A]

Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk-Power System

Issued May 5, 2010.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Order on clarification.

SUMMARY: In this order, the Commission grants several requests for clarification of Order No. 729, which approved and directed modification of six Modeling, Data, and Analysis Reliability Standards submitted to the Commission for approval by the North American Electric Reliability Corporation, the Commission-certified Electric Reliability Organization for the United States. As discussed below, the Commission clarifies the implementation timeline for these Reliability Standards as well as certain directed modifications.

DATES: *Effective Date*: This rule will become effective June 10, 2010.

FOR FURTHER INFORMATION CONTACT: Jonathan First (Legal Information), Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 502–8529.

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SUPPLEMENTARY INFORMATION:

Before Commissioners: Jon Wellinghoff, Chairman; Marc Spitzer, Philip D. Moeller, and John R. Norris.

Order No. 729–A

Order on Clarification

(Issued May 5, 2010)

1. In this order, the Commission grants several requests for clarification of Order No. 729,[1] which approved and directed modification of six Modeling, Data, and Analysis (MOD) Reliability Standards submitted to the Commission for approval by the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO) for the United States.[2] As discussed below, the Commission clarifies the implementation timeline for these Reliability Standards as well as certain directed modifications.

I. Background

2. On November 24, 2009, the Commission issued a Final Rule in this proceeding that approved the six MOD Reliability Standards submitted to the Commission by the ERO. The approved Reliability Standards pertain to methodologies for the consistent and transparent calculation of available transfer capability or available flowgate capability. Pursuant to section 215(d)(5) of the FPA [3] and section 39.5(f) of our regulations, the Commission directed the ERO to develop certain modifications to the MOD Reliability Standards. The Commission also directed NERC to retire the existing MOD Reliability Standards replaced by the versions approved in the Final Rule once the new versions became effective.

3. On December 23, 2009, American Public Power Association (APPA) and Transmission Access Policy Study Group (TAPS), Duke Energy Carolinas, LLC (Duke), Edison Electric Institute (EEI), ISO New England (ISO–NE), and NERC filed timely requests for clarification.

II. Discussion

A. Implementation Schedule

4. In the Final Rule, the Commission directed that the Reliability Standards become effective according to the schedule proposed by the ERO.[4] Thus, the Commission stated that the MOD Reliability Standards shall become effective on the first calendar quarter that is twelve months beyond the date that the Reliability Standards are approved by all applicable regulatory authorities. The Commission found that this implementation schedule struck a reasonable balance between the need for timely reform and the needs of transmission service providers and transmission operators to make adjustments to their calculations of available transfer capability, capacity benefit margin and transfer reserve margin. In response to comments on its notice of proposed rulemaking, the Commission clarified that, under this plan, the Reliability Standards shall become effective on the first day of the first quarter occurring 365 days after approval by all applicable regulatory authorities. Approval by the Commission would be effective 60 days after the date of publication of the Final Rule in the **Federal Register.**[5]

Requests for Clarification

5. Several petitioners requested clarification of the implementation schedule. If the Commission intended approval of the MOD Reliability Standards to be effective upon their approval of all regulatory authorities, including the applicable Canadian provinces, APPA and TAPS, along with ISO–NE, ask the Commission to clarify a process to keep the Commission and industry informed on the status of the required regulatory approval process. By contrast, EEI asks the Commission to clarify that the MOD Reliability Standards will become effective in the United States no earlier than the first

[1] *Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk-Power System,* Order No. 729, 129 FERC ¶ 61,155 (2009).

[2] *North American Electric Reliability Corp.,* 116 FERC ¶ 61,062, *order on reh'g & compliance,* 117 FERC ¶ 61,126 (2006), *aff'd sub nom. Alcoa Inc.* v. *FERC,* 564 F.3d 1342 (DC Cir. 2009).

[3] 16 U.S.C. 824o(d)(5) (2006).

[4] Order No. 729, 129 FERC ¶ 61,155 at P 95.

[5] *Id.*

day of the first quarter occurring 365 days after the Commission approves the MOD Reliability Standards.

