

189 FERC ¶ 61,135
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 284

Docket No. RM96-1-043; Order No. 587-AA

Standards for Business Practices of Interstate Natural Gas Pipelines

(Issued November 22, 2024)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final Rule.

SUMMARY: The Federal Energy Regulatory Commission amends its regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 4.0) of Standards for Business Practices of Interstate Natural Gas Pipelines adopted by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB). NAESB's revisions in this version of the standards are designed to promote greater efficiency and reliability of the natural gas industry's operations and strengthen the cybersecurity protections provided within the standards.

DATES: *Effective date:* This rule is effective **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Compliance date: Compliance filings required by this final rule are due on February 3, 2025.

Compliance with the standards incorporated in this rule is required by August 1, 2025.

Incorporation by reference: The incorporation by reference of certain publications listed in this rule is approved by the Director of the Federal Register as of **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

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189 FERC ¶ 61,135
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Mark C. Christie, David Rosner,
Lindsay S. See and Judy W. Chang.

Standards for Business Practices of Interstate Natural
Gas Pipelines

Docket No. RM96-1-043

ORDER NO. 587-AA
FINAL RULE
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I. Overview

1. In this Final Rule, the Federal Energy Regulatory Commission (Commission) amends its regulations at 18 CFR 284.12 to incorporate by reference, with certain enumerated exceptions,¹ the latest version (WGQ Version 4.0) of business practice standards applicable to natural gas pipelines. On October 2, 2023, NAESB reported to the Commission that it had approved WGQ Version 4.0 to replace the currently incorporated version (Version 3.2) of those business practice standards. On May 21, 2024, NAESB reported a minor correction to WGQ Version 4.0. This Final Rule requires interstate natural gas pipelines to file compliance filings with the Commission by February 3, 2025, with an effective date of the tariff records of August 1, 2025.
2. The implementation of these standards will promote greater efficiency and reliability of the natural gas industry's operations and strengthen the cybersecurity protections provided within the standards.²

II. Background

3. Since 1996, the Commission has adopted regulations to standardize the business practices and communication methodologies of interstate natural gas pipelines to create a more integrated and efficient pipeline system. These regulations have been promulgated

¹ As explained below, we are not incorporating by reference in this Final Rule the optional model contracts and the eTariff-related standards included in the North American Energy Standards Board (NAESB) Wholesale Gas Quadrant (WGQ) Version 4.0 package of business practice standards.

² As explained below, NAESB has developed and adopted, in conjunction with Sandia National Laboratories, a series of business practice standards to strengthen the cybersecurity protections provided within the standards.

in the Order No. 587 series of orders,³ wherein the Commission has incorporated by reference standards for interstate natural gas pipeline business practices and electronic communications that were developed and adopted by NAESB's WGQ. Upon incorporation by reference, this version of the standards will replace the currently incorporated version (Version 3.2) of those business practice standards.

4. On October 2, 2023, NAESB filed a report (Informational Report) informing the Commission that it had adopted and ratified WGQ Version 4.0 of its business practice standards applicable to interstate natural gas pipelines. WGQ Version 4.0 includes business practice standards developed and modified in response to industry requests and directives from the NAESB Board of Directors. This version also includes the standards developed in response to the recommendations of Sandia National Laboratories (Sandia),⁴ which in 2019 issued a DOE-sponsored cybersecurity surety assessment of the NAESB standards.⁵

³ This series of orders began with the Commission's issuance of Order No. 587, *Standards for Bus. Practices of Interstate Nat. Gas Pipelines*. 61 FR 39053 (July 26, 1996), FERC Stats. & Regs. ¶ 31,038 (1996) (cross-referenced at 76 FERC ¶ 61,042).

⁴ Sandia is a multidisciplinary national laboratory and federally funded research and development center for the U.S. Department of Energy's (DOE) National Nuclear Security Administration that supports numerous federal, state, and local government agencies, companies, and organizations.

⁵ In April 2017, NAESB announced that Sandia, through funding provided by DOE, would be performing a surety assessment of the NAESB standards. As determined by Sandia and DOE, the purpose of the surety assessment was to analyze cybersecurity elements within the standards, focusing on four areas: (1) the NAESB Certification Program for Accredited Certification Authorities, including the Wholesale Electric Quadrant (WEQ)-012 Public Key Infrastructure Business Practice Standards, the NAESB Accreditation Requirements for Authorized Certificate Authorities, and the Authorized Certification Authority Process; (2) the WEQ Open Access Same-Time Information Systems suite of standards; (3) the WGQ and Retail Markets Quadrant Internet Electronic

5. NAESB's Informational Report identifies all the changes made to the WGQ Version 3.2 standards and summarizes the deliberations that led to the changes being made. It also identifies changes to the existing standards that were considered but not adopted due to a lack of consensus or other reasons.

