

Supporting Statement for  
**FERC-549C, Standards for Business Practices of Interstate Natural Gas  
Pipelines**

As Proposed in Docket No. RM96-1-030

(Notice of Proposed Rulemaking Issued July 16, 2009)

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**. FERC-549C is an existing data requirement and in this Notice of Proposed Rulemaking (NOPR), the Commission is amending Part 284 of its regulations governing standards for conducting business practices with interstate pipelines. The NOPR was issued on July 16, 2009, in Docket No. RM96-1-030. FERC-549C (OMB Control No. 1902-0174) is currently approved through August 31, 2012.

The subject data collections will be affected because if the proposal is implemented, it would amend the Commission's regulations to prescribe standards for interstate natural gas pipeline business practices and electronic communications (found at 18 CFR § 284.12) and incorporate by reference standards adopted by the Wholesale Gas Quadrant of the North American Energy Standards Board (NAESB).

Specifically the adoption would be for standards concerning (1) Index-Based Capacity Release and (2) Flexible Delivery and Receipt Points. The implementation of these standards is necessary to increase the efficiency of the natural gas pipeline grid. Requiring such information ensures both a common means of communication and common business practices in order to provide participants engaged in transactions with interstate pipelines the ability to have timely information and also ensure uniform business procedures across multiple pipelines. Compliance with these standards will require certain changes in interstate pipeline day-to-day business operations.

We estimate that the total one-time annual reporting burden related to the subject NOPR will be 1,512 hours under FERC-549C. This is equal to an average of 12 hours per company if the Commission adopts the changes proposed in the subject NOPR in a final rule. After issuance of the final rule and the affected companies have conformed their operations to reflect compliance with these standards as proposed, the burden under FERC-549C would be reduced by 1,512 hours 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).

## **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 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 standardized 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.<sup>1</sup> The outgrowth of the initial Commission standardization efforts produced working groups composed of all segments of the gas industry and ultimately, the Gas Industry Standards Board (GISB), a consensus organization open to all members of the gas industry was created. GISB was succeeded by the North American Energy Standards Board (NAESB)).

NAESB is a voluntary non-profit organization comprised of members from all aspects of the greater gas industry. NAESB’s mission is to take the lead in developing and implementing standards across the industry to simplify and expand electronic communication, and to streamline business practices. The objective is to lead to a seamless North American marketplace for natural gas, as recognized by its customers, the business community, industry participants and regulatory bodies. NAESB Wholesale Gas Quadrant (WGQ) standards are a product of NAESB.

All of the standards have been adopted by the Commission in the realization that as the industry evolves and uses the standards, additional and amended NAESB WGQ standards will be necessary. Any industry participant seeking additional or amended standards (including principles, definitions, standards, data elements, process descriptions, technical implementation instructions) submits a request to the NAESB office, detailing the change, so that the appropriate process may take place to amend the standards.

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

A cold snap in January 2004 in New England 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. NAESB developed a number of standards to enhance the coordination of scheduling and other business practices between the gas and electric industries.

### **Final Rule RM05-5-001, Order No. 698**

On June 25, 2007 the Commission amended its open access regulations governing standards for business practices and electronic communications with interstate natural gas pipelines and public utilities. The Commission incorporated 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). In Order No. 698, the Commission sought to improve coordination between the gas and electric industries in order to improve communications about scheduling of gas-fired generators.

The coordination and communication required by these standards helps to improve the reliability of both the gas and electric industries by ensuring that all parties have information necessary for the scheduling and dispatch of natural gas-fired generation, and for the scheduling of the natural gas transportation necessary to supply fuel to these generators. The standards, for example, require gas-fired power plant operators and pipelines to establish procedures to communicate material changes in circumstances that may affect hourly flow rates. These standards 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 further improve communication by requiring electric transmission operators and power plant operators to sign up to receive from connecting pipelines operational flow orders and other critical notices. These standards 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 independent 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 assists reliability coordinators in assessing the relative reliability of various gas-fired generators.