6. NERC also requests clarification and provides some insight into its proposed implementation schedule. NERC explains that the term "all applicable regulatory authorities," as it is used in the MOD Reliability Standards, includes the Commission and the relevant regulatory authorities in the Canadian provinces. NERC states that, when it developed the implementation schedule, all participants anticipated that the processes for approving the MOD Reliability Standards in all jurisdictions would result in approvals that occurred at roughly the same time. However, according to NERC, the processes for approval of Reliability Standards are in various stages of development in various jurisdictions. Accordingly, NERC requests that the Commission clarify that the MOD Reliability Standards shall become effective within the United States no earlier than the first day of the first quarter occurring 365 days after the publication of Order No. 729 in the **Federal Register.**

Commission Determination

7. The Commission agrees that, without further clarification about regulatory approvals in the Canadian provinces, the approved implementation schedule is not determinative as to the effective date of the MOD Reliability Standards within the United States. Without a clear process for informing entities of the approval by all appropriate regulatory authorities, the implementation schedule presents some compliance risks. NERC has indicated that it would support implementation of the MOD Reliability Standards within the United States as of the first day of the first quarter occurring 365 days after the publication of Order No. 729 in the **Federal Register.** The Commission agrees that this implementation schedule is appropriate. Accordingly, the Commission clarifies that the MOD Reliability Standards shall become effective within the United States as of the first day of the first quarter occurring 365 days after the publication of Order No. 729 in the **Federal Register,** *i.e.,* January 1, 2011.

8. Compliance with these MOD Reliability Standards requires an exchange of information and data among neighboring transmission service providers. In some instances, for example, a transmission service provider within the United States may need to exchange information and data with a neighboring transmission service provider located in a jurisdiction where the Reliability Standard is not yet enforceable. In this situation, the transmission service provider within the United States shall share information with the transmission service provider located in another jurisdiction pursuant to the requirements of these MOD Reliability Standards. Nevertheless, the transmission service providers and transmission operators within the continental United States who must rely on information and data from utilities located in another country to comply with these Reliability Standards shall not be penalized solely for the failure of a utility located in another jurisdiction to provide such information and data, until such time that the MOD Reliability Standards become mandatory in that foreign jurisdiction.

9. So that the Commission is informed about international approval of these MOD Reliability Standards, we direct the ERO to file notices with the Commission when any other applicable regulatory authority approves any or all of the MOD Reliability Standards approved by the Commission in Order No. 729. The ERO also must post notice of such approval on its Web site.

B. Audit Scope

10. In the Final Rule, the Commission directed the ERO to conduct an audit to measure compliance with the MOD Reliability Standards. In response to comments on its notice of proposed rulemaking, the Commission clarified that these audits are not intended to address the competitive effects of these MOD Reliability Standards.[6] The Commission further stated that the audits should review each component of available transfer or flowgate capability, including the transmission service provider's calculation of capacity benefit margin and transmission reliability margin, for transparency and verifiability to ensure compliance with the MOD Reliability Standards.[7] The Commission explained that such an audit is consistent with Requirement R3.1 of Reliability Standard MOD–001–1, which requires transmission service providers to include in their available transfer capability implementation documents information describing how the selected methodology (or methodologies) has been implemented. Under Requirement R3.1, transmission service providers are to provide enough detail for the Commission and others to validate the results of the calculation given the same information used by the transmission service provider.

Request for Clarification

11. Duke contends that, although Requirement R3.1 of MOD–001–1 may be broad enough to permit the ERO to audit capacity benefit margin and transfer reliability margin calculation to determine if they can be validated, Reliability Standards MOD–004–1 and MOD–008–1 are not the source for such authority. Accordingly, Duke asks the Commission to clarify that the audits of MOD–004–1 and MOD–008–1 are to be limited to compliance with the explicit requirements of those Reliability Standards.

Commission Determination

12. Reliability Standard MOD–001–1 establishes foundational requirements that oblige entities to select a methodology for calculating available transfer or flowgate capability and then make the appropriate calculations. Reliability Standards MOD–004–1 and MOD–008–1 establish the methodologies for calculating capacity benefit margin and transmission reliability margin, respectively. The NERC Glossary of Terms Used in Reliability Standards (NERC Glossary) defines available transfer capability as "Total Transfer Capability less Exiting Transmission Commitments (including retail customer service), less a Capacity Benefit Margin, less a Transmission Reliability Margin, plus Postbacks, plus counterflows."[8] Thus, both capacity benefit margin and transmission reliability margin are integral components of any available transfer or flowgate calculation.

13. Under Requirement R3.1 of MOD–001–1, a transmission service provider must include in its implementation documentation:

"[i]nformation describing how the selected methodology (or methodologies) has been implemented, in such detail that, given the same information used by the Transmission Service Provider, the results of the [available transfer capability] or [available flowgate capability] calculations can be validated.[9] Because capacity benefit margin and transfer reliability margin are integral components of any available transfer or flowgate capability calculation, we believe that, for an entity to validate the results of an available transfer or flowgate capability calculation, the calculations of capacity benefit margin and transfer reliability margin must also

[6] Order No. 729, 129 FERC ¶ 61,155 at P 106.