6. On March 21, 2024, the Commission issued a Notice of Proposed Rulemaking proposing to amend its regulations to incorporate by reference, with certain enumerated exceptions, the WGQ Version 4.0 business practice standards applicable to interstate natural gas pipelines.⁶

7. On May 21, 2024, NAESB submitted, and the Commission noticed for comment, an errata filing to update the Informational Report, noting a minor correction to an existing WGQ standard.⁷ The standard supports the communication of invoices between trading partners, including transactions for natural gas transportation and sales and related charges and/or allowances. NAESB states that it adopted and ratified the changes for that standard on March 23, 2020, which became effective on November 3, 2020, but were inadvertently omitted from WGQ Version 3.2 and WGQ Version 4.0. The minor correction revised the Electronic Delivery Mechanism (EDI) X12 Mapping Guidelines

Transport (IET) and Quadrant Electronic Delivery Mechanism (EDM) Related Standards Manual; and (4) a high-level dependency analysis between the gas and electric markets to evaluate the different security paradigms the markets employ.

⁶ *Standards for Bus. Pracs. of Interstate Nat. Gas Pipelines*, Notice of Proposed Rulemaking, 89 FR 23954 (Apr. 4, 2024), 186 FERC ¶ 61,196 (2024) (WGQ Version 4.0 NOPR).

⁷ NAESB adopted the minor correction, Minor Correction MC24002, on May 17, 2024, which modifies NAESB WGQ Standard No. 3.4.1 – Transportation / Sales Invoice included in the WGQ Invoicing Related Standards.

for existing WGQ standard 3.4.1 – Transportation/Sales Invoice to add code values for five data elements.⁸

8. In response to the WGQ Version 4.0 NOPR, the American Gas Association (AGA) and the Interstate Natural Gas Association (INGAA) filed comments. AGA expresses support of the Commission’s proposed rulemaking as well as the minor correction submitted by NAESB on May 21, 2024.⁹ INGAA also supports the Commission’s proposed rulemaking but urges that the Commission not implement the Final Rule during the winter heating season, and thus, requests that the implementation date of the Final Rule should not be earlier than April 1, 2025.¹⁰

III. Discussion

9. In the WGQ Version 4.0 NOPR, the Commission proposed to incorporate by reference in its regulations the NAESB WGQ Version 4.0 business practice standards, with the exception of NAESB’s standards specifying the terms of optional model contracts and the eTariff-related standards. No commenters opposed the Commission’s proposal.

10. In this Final Rule, we adopt the proposal to incorporate by reference, in our regulations, the NAESB WGQ Version 4.0 business practice standards, with certain

⁸ NAESB states that the standard changes are to ensure the hierarchal structure of the dataset complied with the Accredited Standards Institute X12 Transaction Set 811 Consolidated Service Invoice/Statement.

⁹ AGA Comments at 1. AGA also expresses its disappointment that Standards Request No. 23001 was not part of the proposed revisions. AGA Comments at 1-2. These comments do not pertain to this Final Rule, and thus, will not be addressed.

¹⁰ INGAA Comments at 2.

exceptions. As an initial matter, we note that the WGQ Version 4.0 business practice standards include modifications, reservations, deletions, and additions to the following set of Version 3.2 WGQ Standards. (Each set of Business Practice Standards is referred to as a manual.)

Manual	Business Practice Standards
0	Additional Standards
2	Flowing Gas Related Standards
3	Invoicing Related Standards
4	Quadrant Electronic Delivery Mechanism Standards
5	Capacity Release Related Standards
10	WGQ / REQ / RGQ Internet Electronic Transport

Additionally, the WGQ Version 4.0 business practice standards include one new manual of standards:

Manual	Business Practice Standards
12	Cybersecurity Related Standards

11. We require compliance filings be made by February 3, 2025, with an effective date of August 1, 2025 as more fully described below.

12. We discuss below some specific aspects of NAESB's Informational Report.

A. The NAESB WGQ Version 4.0 Business Practice Standards

13. NAESB used its consensus procedures to develop and approve the WGQ Version 4.0 business practice standards. As the Commission found in Order No. 587, the adoption of consensus standards is appropriate, because the consensus process helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of industry participants representing all segments of the industry. Moreover, since the industry itself must conduct business under these standards, the

Commission's regulations should reflect those standards that have the widest possible support. In section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTT&AA),¹¹ 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.