**Subject NOPR (Docket No. RM96-1-030)**

In Order No. 698, the Commission provided clarification and guidance to NAESB regarding Commission policies in the following three areas: (1) uses of gas indices for pricing capacity release transactions; (2) flexibility in the use of receipt and delivery points; and (3) changes to the intraday nomination schedule to increase the number of scheduling opportunities for firm shippers.

On September 3, 2008, NAESB submitted a report to the Commission with respect to these three issues. NAESB's September 2008 report indicated that the WGQ has adopted business practice standards for (1) increasing the flexibility of gas receipt and delivery points and (2) index-based pricing for capacity releases. The standards that NAESB has approved for index pricing for capacity release and for greater flexibility in using receipt and delivery points should assist electric generators as well as other shippers in obtaining firm transportation capacity quickly and effecting changes in the way their gas is used.

**A. Justification**

**1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY**

**FERC-549C**

Pursuant to sections 4, 5, and 16 of the Natural Gas Act (NGA), (15 U.S.C. 717c-717o, P.L. 75-688, 52 Stat. 822 and 830), and Title III of the Natural Gas Policy Act (NGPA) (15 U.S.C. 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 unreasonably 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.

Since 1996, in the Order No. 587 series,<sup>2</sup> the Commission has adopted regulations to standardize the business practices and communication methodologies of interstate pipelines in order to create a more integrated and efficient pipeline. In this series of orders, the Commission incorporated by reference consensus standards developed by the WGQ (formerly GISB), a private consensus standards developer. The WGQ is an accredited standards organization under the auspices of the American Standards Institute (ANSI).

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 the day-to-day operations. In addition, these standards required pipelines to adopt certain mechanisms for electronic communication between the pipelines and those doing business with the pipelines.

In Order No. 698, the Commission explained that under its regulations, releasing shippers are permitted to use price indices or other formula rates on all pipelines, regardless of whether the pipeline had included a provision allowing the use of indices as part of its discounting provisions.<sup>3</sup> The Commission asked NAESB to examine standards to help ensure that such releases can be processed quickly and efficiently.

The standards for index-based pricing provide that shippers wishing to release capacity may use a variety of specified indices and methods to evaluate bids. The standards provide that pipelines must support at least two non-public price index references that are representative of receipt and delivery points on its system,<sup>4</sup> and must support all price indices it references in its gas tariff, or general terms and conditions of service. Releasing shippers are permitted to use alternative indices if the releasing shipper provides licenses to the pipeline for the use of those indices. The standards provide that the releasing shipper is responsible for providing the pipeline, and the replacement shipper, with the method of calculating the reservation rate from the index. The pipeline is required to adhere to the standard capacity release timeline for processing releases if the releasing shipper has provided the pipeline with sufficient

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<sup>2</sup> Standards for Business Practice of Interstate Natural Gas Pipelines, Order No. 587, 61 FR 39,053 (July 26, 1996), FERC States and Regulations, Regulation Preambles July 1996-December 2000 ¶ 31,038 (July 17, 1996).

<sup>3</sup> An index-based release is a transaction in which the price for capacity is determined by differentials in the value of gas between the upstream and downstream market. As the Commission found in Order No. 637, the implicit value of transportation is the most that any person who can purchase gas in the downstream market would pay if it purchased gas in the upstream market and had to transport it to the downstream market. Regulation of Short-Term Natural Gas Transportation Services, and Regulation of Interstate Natural Gas Transportation Services, Order No. 637, FERC Stats. & Regs. ¶ 31,091, at 31,271 (2000).

<sup>4</sup> The Commission understands that NAESB's use of the phrase non-public is to refer to commercial indices that charge subscription or license fees.

instructions to evaluate corresponding bids. However, if the offer includes unfamiliar or unclear terms and conditions, or an index not supported by the pipeline, the pipeline may process the release on a slower time frame.

