Supporting Statement for

FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines, FERC-717, Standards for Business Practices and Communication Protocols For Public Utilities

As Proposed In Docket No. RM96-1-027 & RM05-5-001
(Notice of Proposed Rulemaking Issued October 25, 2006)

The Federal Energy Regulatory Commission (Commission) requests Office of Management and Budget (OMB) review and approval of **FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines and FERC-717, Standards for Business Practices and Communication Protocols for Public Utilities** are existing data requirements that amend Parts 38 and 284 of the Commission regulations governing standards for conducting business practices with interstate pipelines in a Notice of Proposed Rulemaking (NOPR). The NOPR was issued on October 25, 2006, in Docket No. RM96-1-027. FERC-549C (OMB Control No. 1902-0174) is currently approved through June 30, 2008 and FERC-717 (OMB Control No. 1902-0173) is currently approved by OMB through June 30, 2009.

The subject data collections will be affected because the proposed regulations will require interstate pipelines and public utilities to amend their standards to establish communication protocols between interstate pipelines and power plant operators and transmission owners and operators.

We estimate that the total one-time annual reporting-burden related to the subject NOPR will be 9,120 hours (under FERC-549C 1,860 hours and under FERC-717 7,260 hours). This is equal to an average of 20 hours per company under FERC-549C and 33 hours per company under FERC-717 if the Commission adopts the changes proposed in the subject NOPR in a final rule. After issuance of a final rule and the affected pipelines have conformed their operations to reflect compliance with these standards, as proposed, the total burden under FERC-549C would be reduced by 1,860 hours and for FERC-717 by 7,260 hours.

All of the proposed changes in the subject NOPR are provided for under sections 4, 5, 8, 10, and 16 of the Natural Gas Act (NGA), and Title III, section 311, of the Natural Gas Policy Act (NGPA) and in Sections 309 and 311, of the Federal Power Act of 1935 (FPA) (16 U.S.C. 825h) and 16 U.S.C. 825j.

Background

Before the industry restructuring was initiated by the Commission in Order No. 636, natural gas pipelines primarily provided a merchant service. A typical pipeline company purchased gas from producers or other suppliers, transported the gas from the supply area to storage fields or sales delivery points, and sold the gas on a "bundled" basis. Now, pipelines are primarily transporters of natural gas.

The physical operation of a pipeline for open-access transportation is much the same as for a bundled service. However, in the Commission's view, the change in the primary role of the pipeline from merchant to transporter requires there be standards/business practices to establish a more efficient and integrated pipeline grid. The subject NOPR contains proposed amendments to regulations that reflect the current restructured industry and would require certain standardize business practices to facilitate the efficient development of a national pipeline grid system.

The process of standardizing business practices in the natural gas industry began with a Commission initiative to standardize electronic communication of capacity release transactions. [1] The outgrowth of the initial Commission standardization efforts produced working groups composed of all segments of the industry and ultimately, the Gas Industry Standards Board (GISB), a consensus organization open to all members of the gas industry. (GISB was succeeded by the North American Energy Standards Board (NAESB)).

On March 16, 1996, GISB filed 140 standards covering five major business areas. The GISB Executive Committee, through its consensus voting procedures, approved these standards. In addition, on April 12, 1996, GISB filed data elements describing the specific information that would be used by industry to conduct the 10 high priority business transactions.

On April 24, 1996, the Commission issued a NOPR in Docket No. RM96-1-000, Standards for Business Practices of Interstate Natural Gas Pipelines. The NOPR proposed to revise the Commission's regulations to require interstate natural gas pipelines to follow standardized procedures for critical business practices -- nominations; allocations, balancing, and measurement; invoicing; and capacity release -- and to standardize mechanisms for electronic communication between pipelines and those with whom they do business. The proposed revisions included amending Parts 161, 250, and 284 and adding a new section 284.10, Standards for Pipeline Business Operations and Communications, to the Commission's regulations.