14. We incorporate by reference into the Commission's regulations the WGQ Version 4.0 business practice standards, with the exception of NAESB's standards specifying the terms of optional model contracts and the eTariff-related standards, as discussed below.

1. WGQ Cybersecurity Related Standards

15. The new WGQ Cybersecurity Related Standards Manual consolidates existing NAESB cybersecurity-related standards from various NAESB standards manuals into a single manual. This consolidation should make the NAESB and Commission processes for revising NAESB cybersecurity standards easier and faster to help match the fast pace of changes in cybersecurity practices. These standards focus on strengthening the cybersecurity practices used by the industry through the mitigation of potential vulnerabilities and the use of secure communication and encryption methodologies.

2. Other Standards Modifications

16. In response to industry request, WGQ Version 4.0 adds new data elements to the WGQ Additional Standards and the WGQ Capacity Release Related Standards and modifies existing data elements in the WGQ Flowing Gas Related Standards and the

¹¹ Pub. L. No. 104-113, § 12(d), 110 Stat. 775 (1996).

WGQ Invoicing Related Standards to improve efficiencies of business processes for transportation service providers and parties interacting with these entities.¹²

17. The revised WGQ Additional Standards add a new data element, “Cycle Indicator,” to the data set for the Storage Information standard to address technical details for reporting natural gas storage balances and the activities that affect storage balances. The new sender’s option data element “Cycle Indicator” will support the reporting of storage information data for each cycle while also allowing parties receiving such information to distinguish between the data more easily for individual transactions.¹³

18. Revisions to the WGQ Flowing Gas Related Business Practice Standards include a change to the “Service Requester Contract” data element from “not used” to “mutually agreed,” for allocation of natural gas between parties under two pre-determined allocation transaction types, found within the allocation matrix included as part of WGQ Standard 2.4.3.¹⁴

19. NAESB revised the WGQ Invoicing Related Standards by modifying the “Charge Type Rate” data element contained in the data set for the Transportation/Sales Invoice standard to allow for the identification of multiple rates that may be applicable for a single transaction or service. The modification to the data element allows transportation

¹² Natural gas transportation service is provided by interstate pipelines, intrastate pipelines, natural gas gathering pipelines, and local distribution companies; all are referred to as “transportation service providers.”

¹³ Informational Report at 4.

¹⁴ The matrix identifies the data elements needed to communicate the results of the allocation process.

service providers to use a “null” value in circumstances where information describing the applicable charge type rate is included as part of miscellaneous notes. This change will allow transportation service providers to make available a summary of the amount due for each line item of an invoice with detailed, breakout information regarding the applicable rate and make it easier for a customer to ascertain the final charge amount.¹⁵

20. The revised WGQ Capacity Release Related Standards add a new sender’s option data element, “Location Indicator Data,” to the Transactional Reporting – Capacity Release standard to provide a mechanism for a transportation service provider to communicate the locations at which a discounted rate is offered as well as if the rate is associated with a single location, multiple locations, or all locations.

21. Also included in WGQ Version 4.0 is a previous revision to an existing WGQ Invoicing Related Standard that modifies the “Electronic Delivery Mechanism (EDI) X12 Mapping Guidelines” by adding code values for five data elements to WGQ Standard 3.4.1 – Transportation/Sales Invoice to ensure the hierarchal structure of the dataset complied with the Accredited Standards Institute X12 Transaction Set 811 Consolidated Service Invoice/Statement.

3. Standards Not Incorporated by Reference

22. We continue our past practice¹⁶ of not incorporating by reference into our regulations the WGQ standard contracts relating to the sale of natural gas because we do

¹⁵ Informational Report at 5.

¹⁶ See, e.g., *Standards for Bus. Practices of Interstate Nat. Gas Pipelines*, Notice of Proposed Rulemaking, 86 FR 12879 (Mar. 5, 2021), 174 FERC ¶ 61,103, at P 19 (2021) (*Version 3.2 NOPR*).

not require the use of these contracts.¹⁷ Thus, we also do not incorporate by reference the WGQ 4.0 Contracts Related Standards Manual. In addition, consistent with our findings in past proceedings, we do not incorporate by reference the WGQ eTariff Related Standards because the Commission has previously adopted and posted its standards and protocols for electronic tariff filings based on NAESB standards.¹⁸

B. Required Compliance Filings

23. As suggested by INGAA, we will delay implementation of this Final Rule until after the 2024-2025 winter heating period. To implement the standards that we are incorporating by reference in this Final Rule, we will require each interstate natural gas pipeline to file a separate tariff record reflecting the changed standards by February 3, 2025.¹⁹ In response to INGAA's concern that the Commission could require implementation of this Final Rule during the winter heating season, we will require the compliance filings to be made with an effective date of August 1, 2025. We are adopting this implementation schedule to give the interstate natural gas pipelines subject to these standards adequate time to implement these changes.