The Commission's regulations require that pipelines permit shippers flexibility to change their receipt and delivery points on both a primary and secondary basis.<sup>5</sup> In its June 27, 2005 report to the Commission, NAESB requested clarification regarding its consideration of a possible standard that would permit shippers to shift gas deliveries from a primary to a secondary delivery point when a pipeline constraint occurs upstream of both points.<sup>6</sup> In Order No. 698, the Commission explained that, under its policies, pipelines must implement within-the-path scheduling under which a shipper seeking to use a secondary delivery point within its scheduling path has priority over another shipper seeking to use the same delivery point but that point is outside of its transportation path, and found that NAESB's proposal regarding scheduling through upstream constraint points appeared consistent with the Commission's regulations and policy.

In its September 3, 2008 filing, NAESB included a standard that would require pipelines to permit shippers to redirect scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point without a requirement that the quantities be rescheduled through the point of constraint. The Commission is proposing to amend its regulations to incorporate by reference this standard. The standard will provide shippers, including gas-fired generators, with increased flexibility to obtain capacity or gas from other shippers without adversely affecting other shippers' scheduling rights.

The information is used to establish a basis for determining just and reasonable rates that should be charged, and the rate of return which can be earned. Based on staff analysis, the Commission determines whether the filing should be accepted or suspended and set for hearing and investigation.

## **2. HOW, BY WHOM, AND FOR WHAT PURPOSE IS THE INFORMATION TO BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION**

The Commission's ongoing work with the WGQ 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 the data

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<sup>5</sup> 18 CFR 284.221(g) & (h).

<sup>6</sup> See Order No. 698, FERC Stats. & Regs. ¶ 31,251 at P 7-8.

sets reflects an attempt to improve and restructure services and operations and further streamline the way pipelines receive and send important information.

The Commission proposes to incorporate by reference the standards developed by NAESB with respect to index pricing and to flexible receipt and delivery points.<sup>7</sup> These standards will not only assist in providing gas for generation, but will provide enhanced flexibility to all shippers. The index pricing standards provide rules under which releasing and replacement shippers can create rate formulas for capacity release that will better reflect the value of capacity. These standards also reflect a reasonable compromise for dealing with copyright issues that arise in using gas indices to set prices, ensuring that shippers have a reasonable choice of available indices to use while equitably spreading the costs entailed by the use of such indices among the pipelines and shippers. The standard for the use of flexible receipt and delivery points will enable all shippers to quickly and efficiently redirect gas when such gas may be needed by gas generators or other shippers.

The data filed under FERC-549C is 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 FERC549C is not filed with the Commission but instead posted on the pipelines' Web sites.

The Commission's Office of Energy Market Regulation and the Office of General Counsel will use the data in rate proceedings to review rate and tariff changes by natural gas pipelines for the transportation of gas, 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 and perform its regulatory function of the transmission and sale of natural gas for resale in interstate commerce and also reducing barriers to trade between markets and among regions.

### **3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE REPORTING**

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<sup>7</sup> The WGQ adopted the following changes to its standards: for index-based pricing of capacity release transactions, it modified WGQ Standards 5.3.1, 5.3.3, and 5.3.26, added WGQ Definitions 5.2.4 and 5.2.5, and added WGQ Standards 5.3.61, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, and 5.3.69; and for flexible points of receipt and delivery, it added WGQ Standard 1.3.80.

## **BURDEN AND TECHINCAL OR LEGAL OBSTACLES TO REDUCING BURDEN**

There is an ongoing effort to determine the potential and value of improve of information technology to reduce burden. As noted above, the Commission does not receive any of the information under FERC-549C data requirements as information required to be obtained due to revised standards and data sets are posted on the pipelines' Internet sites. GISB and its successor NAESB developed standards for accomplishing electronic commerce over the Internet for Electronic Delivery Mechanisms including ANSI ASC X12 (EDI), flat files and Customer Activities Web site presentations (EBB). Technologies have been established to reliably and safely move data across the Internet.