Section 284.10 - Standards for Pipeline Business Operations and Communications - of the Commission's regulations was divided into the following subsections[2]:

Subsection (a) - Electronic Bulletin Boards; and
Subsection (b) - Incorporation by Reference of Business Practice and Electronic Communication Standards

The proposed regulations incorporated by reference the standards submitted by GISB in response to the Commission's October 25, 1995, Advance Notice of Proposed Rulemaking (ANOPR). (60 FR 55504 (Nov. 1, 1995))

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1 ?/ Standards for Electronic Bulletin Boards Required under Part 284 of the Commission's Regulations, Order No. 563, 59 FR 516 (January 5, 1994).

2 ?/ Redesignated and amended as 284.12 by Order No. 637, 65 FR 10220, (February 25, 2000).

On July 17, 1996, the Commission issued a final rule (Order No. 587) in Docket No. RM96-1-000 and, with minor exception, adopted the standards proposed in the NOPR issued April 24, 1996. In subsequent Order Nos. 587-B and 587-C, 587-G, 587-H, 587-K, 587-M, 587-N and 587-R the Commission further standardized the business practices and communication methodologies of interstate pipelines to create a more integrated and efficient pipeline grid.

Since 1995, NAESB and its predecessor, the Gas Industry Standards Board, have been accredited members of the American National Standards Institute (ANSI), complying with ANSI's requirements that its standards reflect a consensus of the affected industries. NAESB is a non-profit, private standards development organization established in January 2002 to propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service. (See http://www.naesb.org)

NAESB's standards include business practices that streamline the transactional processes of the natural gas and electric industries, as well as communication protocols and related standards designed to improve the efficiency of communication within each industry. NAESB supports all four quadrants of the gas and electric industries—wholesale gas, wholesale electricity, retail gas, and retail electricity—and recognizes the ongoing convergence of the gas and electric businesses by ensuring that its standards receive the input of all industry quadrants when appropriate. All participants in the gas and electric industries are eligible to join NAESB, belong to one or more quadrant(s), and participate in standards development.

NAESB's wholesale gas quadrant (WGQ) is composed of five industry segments: pipelines, producers, local distribution companies, end users, and services (including marketers and computer service companies). NAESB's wholesale electric quadrant similarly includes five industry segments: transmission, generation, marketer/brokers, distribution/load serving entities, and end users. NAESB's procedures ensure that all industry members can have input into the development of a standard, whether or not they are members of NAESB, and each standard NAESB adopts is supported by a consensus of the relevant industry segments.

Since 1996 as noted above, in Order No. 587 and subsequent orders, the Commission, through its notice-and-comment rulemaking process, adopted relevant gas standards by incorporating these standards by reference into its regulations.[3] On April 25, 2006, the Commission by a similar process incorporated by reference the first set of NAESB electric standards.[4]

Subject NOPR (Docket No. RM96-1-027)

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3 Standards for Business Practices of Interstate Natural Gas Pipelines, Order No. 587, 61 FR 39053 (July 26, 1996), FERC Stats. & Regs. Regulations Preambles [July 1996-December 2000] ¶ 31,038 (July 17, 1996).

4 Standards for Business Practices and Communication Protocols for Public Utilities, 71 FR 26199 (May 4, 2006), FERC Stats. & Regs. Regulations Preambles ¶ 31,216 (Apr. 25, 2006).

On October 25, 2006, the Commission issued a Notice of Proposed Rulemaking, proposing to incorporate by reference certain standards promulgated by the Wholesale Gas Quadrant (WGQ) and the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB). These standards will establish communication protocols between interstate pipelines and power plant operators and transmission owners and operators. Through this rulemaking, the Commission is seeking to improve coordination between the gas and electric industries in order to limit miscommunications about scheduling of gas-fired generators. Improved communications should ensure reliability in both industries. The NOPR is in response to the events cited below.

In January 2004, a cold snap highlighted the need for better coordination and communication between the gas and electric industries as coincident peaks occurred in both industries making the acquisition of gas and transportation by power plant operators more difficult. In response to this need, in early 2004, NAESB established a Gas-Electric Coordination Task Force to examine issues related to the interrelationship of the gas and electric industries and identify potential areas for improved coordination through standardization. Because of the importance of such coordination, the NAESB Board of Directors established a Gas-Electric Interdependency Committee in September 2004 to review coordination issues and identify potential areas for standards development.