[7] *Id.*

[8] *See* NERC Glossary, *available at: http://www.nerc.com/docs/standards/rs/Glossary_2009April20.pdf.*

[9] Reliability Standard MOD–001–1, Requirement R3.1.

be detailed in the implementation document with such detail that they can be validated. Thus, the Commission clarifies that the calculations of capacity benefit margin and transfer reliability margin, performed under MOD–004–1 and MOD–008–1 respectively, are properly audited under Requirement R3.1 of MOD–001–1.

C. Benchmarking

14. In the Final Rule, the Commission directed the ERO to develop benchmarking and updating requirements for the MOD Reliability Standards to measure modeled available transfer and flowgate capability values against actual values.[10] The Commission stated that such requirements should specify the frequency for benchmarking and updating the available transfer and flowgate capability values and should require transmission service providers to update their models after any incident that substantially alters system conditions, such as generation outages.[11]

Request for Clarification

15. Duke states that, in Order No. 693, the Commission directed the ERO to modify Reliability Standard MOD–014–0 to include a requirement for validating models against actual system results. Duke states that the Commission reinforced this requirement in Order No. 890–A, holding that the models used by the transmission provider to calculate available transfer capability, and not actual available transfer capability values, must be benchmarked. Duke requests that the Commission clarify that its directive in Order No. 729 to develop benchmarking and updating requirements is the same as the directives in Order Nos. 693 and 890–A, and is not intended to require a different form of benchmarking.

Commission Determination

16. The Commission clarifies that the directive in Order No. 729 to develop benchmarking and updating requirements is related to the directives in Order Nos. 693, 890, and 890–A. In Order No. 693, the Commission directed modification of Reliability Standard MOD–014–0 to include a requirement that the models developed under the Reliability Standard be validated against actual system responses and that the maximum discrepancy between the model results and the actual system response should be specified in the Reliability Standard.[12] Similarly, in Order No. 890, the Commission directed public utilities, working through NERC, to modify certain MOD Reliability Standards to incorporate requirements for the periodic review and modification of certain models.[13] In Order No. 890–A, the Commission clarified this directive by stating that the *models used* by the transmission provider to calculate available transfer capability, and not actual available transfer capability values, must be benchmarked.[14]

17. The Commission remains concerned about the accuracy of the models used to calculate available transfer capability. Accordingly, in Order No. 729, the Commission directed the ERO to develop benchmarking and updating requirements to measure the results of the available transfer and flowgate calculations against actual values. The Commission's directive to develop benchmarking and updating requirements stems from the same concerns raised in Order Nos. 693, 890, and 890–A. The benchmarking and updating requirements directed in Order No. 729 are not intended to require a different form of benchmarking than required under those prior orders.

D. Treatment of Network Resource Designations

18. In the Final Rule, the Commission found that Reliability Standards MOD–028–1 and MOD–029–1 failed to address the directive in Order No. 693 to specify how transmission service providers should determine which generators should be modeled in service when calculating available transfer capability.[15] Specifically, with regard to MOD–028–1, the Commission noted that Requirement R3.1.3, which addresses designated network resources, governs the calculation of total transfer capability, not existing transmission commitments. The Commission stated that the only information provided as to the effect of designating and undesignating a network resource on existing transmission commitments is in Requirement R8, which merely states that "the firm capacity set aside for Network Integration Transmission Service" will be included. Accordingly, the Commission directed the ERO, pursuant to section 215(d)(5) of the FPA and section 39.5(f) of its regulations, to develop a modification to MOD–028–1 and MOD–029–1 to specify that base generation schedules used in the calculation available transfer capability will reflect the modeling of all designated network resources and other resources that are committed to or have the legal obligation to run, as they are expected to run, and to address the effect on available transfer capability of designating and undesignating a network resource.

Request for Clarification

19. Duke contends that the Commission's directive requiring additional specificity regarding the effect of designating and undesignating a network resource on existing transmission commitments is inappropriately focused on modifications to Requirement R8 of MOD–028–1. Duke states that which requirements need to be amended to include the desired additional specificity will be dependent on which components of available transfer capability are impacted by the base model and network resource designations and undesignations. According to Duke, the Commission erred in stating that existing transmission capacity includes firm capacity set aside for network integration transmission service. According to Duke, within MOD–028–1, the relationship between capacity set aside for network integration transmission service and existing transmission commitment is a narrower concept than the Commission presents in Order No. 729. Accordingly, Duke recommends that the Commission should not expect Requirement R8 of MOD–028–1 to be modified as a result of an effort to include the additional specificity and requests that the Commission clarify that the added specificity should be included in whichever Requirement(s) are relevant and appropriate.