### **4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION NO. 2.**

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 the duplication. To date, no duplication of the proposed data requirements has been found. The Commission's 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. METHODS USED TO MINIMIZE BURDEN IN THE COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES**

There are no small businesses that are impacted under the FERC-549C reporting/data requirements. The proposed business standards, practices and procedures will impact the day-to-day operations of major and a few non-major natural gas companies whose operational thresholds are above the small business standards. In this regard, the Commission notes that under the industry standards used for the Regulatory Flexibility Act (RFA), a natural gas pipeline company qualifies as a small "entity" if it had annual receipts of \$7.0 million or less. Most companies regulated by the Commission do not fall within the RFA's definition of a small entity. Approximately 126 natural gas companies (including storage) would be subject to data collection FERC-549C (Standards) reporting requirements. Nearly all of these entities are large entities. For the year 2008 (the most recent year for which information is available), only four companies not affiliated with larger companies had annual

revenues of less than \$7.0 million, which is about three percent of the total universe of potential respondents. Moreover, these requirements are designed to benefit all customers, including small businesses. As noted above, adoption of consensus standards helps ensure the standards are reasonable by requiring that the standards development draws support from a broad spectrum of industry participants representing all segments of the industry.

#### **6. CONSEQUENCES TO FEDERAL PROGRAM IF THE COLLECTION OF INFORMATION WERE CONDUCTED LESS FREQUENTLY**

The proposed changes in business practices under section 284.12 of the Commission's regulations would require interstate pipelines to adopt certain standards promulgated by the Wholesale Gas Quadrant of NAESB. The Commission is seeking to standardize the business practices and communication protocols. However, it is not specifying the frequency with which the information should be communicated. The information is generated on an event basis only.

#### **7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

The proposed program meets all of OMB's section 1320.5 requirements. As noted above, the information collections under FERC-549C are not submitted to the Commission.

#### **8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY, SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE TO THESE COMMENTS**

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 by NAESB, specifically the NAESB WGQ business practice standards providing for coordination and communication between natural gas pipelines. In this NOPR, the Commission is proposing to incorporate by reference voluntary consensus standards developed by the WGQ.

In section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTT&AA)<sup>8</sup>, Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, as means to carry out policy objectives or activities unless the use of such standards would be inconsistent with applicable law or otherwise impractical. NAESB approved the standards under its consensus procedures. (The Office of Management and Budget Circular A-119 (§11)(February 10, 1998) provides that federal agencies should publish a request for comment in a NOPR when the agency is seeking to reissue or revise a regulation proposing to adopt a voluntary consensus standard or a government-unique standard).

On September 3, 2008 as noted above, NAESB submitted a report to the Commission concerning the issues raised in Order NO. 698. NAESB reported its membership conducted thirteen subcommittee meetings, many of which were multi-day meetings, held in a one year period from June 2007 to July 2008. While the standards discussed related only to gas issues, NAESB stated that all interested parties including the Wholesale Electric Quadrant membership were asked to participate and make their perspectives known. Two hundred participants, including many from the electric industry, participated in these meetings.

NAESB approved the new and modified standards and related definitions under its consensus procedures.<sup>9</sup> Adoption of consensus standards is appropriate because the consensus process helps to ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of all segments of the industry. Moreover, since the industry itself has to conduct business under these standards, the Commission's regulations should reflect those standards that have the widest possible support.

## **9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

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

## **10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS**

The Commission generally does not consider the data posted concerning standardized business procedures to be confidential. Specific request for confidential treatment to the extent permitted by law will be entertained pursuant to 18 C.F.R. section 388.112.

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<sup>8</sup> Pub. L. No. 104-113, section 12(d), 110 Stat. 775 (1996), 15 U.S.C. 272 note (1997).

<sup>9</sup> This process first requires a super-majority vote of 17 out of 25 members of the WGQ's Executive Committee with support from at least two members from each of the five industry segments – Distributors, End Users, Pipelines, Producers, and Services (including marketers and computer service providers). For final approval, 67 percent of the WGQ's general membership voting must ratify the standards.

**11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE**

There are no questions of a sensitive nature associated with the standardized business procedures proposed in the subject NOPR.

**12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The annual (one-time) burden estimate of 1,512 hours (an average of 12 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 one-time implementation of the proposed standards and practices, the burden under FERC-549C would be reduced by 1,512 hours.

