

186 FERC ¶ 61,196
DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 284

Docket No. RM96-1-043

Standards for Business Practices of Interstate Natural Gas Pipelines

(Issued March 21, 2024)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Energy Regulatory Commission proposes to amend 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 of the North American Energy Standards Board (NAESB).

DATES: Comments are due 60 days after date of publication in the
FEDERAL REGISTER

ADDRESSES: Comments, identified by docket number, may be filed in the following ways. Electronic filing through <https://www.ferc.gov/> is preferred.

- **Electronic Filing:** Documents must be filed in acceptable native applications and print-to-PDF, but not in scanned or picture format.
- For those unable to file electronically, comments may be filed by U.S. Postal Service mail or by hand (including courier) delivery.

- o Mail via U.S. Postal Service Only: Addressed to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.
- o Hand (including courier) delivery: Deliver to: Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

The Comment Procedures section of this document contains more detailed filing procedures.

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186 FERC ¶ 61,196
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Chairman;
Allison Clements and Mark C. Christie.

Standards for Business Practices of
Interstate Natural Gas Pipelines

Docket No. RM96-1-043

NOTICE OF PROPOSED RULEMAKING

(Issued March 21, 2024)

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I. Overview

1. The Federal Energy Regulatory Commission (Commission) proposes to amend its regulations at 18 CFR 284.12 to incorporate by reference, with certain enumerated exceptions,¹ 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) applicable to interstate natural gas pipelines. NAESB is an American National Standards Institute-accredited, non-profit standards development organization formed for the purpose of developing voluntary standards and model business practices that promote more competitive and efficient natural gas and electric markets. On October 2, 2023, NAESB filed a notice that it had approved Version 4.0 to replace the currently incorporated version (Version 3.2) of those business practice standards (Informational Report).² The implementation of these standards and regulations will promote greater efficiency and reliability of the natural gas industries' operations and strengthen the cybersecurity protections provided within the standards.³

¹ As explained below, we are not proposing in this proposed rule to incorporate by reference the two new model addendums supporting the NAESB Base Contract for the Sale and Purchase of Natural Gas, NAESB WGQ Standard 6.3.1.RG Renewable Natural Gas Addendum and WGQ Standard 6.3.1.CG Certified Gas Addendum, included in the NAESB WGQ Version 4.0 package of business practice standards.

² See NAESB WGQ Business Practice Standards Version 4.0 Report, Docket No. RM96-1-043, (Oct. 2, 2023).

³ 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.

II. Background

2. Since 1996, the Commission has adopted in its regulations NAESB's business practice standards and communication methodologies of interstate natural gas pipelines to create a more integrated and efficient pipeline network system. These regulations have been promulgated in the Order No. 587 series of orders,⁴ wherein the Commission incorporated by reference the standards for interstate natural gas pipeline business practices and electronic communications developed 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.

3. On October 2, 2023, NAESB filed a 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 Laboratory (Sandia),⁵ which in 2019 issued a cybersecurity surety assessment of the NAESB standards sponsored by DOE.⁶

⁴ This series of orders began with the Commission's issuance of *Standards for Bus. Practices of Interstate Nat. Gas Pipelines*, Order No. 587, 61 FR 39053 (July 26, 1996), FERC Stats. & Regs. ¶ 31,038 (1996) (cross-referenced at 76 FERC ¶ 61,042).

⁵ 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.

⁶ 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

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

III. Discussion

5. In this notice of proposed rulemaking (NOPR), we propose to incorporate by reference, in our regulations, Version 4.0 of the NAESB WGQ consensus business practice standards, with certain exceptions.⁷ In the subsections that follow, we provide the summary required by the Office of Federal Register regulations. As an initial matter, we note that the WGQ Version 4.0 Standards include modifications, reservations, and additions to the following set of existing WGQ Standards, i.e., the Version 3.2 Business Practice Standards. (Each set of Business Practice Standards is referred to as a manual.)

Business Practice Standards

Additional Standards

Flowing Gas Related Standards

Invoicing Related Standards

Quadrant Electronic Delivery Mechanism Standards

Capacity Release Related Standards

Contracts Related Standards

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 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.

⁷ In the discussion below we identify the NAESB WGQ Version 4.0 Standards that we propose not to incorporate by reference.

WGQ / REQ / RGQ Internet Electronic Transport

Additionally, the WGQ Version 4.0 Business Practice Standards include one new manual of standards:

Cybersecurity Related Standards

6. We propose that compliance filings made in accordance with a final rule be made 120 days after issuance of a final rule in this proceeding or, if the compliance filing date falls on a weekend or holiday, on the first business day thereafter, with an effective date 180 days from the date compliance filings are due in this proceeding or, if the effective date falls on a weekend or holiday, the first business day thereafter.

7. As the Commission found in Order No. 587, 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, because the industry conducts 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, Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, to carry out policy objectives or activities.

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

A. Modifications to Previous Version of Standards

1. WGQ Cybersecurity Related Standards

9. WGQ Version 4.0 added a new standards manual for NAESB cybersecurity- related standards. This new set of standards consolidates existing NAESB cybersecurity- related standards 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 utilized by the industry through the mitigation of potential vulnerabilities and the use of secure communication and encryption methodologies.