As a result of these efforts, on June 27, 2005, NAESB filed a status report with the Commission. The report included ten business practice standards jointly developed by the wholesale gas and electric quadrants, the first such collaboration between the two quadrants. The standards, in general, address communication processes between pipelines, power plant operators, and transmission operators.[5]

Additionally, the report highlights 13 issues involving gas and electric interdependency. These issues relate to fundamental differences between the two industries, including differences in lead time to prepare for load fluctuations, differences in the precision of instrumentation, and differences in the “utility model” used in the electric industry (in which generating capacity is planned for and built for anticipated future requirements) and the gas industry’s “market-driven model” (in which gas capacity is built only for those contracting for such capacity).

On February 24, 2006, NAESB filed a final report with the Commission on the efforts of the Gas-Electric Interdependency Committee. Based on the 13 issues, the final report identified six potential areas where existing standards should be reexamined to determine whether new or updated business practices could improve communications between the gas and electric industries. In these six areas, the report makes requests to the Commission to clarify existing policies or identifies areas for standards development. It should be noted that not all the

5 On June 28, 2006, NAESB filed a report advising that the following permanent numbers have been assigned to these standards. The standards for the Wholesale Electric Quadrant are Gas/Electric Coordination Standards WEQ-011-0.1 through WEQ-011-0.3 and WEQ-011-1.1 through WEQ-011-1.6. The standards for the Wholesale Gas Quadrant are: Additional Standards, Definitions 0.2.1 through 0.2.3 and Standards 0.3.11 through 0.3.15.

standards development was supported by every segment of each industry. The Commission received requests for clarification to include:

- Clarification of Commission orders regarding pipeline discounts and negotiated rates as relevant to the ability of shippers releasing capacity to price released capacity using gas price indices.
- Clarification of Commission orders regarding the ability of pipelines to shift gas with primary firm transportation within a pipeline path without having to re-offer as secondary firm transportation service.

Potential areas for standards development include:

- Adding an additional gas intraday nomination cycle with bumping rights to provide more flexibility to shippers, including power generators, with firm transportation rights such that they can nominate for natural gas supporting their market clearing times.
- Modifying the requirements for organized electric markets so that the markets clear in sufficient time to nominate within the existing gas nomination timelines.
- Requiring gas-fired generators that bid into the day-ahead market to have the appropriate gas commercial arrangements to fulfill an accepted bid.
- Developing the appropriate supporting definitions for new business practices for the Wholesale Electric Quadrant, including but not limited to definitions for: alternate fuel capability, usable alternate fuel capability, firm, transportation service, firm sales service, firm supply, and “must run” generator.

A. Justification

1. FERC-549C

Pursuant to sections 4, 5, and 16 of the NGA, (15 USC 717c - 717o, P.L. 75-688, 52 Stat. 822 and 830), and Title III of the NGPA, (15 USC 3301-3432, P.L. 95-621), a natural gas company must obtain Commission authorization for all rates and charges made, demanded, or received in connection with the transportation or sale of natural gas in interstate commerce. The Commission is authorized to investigate the rates charged by natural gas pipeline companies subject to its jurisdiction. If, after the investigation, the Commission is of the opinion that the rates are "unjust or unreasonable or unjustly discriminatory or unduly preferential," it is authorized to determine and prescribe just and reasonable rates. The NGA also provides the Commission with a means for considering the reasonableness of rates through settlement conferences or hearings.

FERC-549C was created in Order No. 587 (July 26, 1996, 61 FR 39053) because interstate pipelines were required to adopt certain standards for business practices that required changes in day-to day operations. In addition, these standards required these pipelines to adopt certain mechanisms for electronic communication between the pipelines and those doing business with the pipelines.

The standards contained in this NOPR will require if adopted in the final rule, gas fired-power plant operators and pipelines to establish procedures to communicate material changes in circumstances that may affect hourly flow rates. These standards are to ensure that pipelines have relevant planning information that will assist in maintaining the operational integrity and reliability of pipeline service, as well as providing gas-fired power plant operators with information as to whether hourly flow deviations can be honored. The standards will further improve communication by requiring pipelines to provide electric transmission operators, including RTOs and ISOs, and power plant operators the ability to sign up to receive from connecting pipelines operational flow orders and other critical notices.