¹⁷ *Id.*; *Standards for Bus. Practices of Interstate Nat. Gas Pipelines*, Order No. 587-V, 77 FR 43711 (Jul. 26, 2012), 140 FERC ¶ 61,036, at P 11 n.11 (2012).

¹⁸ *Version 3.2 NOPR*, 174 FERC ¶ 61,103 at P 19; *Elec. Tariff Filings*, Order No. 714, 73 FR 57515 (Oct. 3, 2008), 124 FERC ¶ 61,270 (2008).

¹⁹ To aid in compliance, promptly after issuance of this Final Rule, we will post a sample tariff record on the Commission's website that may be accessed at <https://www.ferc.gov/ferc-online/elibrary>. All interstate natural gas pipelines are to file their tariff records in conformance with this sample tariff record.

C. Implementation Procedures

24. We will continue the compliance filing requirements as revised and prescribed in Order No. 587-V to increase the transparency of the interstate natural gas pipelines' incorporation by reference of the NAESB WGQ Standards so that shippers and the Commission will know which tariff provision(s) implements each standard as well as the status of each standard.²⁰ We require each interstate natural gas pipeline to submit its compliance filing no later than February 3, 2025.

25. Consistent with the Commission's practice since Order No. 587-V, each interstate natural gas pipeline must designate a single tariff section under which every NAESB WGQ Standard incorporated by reference by the Commission is listed.²¹ In that tariff section, the pipeline must list for each standard:

- (a) whether the standard is incorporated by reference;
- (b) for those standards not incorporated by reference, the tariff provision that complies with the standard; or
- (c) for those standards with which the pipeline does not comply, an explanatory statement, including an indication of whether the pipeline has been granted a waiver, extension of time, or other variance with respect to compliance with the standard.²²

²⁰ Order No. 587-V, 140 FERC ¶ 61,036 at PP 36-39.

²¹ *Trans-Union Interstate Pipeline L.P.*, 141 FERC ¶ 61,167, at P 36 (2012) (Order No. 587-V Compliance Order); *Version 3.2 NOPR*, 174 FERC ¶ 61,103 at P 21.

²² Shippers can use the Commission's electronic tariff system to locate the tariff record containing the NAESB standards, which will indicate the docket in which any waiver or extension of time was granted.

26. Likewise, consistent with past practice, we will post on our eLibrary website (under Docket No. RM96-1-043) a sample tariff format, to provide filers with an illustrative example to aid them in preparing their compliance filings.

27. Consistent with our policy since Order No. 587-V,²³ entities may request waivers under the requirements set forth in Order No. 587-V and the Commission will then evaluate those requests at that time.²⁴

28. If the pipeline is requesting a continuation of an existing waiver or extension of time, it must include a table in its transmittal letter that identifies the standard for which the Commission granted a waiver or extension of time, and the docket number or order citation to the proceeding in which the Commission granted the waiver or extension of time. The pipeline also must present an explanation for why such waiver or extension of time should remain in force with regard to the WGQ Version 4.0 Standards.

29. This implementation approach continues the Commission's practice of having pipelines include in their tariffs a common location that identifies the way in which the pipeline is incorporating all the NAESB WGQ Standards and the standards with which it is required to comply.

IV. Notice of Use of Voluntary Consensus Standards

30. Office of Management and Budget (OMB) Circular A-119 (section 11) (Feb. 10, 1998) provides that when a federal agency issues or revises a regulation containing a

²³ Order No. 587-V, 140 FERC ¶ 61,036.