2. Other Standards Modifications

10. In response to industry request, Version 4.0 adds new data elements to the WGQ Additional Standards and Capacity Release Related Standards and modifies existing data elements in the Flowing Gas Related Standards and Invoicing Related Standards to improve efficiencies of business processes for transportation service providers⁸ and parties interacting with these entities.

11. NAESB revised the WGQ Additional Standards by adding 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. NAESB states the new sender’s option data element “Cycle Indicator”

⁸ 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.”

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.⁹

12. NAESB revised the Flowing Gas Related Business Practice Standards to change 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 2.4.3.¹⁰

⁹ Informational Report at 4.

¹⁰ The matrix identifies the data elements needed to communicate the results of the allocation process.

13. 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 service providers to use a “null” value in circumstances where information describing the applicable charge type rate is included as part of miscellaneous notes. NAESB states 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.¹¹

14. NAESB revised the Capacity Release Related Standards by adding 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.

B. Standards Proposed Not to be Incorporated by Reference

15. We propose to continue our past practice¹² of not incorporating by reference into our regulations any optional model contracts because we do not require the use of these

¹¹ Informational Report at 5.

¹² 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*).

contracts.¹³ In addition, consistent with our findings in past proceedings, we are not proposing to incorporate by reference the Wholesale Electric Quadrant/WGQ eTariff Related Standards because the Commission has previously adopted and posted its standards and protocols for electronic tariff filings based on NAESB standards.¹⁴

C. Proposed Implementation Procedures

16. We propose to 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.¹⁵

17. We propose that compliance filings made in accordance with a final rule be made 120 days after issuance of a final rule in this proceeding or, if the compliance filing date falls on a weekend or holiday, on the first business day thereafter, with an effective date 180 days from the date compliance filings are due in this proceeding or, if the effective date falls on a weekend or holiday, the first business day thereafter. As the Commission found in Order No. 587-V, adoption of the revised compliance filing requirements increases the transparency of the interstate natural gas pipelines' incorporation by reference of the NAESB WGQ Standards so that shippers and the Commission will know

¹³ *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).

¹⁴ *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).

¹⁵ Order No. 587-V, 140 FERC ¶ 61,036 at PP 36-39.

which tariff provision(s) implements each standard as well as the status of each standard.¹⁶

18. 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.¹⁷ For each standard, the pipeline must specify in the tariff section or tariff record(s) listing all the NAESB standards:

- (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.¹⁸

19. 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.

¹⁶ *Trans-Union Interstate Pipeline L.P.*, 141 FERC ¶ 61,167, at P 36 (2012) (Order No. 587-V Compliance Order).

¹⁷ *Id.* P 36; *Version 3.2 NOPR*, 174 FERC ¶ 61,103 at P 21.

¹⁸ 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.

20. Consistent with our policy since Order No. 587-V,¹⁹ 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.²⁰

21. 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.

22. This 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

23. Office of Management and Budget Circular A 119 (February 10, 1998) provides that 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, we are proposing to incorporate by reference voluntary consensus standards developed by the WGQ.

¹⁹ Order No. 587-V, 140 FERC ¶ 61,036.

²⁰ 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).

V. **Incorporation by Reference**

24. The Office of the Federal Register requires agencies proposing to incorporate material by reference 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. The regulations also require agencies to summarize, in the preamble of the final rule, the material that it incorporates by reference. The standards we are proposing to incorporate by reference 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 Standards, WGQ Invoicing Related Business Practice Standards, Quadrant Electronic Delivery Mechanism Related Business Practice Standards, Capacity Release Related Business Practice Standards, and WGQ Cybersecurity Related Standards. We summarize these standards below.

25. The **WGQ Additional 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.

26. **The WGQ Nominations Related 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.

27. **The WGQ Flowing Gas Related 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.
28. **The WGQ Invoicing Related Standards Manual** 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).
29. **The WEQ Quadrant Electronic Delivery Mechanism Related 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.
30. **The WEQ Capacity Release Related 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.
31. **The WEQ Internet Electronic Transport Related Standards** define the implementation of various technologies necessary to communicate transactions and other electronic data using standard protocols for electronic commerce over the internet between trading partners.
32. **The WGQ Cybersecurity Related Standards Manual** define the requirements for ensuring the security of electronic communications and transactions among parties.

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.

33. 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.

34. 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.²¹ 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

35. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting, record keeping, and public disclosure requirements (information collection) imposed by an agency.²² 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 penalized for failing to respond to these collections of information unless the collection of information displays a valid OMB control number.

36. We solicit 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.

37. Public Reporting Burden: The Commission's burden estimates for the proposals in this NOPR are for one-time implementation of the information collection requirements

²¹ For more information on Locklizard, please refer to the company's website: <https://www.locklizard.com>.

²² 5 CFR 1320.11 (2020).

of this NOPR (including tariff filing, documentation of the process and procedures, and information technology work).