Commission Determination

20. In the Final Rule, the Commission did not intend to direct the ERO to necessarily develop a modification to Requirement R8 of MOD–028–1. The ERO may develop a modification to another appropriate requirement of MOD–028–1 to capture the additional specificity required regarding the effect

[10] Order No. 729, 129 FERC ¶ 61,155 at P 162.

[11] *Id.*

[12] *Mandatory Reliability Standards for the Bulk-Power System,* Order No. 693, 72 FR 16416 (Apr. 4, 2007), FERC Stats. & Regs. ¶ 31,242, at P 1210 (2007), *order on reh'g,* Order No. 693–A, 120 FERC ¶ 61,053 (2007).

[13] *Preventing Undue Discrimination and Preference in Transmission Service,* Order No. 890, 72 FR 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241, at P 290 (2007), *order on reh'g,* Order No. 890–A, 73 FR 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g,* Order No. 890–B, 123 FERC ¶ 61,299 (2008), *order on reh'g,* Order No. 890–C, 126 FERC ¶ 61,228 (2009).

[14] Order No. 890–A, FERC Stats. & Regs. ¶ 31,261 at P 99.

[15] Order No. 729, 129 FERC ¶ 61,155 at P 171 (citing Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 119).

of designating and undesignating a network resource on existing transmission commitments or, as Duke notes, any other relevant component of available transmission capacity. Nevertheless, any modification developed to fulfill this requirement must specify how transmission providers should model base generation dispatch in a consistent manner that includes all designated network resources and other resources that are committed to or have the legal obligation to run, as they are expected to run.[16]

E. Updates To Dispatch Model Following Material Changes

21. In the Final Rule, the Commission determined that, to be useful, hourly, daily, and monthly available transfer and flowgate capability values must be calculated and posted in advance of the relevant time periods.[17] The Commission found that Requirement R8 of MOD–001–1 and Requirement R10 of MOD–030–2 require that such posting will occur far enough in advance to meet this need. Nevertheless, in light of concerns raised by commenters, the Commission directed the ERO to develop modifications to MOD–001–1 and MOD–030–2 to clarify that material changes in system conditions will trigger an update whenever practical.[18]

Request for Clarification

22. Duke states that it agrees that material changes should trigger an update whenever practical, but admonishes that such a requirement is too vague to be enforceable, let alone auditable, by the ERO due to differing interpretations of the phrases "material changes" and "whenever practical." Accordingly, Duke requests that the Commission provide further clarity to the ERO as to the desired modifications.

Commission Determination

23. The Commission agrees that it could be difficult in some instances to enforce a requirement that hinges upon such phrases as "material changes" and "whenever practical." Nevertheless, we believe that such modifications would be useful to ensure timely updates of available transfer or flowgate capability values. If the ERO is unable to modify the requirements of MOD–001–1 and MOD–030–2 to incorporate such language in a manner that sets clear criteria or measures of whether an entity is in compliance with the relevant Reliability Standard or cannot otherwise identify specific changes in system conditions that require an update, the ERO must, at a minimum, include this language in its measures of compliance associated with those Reliability Standards.

F. Managing the Use of Capacity Benefit Margins

24. In the Final Rule, the Commission determined that ISOs, RTOs, and other entities with a wide view of system reliability needs should be able to provide input into determining the total amount of capacity benefit margin required to preserve the reliability of the system.[19] The Commission pointed out, though, that Requirements R1.3 and R7 of MOD–004–1 already make clear that determination of need for generation capability import requirement made by a load-serving entity or resource planner are not final. The Commission added that the third bullet of both Requirements R5 and R6 explicitly list reserve margin or resource adequacy requirements established by RTOs and ISOs among the factors to be considered in establishing capacity benefit margin values for available transfer capability paths or flowgates used in available transfer or flowgate capability calculations. To ensure that the Reliability Standard clearly identifies how the transmission service provider will manage situations where the requested use of capacity benefit margin exceeds the capacity benefit margin available, the Commission directed the ERO to develop a modification to MOD–004–1 to clarify the term "manage" in Requirement R1.3.[20]

Request for Clarification

25. Duke states that it understands the Commission's directive to require that the manner in which such a situation is managed should be transparent to all users in the relevant capacity benefit margin implementation document. Accordingly, Duke asks the Commission to clarify that it intended to direct the ERO to modify the Reliability Standard to require that transmission service providers explain in their capacity benefit margin implementation document their specific method for managing a situation where the requested use of capacity benefit margin exceeds the capacity benefit margin available, recognizing that each transmission service provider may have its own method.