²⁴ Order No. 587-V Compliance Order, 141 FERC ¶ 61,167 at PP 4, 38 (a pipeline does not need to seek a waiver for standards that address business practices that the pipeline does not offer).

standard, the agency should publish a statement in the Final Rule stating whether the adopted standard is a voluntary consensus standard or a government-unique standard. In this Final Rule, we are incorporating by reference voluntary consensus standards developed by NAESB's WGQ. In section 12(d) of NTT&AA, Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations to carry out policy objectives or activities determined by the agencies unless use of such standards would be inconsistent with applicable law or otherwise impractical.²⁵

V. Incorporation by Reference

31. The Office of the Federal Register requires agencies incorporating material by reference in final rules to discuss the ways that the materials it incorporates by reference are reasonably available to interested parties and how interested parties can obtain the materials.²⁶ The regulations also require agencies to summarize, in the preamble of the final rule, the material it incorporates by reference. The standards that we are incorporating by reference in this Final Rule consist of seven suites of NAESB WGQ Business Practice Standards that address a variety of topics and are designed to streamline the transactional processes for the wholesale natural gas industry by promoting a more competitive and efficient market. These include the: WGQ Additional Business Practice Standards; WGQ Nominations Related Business Practice Standards; WGQ Flowing Gas Related Business Practice Standards; WGQ Invoicing Related

²⁵ Pub L. No. 104-113, 12(d), 110 Stat. 775 (1996), 15 U.S.C. 272 note (1997).

²⁶ 1 CFR 51.5 (2024). See *Incorporation by Reference*, 79 FR 66267 (Nov. 7, 2014).

Business Practice Standards; WGQ Quadrant Electronic Delivery Mechanism Related Business Practice Standards; WGQ Capacity Release Related Business Practice Standards; and WGQ Cybersecurity Related Standards. We summarize these standards below.

32. **The WGQ Additional Business Practice Standards** address six areas:

Creditworthiness; Storage Information; Gas/Electric Operational Communications; Operational Capacity; Unsubscribed Capacity; and Location Data Download.

- The Creditworthiness related standards describe requirements for the exchange of information, notification, and communication between parties during the creditworthiness evaluation process.
- The Storage Information related standards define the information to be provided to natural gas service requesters related to storage activities and/or balances.
- The Gas/Electric Operational Communications related standards define communication protocols intended to improve coordination between the natural gas and electric industries in daily operational communications between gas transportation service providers and gas-fired power plants. These standards include requirements for communicating anticipated power generation fuel needs for the upcoming day as well as any operating problems that might hinder gas-fired power plants from receiving contractual gas quantities.
- The Operational Capacity related standards define requirements for the transportation service provider's reporting of its operational capacity, total scheduled quantity, and operationally available capacity.

- The Unsubscribed Capacity related standards define requirements for the transportation service provider's reporting of its available unsubscribed capacity.
- The Location Data Download related standards define requirements for the use of codes assigned by the transportation service provider for locations and common codes for parties communicating electronically.

33. **The WGQ Nominations Related Business Practice Standards** define the process by which a natural gas service requester with a natural gas transportation contract nominates (or requests) service from a pipeline or a transportation service provider for the delivery of natural gas.

34. **The WGQ Flowing Gas Related Business Practice Standards** define the business processes related to the communication of entitlement rights of flowing gas at a location, of the entitlement rights on a contractual basis, of the management of imbalances, and of the measurement and gas quality information of the actual flow of gas.

35. **The WGQ Invoicing Related Business Practice Standards** define the process for the communication of charges for services rendered (Invoice), communication of details about funds rendered in payment for services rendered (Payment Remittance), and communication of the financial status of a customer's account (Statement of Account).

36. **The WGQ Quadrant Electronic Delivery Mechanism Related Business Practice Standards** define the framework for the electronic dissemination and communication of information between parties in the North American wholesale gas marketplace for Electronic Data Interchange/EDM transfers, batch flat file/EDM

transfers, informational postings websites, Electronic Bulletin Boards/EDM, and interactive flat file/EDM.

37. **The WGQ Capacity Release Related Business Practice Standards** define the business processes for communication of information related to the selling of all or any portion of a transmission service requester's contract rights.

38. **The WGQ Cybersecurity Related Standards** consolidate existing NAESB cybersecurity- related standards from various standards manuals into a single manual. These standards define the requirements for ensuring the security of electronic communications and transactions among parties.

39. Commission regulations provide that copies of the standards incorporated by reference may be obtained through purchase or otherwise from the North American Energy Standards Board, 801 Travis Street, Suite 1675, Houston, TX 77002, Phone: (713) 356-0060, Website: <http://www.naesb.org/>. The standards can also be reviewed without purchasing them.

40. The procedures used by NAESB make its standards reasonably available to those affected by Commission regulations, which generally is comprised of entities that have the means to acquire the information they need to effectively participate in Commission proceedings. Participants can join NAESB, for an annual membership cost of \$8,000, which entitles them to full participation in NAESB and enables them to obtain these standards at no additional cost. Non-members may obtain any of the ten individual standards manuals for \$250 per manual, which in the case of these standards would total

\$2,500 for all ten manuals. Non-members also may obtain the complete set of Standards Manuals for \$2,000.