The proposed business and communications standards under FERC-549C are required to carry out the Commission's policies in accordance with the general authority in Sections 4, 5, 7, 8, 10, 14, 16, and 20 of the Natural Gas Act (NGA) (15 U.S.C. 717-817-w), and Sections 311, 501, and 504 of the Natural Gas Policy Act of 1978 (NGPA) (15 U.S.C. 3301-3432).

FERC-717

In its Final Rule Order No. 888: "Promoting Wholesale Competition through Open Access Nondiscriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities" issued on April 24, 1996, (Docket No. RM95-8/RM94-7), the Commission required that all public utilities that own, control or operate facilities used for transmitting electric energy in interstate commerce to have on file open access nondiscriminatory transmission tariffs that contain minimum terms and conditions of nondiscriminatory service.

By its Final Rule issued April 24, 1996, in Docket No. RM95-9-000, the Commission proposed to adopt certain standards/information requirements for Open Access Same-Time Information System (OASIS) to be maintained by Public Utilities. More specifically, the Commission proposed to add Part 37 of Title 18, Code of Federal regulations (CFR). The Standards of Conduct were designed to prevent employees of a public utility (or any of its affiliates) engaged in marketing functions from preferential access to OASIS-related information or from engaging in unduly discriminatory business practices. Companies were required to separate their transmission operations/reliability functions from their marketing/ merchant functions and prevent system operators from providing merchant employees and employees of affiliates with transmission-related information not available to all customers at the same time through public posting on the OASIS.

In addition, the Commission required public utilities to establish OASIS sites to provide transmission customers with equal and timely access to information about transmission and ancillary services provided in the tariffs. The Commission does not believe that open-access nondiscriminatory transmission services can be completely realized until it removes real-world obstacles that prevent transmission customers from competing effectively with the Transmission Provider. One of the obstacles is unequal access to transmission information. The Commission believes that transmission customers must have simultaneous access to the same information available to the Transmission Provider if truly nondiscriminatory transmission services are to be a reality.

The WEQ's OASIS standards are based on the Commission's existing standards. However, the WEQ modified its baseline OASIS standards to facilitate the redirect of transmission reservations to alternate receipt and delivery points, to address multiple submissions of multiple identical transmission requests and queuing issues, and to address OASIS posting requirements under FERC Order No. 2003 based on industry requests for enhancements to the OASIS standards. The WEQ also performed maintenance on the baseline OASIS standards to improve their format, organization and clarity.

Standardization of business practices and communication processes benefit the electric industry by providing for uniform methods of doing business with different transmission providers. Many participants in electric markets conduct business transactions involving a number of different transmission providers and establishing a uniform set of procedures and communication protocols helps to make such transactions more efficient. Moreover, having the industry consider business practice standards through a consensus process results in the industry devising ways to improve and make business practices more efficient.

The standards proposed in this NOPR will ensure that operators of the electric grid can stay abreast of developments on gas pipelines that can affect the reliability of electric service. The standards require that, upon request, a gas-fired power plant operator must provide to the appropriate electric balancing authority or electric reliability coordinator pertinent information regarding its service levels for gas transportation (firm or interruptible) and for gas supply (firm, fixed or variable quantity, or interruptible). This information should assist reliability coordinators in assessing the relative reliability of various gas-fired generators.

2. The primary objective of the changes proposed in the NOPR is to promote coordination and to help improve the reliability of both the gas and electric industries by ensuring that all parties have information relevant to their scheduling and dispatch. The Commission is proposing to incorporate by reference the NAESB WEQ and NAESB WGQ definitions and business practice standards providing for coordination and communication between natural gas pipelines and the various electric industry operators, including RTOs, ISOs and gas-fired power generators.

The Commission's ongoing work with the WGQ and WEQ is aimed at simplifying the process of transacting business across the interstate natural gas pipeline and transmission grids. If transactions are easier and less costly, customers should have greater flexibility. The proposed revisions to the standards and data sets reflects an attempt to improve and restructure services and operations and further streamline the way pipelines, public utilities and transmission operators receive and send important information.