Commission Determination

26. In Order Nos. 890 and 693, the Commission emphasized that each load-serving entity has the right to request that capacity benefit margin be set aside, and to use transmission capacity set aside for that purpose, to meet its verifiable generation reliability criteria requirement.[21] The Commission is concerned that Reliability Standard MOD–004–1 could allow a transmission service provider to calculate, allocate, and use capacity benefit margin in a way that impairs the reliable operation of the Bulk-Power System. Under the Reliability Standard, the transmission service provider is to "reflect consideration" of studies provided by load-serving entities and resource planners demonstrating a need for capacity benefit margin and "manage" situations where the requested use of capacity benefit margin exceeds the capacity benefit margin available. Reliability Standard MOD–004–1 places no bounds on this "consideration" and "management" and, for example, would permit a transmission service provider to make decisions regarding the use of capacity benefit margin based solely on economic considerations notwithstanding a demonstration of need for capacity benefit margin by a load-serving entity or resource planner.

27. These concerns would be diminished if the transmission service provider's capacity benefit margin implementation document were sufficiently transparent to allow others to validate the method of managing capacity benefit margin. Accordingly, the Commission upholds its decision to direct the ERO to develop a modification that would clarify the term "manage" in Requirement R1.3. The Commission clarifies, however, that the ERO, through its Reliability Standards development process, should determine the manner in which this clarification is made.

III. Information Collection Statement

28. The Office of Management and Budget (OMB) regulations require that OMB approve certain information collection requirements imposed by an agency.[22] The revisions to the information collection requirements for transmission service providers and transmission operators adopted in Order No. 729 were approved under OMB Control No. 1902–0244. This order clarifies these requirements in order to

[16] *See* Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1041.

[17] Order No. 729, 129 FERC ¶ 61,155 at P 179.

[18] *Id.*

[19] Order No. 729, 129 FERC ¶ 61,155 at P 222.

[20] *Id.*

[21] Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 1080; *see also* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 259; Order No. 890–A, FERC Stats. & Regs. ¶ 31,261 at P 82.

[22] 5 CFR 1320.

more clearly state the obligations imposed in Order No. 729, but does not substantively alter those requirements. OMB approval of this order is therefore unnecessary. However, the Commission will send a copy of this order to OMB for informational purposes only.

IV. Document Availability

29. 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.gov*) 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, NE., Room 2A, Washington, DC 20426.

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

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

V. Effective Date and Congressional Notification

32. Clarifications adopted in this Final Rule will become effective June 10, 2010.

List of Subjects in 18 CFR Part 40

By the Commission.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2010–11089 Filed 5–10–10; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9350]

RIN 1545–BE24

AJCA Modifications To the Section 6011 Regulations; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a correction to final regulations (TD 9350) which were published in the **Federal Register** on Friday, August 3, 2007 (72 FR 43146) that modify the rules relating to the disclosure of reportable transactions under section 6011.

DATES: This correction is effective on May 11, 2010, and is applicable on August 3, 2007.

FOR FURTHER INFORMATION CONTACT: Charles D. Wien or Michael H. Beker, (202) 622–3070 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9350) that are the subject of this document are under section 6011 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9350) contain an error that may prove to be misleading and is in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

■ Accordingly, 26 CFR part 1 is corrected by making the following correcting amendment:

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

■ **Par. 2.** Section 1.6011–4 is amended by revising the fifth sentence of paragraph (e)(1) to read as follows:

§ 1.6011–4 Requirement of statement disclosing participation in certain transactions by taxpayers.

* * * * *

(e) * * *

(1) * * * In the case of a taxpayer that is a partnership, an S corporation, or a trust, the disclosure statement for a reportable transaction must be attached to the partnership, S corporation, or trust's tax return for each taxable year in which the partnership, S corporation, or trust participates in the transaction under the rules of paragraph (c)(3)(i) of this section. * * *

* * * * *

LaNita Van Dyke,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 2010–11078 Filed 5–10–10; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9350]

RIN 1545–BE24

AJCA Modifications To the Section 6011 Regulations; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains a correction to final regulations (TD 9350) which were published in the **Federal Register** on Friday, August 3, 2007 (72 FR 43146) that modify the rules relating to the disclosure of reportable transactions under section 6011.

DATES: This correction is effective on May 11, 2010, and is applicable on August 3, 2007.

FOR FURTHER INFORMATION CONTACT: Charles D. Wien or Michael H. Beker, (202) 622–3070 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9350) that are the subject of this document are under section 6011 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9350) contain an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of the final regulations (TD 9350) which were the subject of FR Doc. 07–3786, is corrected as follows:

On page 43146, column 2, in the preamble, under the caption heading **FOR FURTHER INFORMATION CONTACT**, the