41. NAESB provides ample opportunities for non-members, including agents, subsidiaries, and affiliates of NAESB members, to obtain access to the copyrighted standards through a no-cost limited copyright waiver. The limited copyright waivers are issued by the NAESB office and are granted to non-members on a case-by-case basis for the purpose of evaluating standards prior to purchase and/or reviewing the standards to prepare comments to a regulatory agency. Following the granting of a limited copyright waiver, the non-member is provided with read-only access to the standards through the end of the comment period or some other set period of time via Locklizard Safeguard Secure Viewer.²⁷ NAESB will grant one limited copyright waiver per company for each set of standards or final actions. Any entity seeking a limited copyright waiver should contact the NAESB office.

VI. Information Collection Statement

42. The OMB regulations require that OMB approve certain reporting, record keeping, and public disclosure requirements (information collection) imposed by an agency.²⁸

Therefore, we are submitting our proposed information collection to OMB for review in accordance with section 3507(d) of the Paperwork Reduction Act of 1995. Upon approval of a collection of information, OMB will assign an OMB control number and an expiration date. Respondents subject to the filing requirements of a rule will not be

²⁷ For more information on Locklizard, please refer to the company's website: <https://www.locklizard.com>.

²⁸ 5 CFR 1320.11 (2024).

penalized for failing to respond to these collections of information unless the collection of information displays a valid OMB control number.

43. The Commission solicited comments on our need for this information, whether the information will have practical utility, the accuracy of the provided burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing respondents' burden, including the use of automated information techniques.

44. Public Reporting Burden: The burden estimates for this Final Rule are for one-time implementation of the information collection requirements of this Final Rule (including tariff filing, documentation of the process and procedures, and information technology work).

45. The collections of information related to this Final Rule fall under FERC-545 (Gas Pipeline Rates: Rate Change (Non-Formal))²⁹ and FERC-549C (Standards for Business Practices of Interstate Natural Gas Pipelines).³⁰ The following estimates of reporting burden are related only to this Final Rule and include the costs to pipelines for compliance with the Commission's directives in this Final Rule. The burden estimates are primarily related to implementing these standards and regulations and will not result in ongoing costs.

²⁹ FERC-545 covers rate change filings made by natural gas pipelines, including tariff changes.

³⁰ FERC-549C covers Standards for Business Practices of Interstate Natural Gas Pipelines.

RM96-1-043 NOPR (Standards for Business Practices of Interstate Natural Gas Pipelines)						
	Number of Respondents³¹ (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)= (3)	Average Burden Hr. Per Response (4)	Total Annual Burden Hours & Total Annual Cost³² (3)*(4)=(5)	Annual Costs Per Respondent (\$) (5)/ (1) = (6)
FERC-545 (one-time)	193	1	193	10 hrs.; \$1,110	1,930 hrs.; \$214,230	\$1,110
FERC-549C (one-time)	193	1	193	100 hrs.; \$11,100	19,300 hrs.; \$2,142,300	\$11,100
TOTAL			386		21,230 hrs.; \$2,356,530	

The one-time burden (for both the FERC-545 and FERC-549C) would take place in Year 1 and will be averaged over 3 years as follows:

³¹ The number of respondents is the number of entities in which a change in burden from the current standards to the proposed exists, not the total number of entities from the current or proposed standards that are applicable.

³² The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures for March 2024 posted on June 18, 2024 by the Bureau of Labor Statistics for the Utilities sector (<https://www.bls.gov/oes/current/naics3221000.htm>) and scaled to reflect benefits using the relative importance of employer costs for employee compensation (available at <https://www.bls.gov/news.release/ecec.nr0.htm>). The hourly estimates for salary plus benefits are:

Computer and Information Systems Manager (Occupation Code: 11-3021), \$115.47

Computer and Information Analysts (Occupation Code: 15-1221, \$87.19

Electrical Engineer (Occupation Code: 17-2071), \$79.31

Legal (Occupation Code: 23-0000), \$162.66

The average hourly cost (salary plus benefits), weighting these skill sets evenly, is \$111.16. We round it to \$111/hour.

FERC-545: $1,930 \div 3 = 643.33$ hours/year over 3 years

FERC-549C: $19,300 \div 3 = 6,433.33$ hours/year over 3 years

The responses and burden for Years 1-3 would total respectively as follows:

Year 1: 64.33 responses; 643.33 hours (FERC-545); 6,433.33 hours (FERC-549C)

Year 2: 64.33 responses; 643.33 hours (FERC-545); 6,433.33 hours (FERC-549C)

Title: FERC-545, Gas Pipeline Rates: Rates Change (Non-Formal);

FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines.