The data filed under FERC-549C is based on rate change applications for all rates, and charges made, demanded, or received in connection with the transportation of natural gas. To ensure that pipelines have the appropriate information and can communicate this information, FERC-549C as noted above, was created to implement standards that would have mechanisms in place for electronic communication as well as standards governing business practices in day-to-day operations. The information required under FERC-549C is not filed with the Commission but instead posted on the pipelines Web sites.

The data filed under FERC-717 applies to all Public Utilities owning and/or controlling facilities used for the transmission of electricity in interstate commerce. These procedures enable the Commission to ensure compliance with the functional unbundling established in the Commission's Open Access rulemaking.

The Commission’s Office of Markets, tariffs and Rates uses the information in rate and proceedings to review rate and tariff changes by public utilities, for general industry oversight, and to supplement the documentation used during the Commission’s audit process. The collection of this information is necessary to meet the legal requirements, namely the statutory obligations under section 205 and 206 of the FPA, to prevent unduly discriminatory practices.

This proposed rule, if implemented, would upgrade the Commission's current business practice and communication standards to include standardized communication protocols between interstate pipelines and power plant operators and transmission owners and operators. The implementation of these standards and regulations is necessary to improve coordination between the gas and electric industries, to limit miscommunications about scheduling of gas-fired generators and to improve the reliability in both industries. In addition, the implementation of these data requirements will help the Commission carry out its responsibilities under the Federal Power Act and Natural Gas Act of promoting the efficiency and reliability of the electric and gas industries' operations. The Commission's Office of Energy Markets and Reliability will use the data for general industry oversight.

The Commission's Office of Markets, Tariffs and Rates and the Office of the General Counsel will use the data in rate proceedings to review rate and tariff changes by natural gas companies for the transportation of gas, for reliability of the transmission system, for general industry oversight, and to supplement the documentation used during the Commission's audit process.

Failure by the Commission to collect this information would mean that it is unable to monitor and evaluate transactions and operations of interstate pipelines, public utilities and transmission operators and perform its regulator functions.

3. There is an ongoing effort to determine the potential and value of improved information technology to reduce burden. As noted above, the Commission does not receive any of the information under FERC-549C and FERC717 data requirements as information required due to the revised standards and data sets are posted on pipelines' Internet sites and public utilities’ OASIS sites.

4. Commission filings and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of the Commission's regulations

and data requirements to identify any duplication. To date, no duplication of the proposed data requirements has been found. The Commission staff is continuously reviewing its various filings in an effort to alleviate duplication. There are no similar sources of information available that can be used or modified for use for the purpose described in Item A (1.).

5. There are no small businesses that are impacted under the FERC-549C & FERC-717 reporting/data requirements. The proposed business standards, practices, and procedures will impact the day-to-day operations of major and non-major natural gas companies, public utilities and transmission operators whose operational thresholds are above the small business standards. Specific efforts have been made by industry working groups and the Commission to minimize the burden imposed on the affected companies. The proposed data requirements would impose the least possible burden on companies, in light of the fact that such requirements were agreed to by a broad consensus of industry representatives. The Commission's proposal is designed so as not to cause operational problems for pipelines, public utilities and transmission operators. 6. The proposed changes in business practices under Section 284.12(a)(1)(i) and 38.1 of the Commission's regulations would require interstate pipelines and public utilities to adopt the most recent and up-to-date WEQ and WGQ standards governing business practices and electronic communication.

7. This proposed program meets all of OMB's section 1320.5 requirements. The Commission is not proposing that pipelines and public utilities make tariff filings to include these standards in their tariffs in this rulemaking which would require additional copies and exceed the guidelines of 5 CFR 1320.5. These standards if adopted will be included in later standard versions when NAESB updates its wholesale gas and electric standards and, if the Commission decides to incorporate these later standard versions into its regulations, pipelines and public utilities will then be required to include these standards in their tariffs.

8. The Commission's procedures require that the rulemaking notice be published in the Federal Register, thereby allowing all pipeline companies, state commissions, federal agencies, and other interested parties an opportunity to submit comments, or suggestions concerning the proposal. The rulemaking procedures also allow for public conferences to be held as required.

As noted above, the Commission is proposing to adopt the standards developed NAESB, specifically the NAESB WEQ and NAESB WGQ definitions and business practice standards providing for coordination and communication between natural gas pipelines and the various electric industry operators, including RTOs, ISOs and gas-fired power generators.