38. The collections of information related to this NOPR fall under FERC-545 (Gas Pipeline Rates: Rate Change (Non-Formal))²³ and FERC-549C (Standards for Business Practices of Interstate Natural Gas Pipelines).²⁴ The following estimates of reporting burden are related only to this NOPR and anticipate the costs to interstate natural gas pipelines for compliance with our proposals in this NOPR. The burden estimates are primarily related to implementing these standards and regulations and will not result in ongoing costs.

²³ FERC-545 covers rate change filings made by natural gas pipelines, including tariff changes.

²⁴ 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 Respondents²⁵ (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 Cost²⁶ (3)*(4)=(5) | Annual Costs Per Respondent (\$) (5)/ (1) = (6) |
| FERC-545 (one-time) | 193 | 1 | 193 | 10 hrs.; \$1,010 | 1,930 hrs.; \$194,930 | \$1,010 |
| FERC-549C (one-time) | 193 | 1 | 193 | 100 hrs.; \$10,100 | 19,300 hrs.; \$1,949,300 | \$10,100 |
| TOTAL | | | 386 | | 21,230 hrs.; \$1,977,580 | |

²⁵ 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.

²⁶ The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures for May 2022 posted on April 25, 2023 by the Bureau of Labor Statistics for the Utilities sector (https://www.bls.gov/oes/current/naics3_221000.htm) and scaled to reflect benefits using the relative importance of employer costs for employee compensation from September 12, 2023 (<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), \$101.58

Computer and Information Analysts (Occupation Code: 15-1120(1221), \$87.42

Electrical Engineer (Occupation Code: 17-2071), \$70.19

Legal (Occupation Code: 23-0000), \$142.65

The average hourly cost (salary plus benefits), weighting these skill sets evenly, is \$100.50. We round it to \$101/hour.

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

FERC-545: 193 entities x 1 response/entity (10 hours/response x \$101/hour) = \$194,930

FERC-549C: 193 entities x 1 response/entity (100 hours x \$101/hour) = \$1,949,300

The responses and burden for Years 1-2 would total respectively as follows:

Year 1: 97 responses; 970 hours (FERC-545); 9,700 hours (FERC-549C)

Year 2: 96 responses; 960 hours (FERC-545); 9,600 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 proposals in this NOPR would, if implemented, 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 QEDM Related Standards to correct typographical and capitalization errors.

39. Further, in response to industry requests or through the normal course of WGQ activities, the proposals in this NOPR would, if implemented, 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; and (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. In addition, the Commission’s Office of Enforcement will use the data for general industry oversight.

Internal Review: We have reviewed the requirements pertaining to business practices of interstate natural gas pipelines and made a preliminary determination that the proposed

revisions are necessary to establish a more efficient and integrated pipeline network.

These requirements conform to our plan for efficient information collection, communication, and management within the natural gas pipeline industries. We determined through our internal review that there is specific, objective support for the burden estimates associated with the information requirements.

40. 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].

41. 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, Maryland 20852.

VII. Environmental Analysis

42. 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.²⁷ The actions that we propose to 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 of facilities.²⁸ Therefore, an environmental review is unnecessary and has not been prepared as part of this NOPR.

VIII. Regulatory Flexibility Act

43. The Regulatory Flexibility Act of 1980 (RFA)²⁹ 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.

44. 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

²⁷ *Reguls. Implementing the Nat'l Env't Pol'y Act*, Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. ¶ 30,783 (1987) (cross-referenced at 41 FERC ¶ 61,284).

²⁸ See 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), & 380.4(a)(27) (2023).

²⁹ 5 U.S.C. 601-612.

of a small entity,³⁰ 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.³¹ For the year 2022, only 14 companies 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 NOPR is \$1,977,580 (or \$10,247 per entity, regardless of entity size).³² We do not consider the estimated \$10,247 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 the fact that industry conducts business under these standards, the Commission's regulations should reflect those standards that have the widest possible support.

³⁰ 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.

³¹ 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.

³² This number is derived by dividing the total cost figure by the number of respondents. $\$1,977,580/193 = \$10,247$.

45. Accordingly, pursuant to section 605(b) of the RFA,³³ the regulations proposed herein should not have a significant economic impact on a substantial number of small entities.

IX. Comment Procedures

46. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Comments must refer to Docket No. RM96-1-043, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

47. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's website at <https://www.ferc.gov/>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software must be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

48. Commenters that are not able to file comments electronically may file an original of their comment by USPS mail or by courier-or other delivery services. For submission

³³ 5 U.S.C. 605(b).

sent via USPS only, filings should be mailed to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street, NE, Washington, DC 20426. Submission of filings other than by USPS should be delivered to: Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

X. Document Availability

49. 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/>).

50. 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.

51. 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.

List of subjects in 18 CFR Part 284

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

By direction of the Commission.

(S E A L)

Debbie-Anne A. Reese,
Acting 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);
- (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) Internet Electronic Transport Related Standards (Version 4.0, September 29, 2023);
- (viii) Cybersecurity Related Standards Manual (Version 4.0, September 29, 2023)

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