In the NOPR-

Data Collection	No. of Respondents	No. of Responses per Respondent	Hours Per Response	Total Number of Hours
FERC-549C	126	1	12	1,512

Total Annual Hours for Collection (Reporting and recordkeeping (if appropriate)) = 1,512.

<b>DATA REQUIREMENT FERC-549C</b>	<b>Current OMB Inventory*</b>	<b>Proposed in NOPR 029</b>	<b>New OMB Inventory</b>
Estimated number of respondents	<b>126</b>	<b>126</b>	<b>126</b>
Estimated number of responses per respondent	<b>4.85</b>	<b>1</b>	<b>4.58</b>
Estimated number of responses per year	<b>611</b>	<b>126</b>	<b>611</b>
Estimated number of hours per response	<b>1,748.95</b>	<b>12</b>	<b>1,751.4206</b>
Total estimated burden (hours per year)	<b>1,068,606</b>	<b>1,512</b>	<b>1,070,118</b>
Program Change in burden hours		<b>+1,512</b>	
Adjustment change in burden hours			

**\*OMB Inventory as of 8/3/09**

**13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

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

	FERC-549C
Annualized Capital/Startup Costs	\$226,800
Annualized Costs (Operations & Maintenance)	\$ 0
Total Annualized Costs	\$226,800 <sup>10</sup>

If the NOPR is adopted without any further changes, the \$226,800 will be added to \$12,743,010, total costs for all respondents or \$12,969,810.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The estimated annualized cost to the Federal Government related only to the data collection/requirements as proposed in the subject NOPR are shown below:

<b>Data Requirement Number</b>	<b>Analysis of Data (FTEs)<sup>11</sup></b>	<b>Estimated Salary Per Year<sup>12</sup></b>	<b>FERC Forms Clearance</b>	<b>Total Cost One year's Operation</b>
FERC-549C	.25	\$128,297	\$-0-	\$32,322

**Total Costs = \$32,322 (NOPR). Total Costs including NOPR for FERC-549C = \$253,494.**

**15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE**

<sup>10</sup> The total annualized cost for the information collections is \$ 226,800. 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). \$226,800= \$150 x 1,512.

<sup>11</sup> An "FTE" is a "Full Time Equivalent" employee that works the equivalent of 2,080 hours per year.

<sup>12</sup> Salary" represents the allocated cost per gas program employee at the Commission based on its appropriated budget for fiscal year 2008. The \$128,297 "salary" consists of \$102,491 in salaries and \$25,805 in benefits

This proposed rule, if implemented, would upgrade the Commission's current business practice and communication standards to provide for greater accessibility to fuel in times of scarcity and rules to allow for alternative indices to establish rates for capacity release to better reflect the value of that capacity. The implementation of these standards will permit greater flexibility by providing a reasonable choice of available indices to use while simultaneously providing a greater equalization of costs for their use. Incorporation of the standard for use of flexible receipt and delivery points allows for the efficient redirection of gas when it may be needed by gas-fired generators or other shippers thereby improving the reliability in both the electric and gas industries.

## **16. TIME SCHEDULE FOR PUBLICATION OF THE DATA**

The time schedule for FERC-549C “Standards for Business Practices of Interstate Natural Gas Pipelines” is shown below.

### Schedule for Data Collection and Analysis

<u>Activity</u>	<u>Estimated Completion Time</u>
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The Commission proposes that natural gas pipelines be required to implement these standards on the first day of the month three months after the final rule is issued. Based on past practice, the Commission is proposing this implementation schedule in order to give the natural gas pipelines subject to these standards adequate time to prepare for these changes.

The Commission does not publish this information. As noted above, the information contained under FERC-549C but instead information to implement the standards is posted on the natural gas pipelines Internet sites.

## **17. DISPLAY OF EXPIRATION DATE**

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

## **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are exceptions to the Paperwork Reduction Act Submission Certification. The Commission does not use statistical methodology for either FERC-545 or FERC-549C. In addition and as in noted in item no. 17 above, FERC-549C have an appropriate format to display an OMB control no.

**B. COLLECTION OF INFORMATION EMPLOYING  
STATISTICAL METHODS**

Not applicable to FERC-549C.