In section 12(d) of the National Technology Transfer and Advancement Act of 1995, Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, as the means to carry out policy objectives or activities unless use of such standards would be inconsistent with applicable law or otherwise impractical.[6] NAESB approved the standards under its consensus procedures. Office of Management and Budget Circular A-119 (§ 11) (February 10, 1998) provides that

6 Pub L. No. 104-113, §12(d), 110 Stat. 775 (1996), 15 U.S.C. §272 note (1997).

federal agencies should publish a request for comment in a NOPR when the agency is seeking to issue or revise a regulation proposing to adopt a voluntary consensus standard or a government-unique standard. In this NOPR, the Commission is proposing to incorporate by reference voluntary consensus standards developed by the WGQ and WEQ.

9. There are no payments or gifts to respondents in the proposed rule.

10 and 11. The Commission generally does not consider the data posted concerning standardized business procedures to be confidential. There are no questions of a sensitive nature associated with the standardized business procedures proposed in the subject NOPR. Specific requests for confidential treatment to the extent permitted by law will be entertained pursuant to 18 C.F.R. Section 388.110.

12. The annual (one-time) burden estimate of 1,860 hours (an average of 20 hours per company) for information requirements/collections under FERC-549C, as proposed in the subject NOPR, is based on the Commission's recent experience with establishing the standards in previous GISB/NAESB rulemaking dockets. Following the one-time implementation of the proposed standards and practices the burden under FERC-549C would be reduced by 1,860 hours.

The annual (one-time) burden estimate of 7,260 hours (an average of 33 hours per company) for information requirements/collections under FERC-717, as proposed in the subject NOPR, is based on the Commission's recent experience with establishing the standards in previous NAESB rulemaking dockets. Following the one-time implementation of the proposed standards and practices the burden under FERC-717 would be reduced by 7,260 hours.

On an annual basis, the total estimated reporting burden under FERC-549C (including the estimated burden of 1,860 hours for the subject proposed data collection/requirement) for an estimated 544 responses/filings per year is expected to total 857,087 hours or approximately 3,971 hours per filing. Following the one-time implementation of the proposed standards and practices, the burden under FERC-549C would be reduced by 1,860. The Commission in a separate proceeding is reducing the total hours by 243,102 hours due to the implementation of version 1.7 of the standards. A detailed summary of FERC-545 and FERC-549C burden estimates is shown below:

DATA REQUIREMENT (FERC-549C)		**CURRENT OMB INVENTORY***	**PROPOSED IN 011 NOPR**	**NEW OMB INVENTORY**
Estimated number of respondents	:	93	93	93
Estimated number of responses per respondent	:	4.85	1	4.85
Estimated number of responses per year	:	544	93	544
Estimated number of hours per response	:	3,971	20	3,991
Total estimated burden (hours per year)	:	855,227	1,860	857,087
Program change in industry burden hours	:		+1,860	
Adjustment change in industry burden hours	;		-0-	

*OMB Inventory as of 10/26/06

	CURRENT OMB	**PROPOSED**	**NEW OMB**

DATA REQUIREMENT (FERC-717)		INVENTORY*	IN 027 NOPR	INVENTORY
Estimated number of respondents	:	220	220	220
Estimated number of responses per respondent	:	1	1	1
Estimated number of responses per year	:	220	220	220
Estimated number of hours per response	:	980.43	33	1013.43
Total estimated burden (hours per year)	:	215,695	7,260	222,955
Program change in industry burden hours	:		+ 7,260	
Adjustment change in industry burden hours	:		-0-	

13. The estimated annualized one-time filing/start-up cost to respondents related only to the data collection/requirements as proposed in the subject NOPR is as follows:

	FERC-549C	FERC-717
Annualized Capital/Startup Costs	$279,000	$1,089,000
Annualized Costs (Operations & Maintenance)	N/A	N/A
Total Annualized Costs	$279,000	$ 1,089,000

The total annualized cost for the two information collections is $ 1,368,000. This number is reached by multiplying the total hours to prepare a response (hours) by an hourly wage estimate of $150 (a composite estimate that includes legal, technical and support staff rates). $1,368,000= $150 x 9,120.