Action: Proposed information collections

OMB Control Nos.: 1902-0154 (FERC-545), 1902-0174 (FERC-549C).

Respondents: Business or other for profit (e.g., Natural Gas Pipelines, applicable to only a few small businesses).

Frequency of Responses: One-time implementation (related to business procedures, capital/start-up).

Necessity of Information: In response to NAESB's standard development activities, the Commission has determined that the revisions the Commission makes in this Final Rule to its regulations would make minor adjustments to the standards previously adopted by the Commission. The standards consolidate the cybersecurity standards in one standards manual for ease of reference and revision, deleting one element in the Data Dictionary for Internet ET included in the WGQ Cybersecurity Related Standards and makes numerous minor changes throughout the corresponding manual and the WGQ EDM Related Standards to correct typographical and capitalization errors.

46. Further, in response to industry requests or through the normal course of WGQ activities, the Commission has determined that the revisions the Commission makes in this Final Rule to its regulations would upgrade current business practices and communication standards by specifically: (1) adding a new data element, “Cycle Indicator,” to the data set for the Storage Information standard to address technical details for the reporting of storage balances and the activities that affect storage balances; (2) revising the data element “Service Requester Contract” contained in the data set for the Flowing Gas Related Allocation standard to identify the applicable contract and to support the communication of the results of processes used to allocate the actual flow of gas quantities to parties involved in a transaction; (3) modifying the “Charge Type Rate” data element contained in the data set for the Transportation/Sales Invoice standard that allows for the identification of multiple rates that may be applicable for a single transaction or service; (4) adding a new sender’s option data element, “Location Indicator Data,” to the Transactional Reporting – Capacity Release standard to improve efficiencies by providing a mechanism for a transportation service provider to communicate the locations at which a discounted rate is offered as well as if the rate is associated with a single location, multiple locations, or all locations; (5) adding code values for five data elements to the EDI X12 Mapping Guidelines in the Transportation/Sales Invoice standard to ensure the hierarchal structure of the dataset complied with the Accredited Standards Institute X12 Transaction Set 811 Consolidated Service Invoice/Statement. In addition, the Commission’s Office of Enforcement will use the data for general industry oversight.

Internal Review: The Commission has reviewed the requirements pertaining to business practices of interstate natural gas pipelines adopted by NAESB and has determined that the revisions the Commission makes in this Final Rule to its regulations are necessary to promote greater efficiency and reliability of the natural gas industry's operations and strengthen cybersecurity protections. These requirements conform to our plan for efficient information collection, communication, and management within the natural gas pipeline industry. The Commission has determined through its internal review that there is specific, objective support for the burden estimates associated with the information requirements.

47. Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426 [email: DataClearance@ferc.gov].

48. Comments concerning the collection of information(s) and the associated burden estimate(s), should be sent to the Office of Information and Regulatory Affairs, the Office of Management and Budget, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, telephone: (202) 395-0710; fax: (202) 395-4718]. A copy of the comments on information collection should also be sent to the Commission, in Docket No. RM96-1-043 by any of the following methods:

- eFiling at Commission's Web Site: <http://www.ferc.gov/docs-filing/efiling.asp>;
- U.S. Postal Service Mail: Persons unable to file electronically may mail similar pleadings to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426; or

- Delivery of filings other than by eFiling or the U.S. Postal Service should be delivered to Health and Human Services, 12225 Wilkins Avenue, Rockville, MD 20852.

VII. Environmental Analysis

49. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.³³ The actions that we take here fall within categorical exclusions in the Commission's regulations for rules that are clarifying, corrective, or procedural, for information gathering, analysis, and dissemination, and for rules regarding sales, exchange, and transportation of natural gas that require no construction facilities.³⁴ Therefore, an environmental review is unnecessary and has not been prepared as part of this Final Rule.

VIII. Regulatory Flexibility Act

50. The Regulatory Flexibility Act of 1980 (RFA)³⁵ generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial number of small entities. The Commission is not required to make such an analysis if proposed regulations would not have such an effect.

³³ *Reguls. Implementing the Nat.'l Env't Pol' Act*, Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. ¶ 30,783 (1987) (cross-referenced at 41 FERC ¶ 61,284).

³⁴ See 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), & 380.4(a)(27) (2024).

³⁵ 5 U.S.C. 601-612.