Because there are no reoccurring year-to-year operation/ maintenance and record keeping costs related to the proposed changes in the subject NOPR, the total annualized costs to respondents are the estimated one-time start-up costs for FERC-549C and FERC-717 shown above.

14. The estimated annualized cost to the Federal government related only to the data collections/requirements as proposed in the subject NOPR are shown below:

Data Requirement Number	Analysis of Data (FTEs)[8]	x	Estimated Salary[7] Per Year	+	FERC Forms Clearance (FY '06)	=	Total Cost One Year's Operation
FERC-549C	-.25-		$117,363		$ -0-		$ 29,341
FERC-549C	-.5-		$117,363		-0-		58,682
Total	.75		$117,363		$ -0-		$ 88,023

15. See reasons for program change in Background section above.

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7 ?/ "Salary" represents the allocated cost per gas program employee at the Commission based on its appropriated budget for fiscal year 2006. The $117,363 "salary" consists of $94,390 in salaries and $22,973 in benefits.

8 ?/ An "FTE" is a "Full Time Equivalent" employee that works the equivalent of 2,080 hours per year.

16. The time schedule for FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines and Standards for Business Practices and Communication Protocols for Public Utilities and related activities is shown below.

Schedule for Data Collection and Analysis

Activity	Estimated Completion Time

To incorporate these standards by reference, the Commission is proposing to amend parts 38 and 284 of its regulations to include the appropriate standards.[9] The Commission is also proposing to amend section 38.1 so that it applies to gas-fired power plant owners and operators and to public utilities that own, operate or control facilities used to effectuate wholesale power sales.

The Commission is not proposing as noted above, that pipelines and public utilities make tariff filings to include these standards in their tariffs in this rulemaking. These standards would be included in later standard versions when NAESB updates its wholesale gas and electric standards and, if the Commission decides to incorporate these later standard versions into its regulations, pipelines and public utilities will then be required to include these standards in their tariffs.

Four of the standards require pipelines, RTOs/ISOs and/or gas-fired power plant operators to establish procedures to communicate information with each other.[10] For instance, standard WEQ-011-1.2 requires pipelines and gas-fired power plant operators to establish procedures to communicate hourly gas-flow information. With respect to these standards, the Commission proposes to require each pipeline and relevant public utility to demonstrate compliance by filing a statement as to whether it has established the required procedures with each relevant entity on its system or taken appropriate action, as required by the standards. While the Commission expects that the parties would be able to negotiate acceptable provisions, if an intractable dispute should arise, the parties can submit the dispute to the Commission for resolution. This is similar to what the Commission has required in previous rulemaking proceedings.[11]

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9 The standards for the Wholesale Electric Quadrant are: Gas/Electric Coordination Standards WEQ-011-0.1 through WEQ-011-0.3 and WEQ-011-1.1 through WEQ-011-1.6. The standards for the Wholesale Gas Quadrant are: Additional Standards, Definitions 0.2.1 through 0.2.3 and Standards 0.3.11 through 0.3.15.

10These standards are WEQ-011-1.2 and WGQ Standard 0.3.12; WEQ-011-1.4; WEQ-011-1.5; and WEQ-011-1.6 and WGQ Standard 0.3.15.

11 See Standards for Business Practices of Interstate Natural Gas Pipelines,

The time schedule for FERC-549C and FERC-717 would be to have the proposed business standards/procedures in place on or about the Commission's target implementation date of the first of the month occurring 60 days after publication of the final rule in the Federal Register.

17. Not applicable. The data requirements under FERC-549C and FERC-717 are based on regulations and not filed on formatted/printed forms. Thus, the subject data requirements do not have an appropriate format to display an OMB expiration date.

18. Not applicable. The Commission does not use statistical methodology for either FERC-549C or FERC-717.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable to either FERC-549C or FERC-717...

FERC ¶ 61,371 (1998). In a similar situation (a requirement that pipelines enter into operation balancing agreements (OBAs) with interconnecting pipelines), rather than requiring pipelines to file their OBAs, the Commission required the pipelines to file a statement with the Commission certifying that they have complied with the requirement to enter into OBAs.