51. As we stated in the WGQ Version 4.0 NOPR, approximately 193 interstate natural gas pipelines, both large and small, are potential respondents subject to the requirements adopted by this rule. Most of the natural gas pipelines regulated by the Commission do not fall within the RFA's definition of a small entity,³⁶ which is currently defined for natural gas pipelines as a company that, in combination with its affiliates, has total annual receipts of \$41.5 million or less.³⁷ For the year 2022, only 14 potential respondents not affiliated with larger companies had annual revenues in combination with their affiliates of \$41.5 million or less and therefore could be considered a small entity under the RFA. This represents about eight percent of the total universe of potential respondents that may have a significant burden imposed on them. We estimate that the one-time implementation cost of the proposals in this Final Rule is \$2,356,530 (or \$12,210 per entity, regardless of entity size).³⁸ We do not consider the estimated \$12,210 impact per entity to be significant. Moreover, these requirements are designed to benefit all customers, including small businesses that must comply with them. Further, as noted above, adoption of consensus standards helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of industry participants representing all segments of the industry. Because of that representation and

³⁶ See 5 U.S.C. 601(3) citing section 3 of the Small Business Act (SBA), 15 U.S.C. 623. Section 3 of the SBA defines a "small business concern" as a business that is independently owned and operated, and that is not dominant in its field of operation.

³⁷ 13 CFR 121.201 (Subsector 486-Pipeline Transportation; North American Industry Classification System code 486210; Pipeline Transportation of Natural Gas) (2023). "Annual Receipts" are total income plus cost of goods sold.

³⁸ This number is derived by dividing the total cost figure by the number of respondents. $\$2,356,530/193 = \$12,210$.

the fact that industry conducts business under these standards, the Commission's regulations should reflect those standards that have the widest possible support.

52. Accordingly, pursuant to section 605(b) of the RFA,³⁹ the regulations proposed herein should not have a significant economic impact on a substantial number of small entities.

IX. Document Availability

53. 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 the Commission's Home Page (<https://www.ferc.gov/>).

54. From the Commission'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.

55. User assistance is available for eLibrary and the Commission's website during normal business hours from the Commission's Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email 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.

³⁹ 5 U.S.C. 605(b).

X. Effective Date and Congressional Notification

56. These regulations are effective [**insert date 60 days from publication in Federal Register for non-major rules and 60 days from the later of the date Congress receives the agency notice or the date the rule is published in the Federal Register**].

The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB, that this rule is not a “major rule” as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996. This Final Rule is being submitted to the Senate, House, and Government Accountability Office.

List of subjects in 18 CFR Part 284

Continental shelf, Incorporation by reference, Natural gas, Reporting and recordkeeping requirements.

By the Commission.

(S E A L)

Carlos D. Clay,
Acting Deputy Secretary.

In consideration of the foregoing, the Commission proposes to amend Part 284, Chapter I, Title 18, Code of Federal Regulations, as follows.

**PART 284 -- CERTAIN SALES AND TRANSPORTATION OF NATURAL GAS
UNDER THE NATURAL GAS POLICY ACT OF 1978 AND RELATED
AUTHORITIES**

1. The authority citation for part 284 continues to read as follows:

Authority: 15 U.S.C. 717-717z, 3301-3432; 42 U.S.C. 7101-7352; 43 U.S.C. 1331-1356.

2. Sections 284.12(a)(1) are revised to read as follows:

§ 284.12 Standards for pipeline business operations and communications.

(a) * * *

(1) * * *

(i) Additional Standards (Version 4.0, September 29, 2023);

(ii) Nominations Related Standards (Version 4.0, September 29, 2023);

(iii) Flowing Gas Related Standards (Version 4.0, September 29, 2023);

(iv) Invoicing Related Standards (Version 4.0, September 29, 2023, with minor correction to Standard No. 3.4.1 applied May 17, 2024);

(v) Quadrant Electronic Delivery Mechanism Related Standards (Version 4.0, September 29, 2023);

(vi) Capacity Release Related Standards (Version 4.0, September 29, 2023); and

(vii) Cybersecurity Related Standards (Version 4.0, September 29, 2023)

(2) The material listed in this paragraph (a)(2) is incorporated by reference into this section with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. All approved material is available for inspection at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit www.archives.gov/federal-register/cfr/ibr-locations or email fr.inspection@nara.gov. Contact the Federal Energy Regulatory Commission at

https://www.ferc.gov, email *public.referenceroom@ferc.gov*, or via phone call at 202-502-8371 for assistance in viewing the material. The material also may be obtained from the North American Energy Standards Board, 801 Travis Street, Suite 1675, Houston, TX 77002, Phone: (713) 356-0060; *https://www.naesb.org/*.

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