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Title 18 - Conservation of Power and Water Resources

Chapter I - Federal Energy Regulatory Commission, Department of Energy

Subchapter I - Other Regulations Under the Natural Gas Policy Act of 1978 and Related Authorities

Part 284 - Certain Sales and Transportation of Natural Gas Under the Natural Gas Policy Act of 1978 and Related Authorities

Subpart A - General Provisions and Conditions

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

Source: Order 46, 44 FR 52184, Sept. 7, 1979, unless otherwise noted.

Editorial Note: Nomenclature changes to part 284 appear at [65 FR 10222](#), Feb. 25, 2000.

§ 284.12 Standards for pipeline business operations and communications.

(a) *Incorporation by reference of NAESB standards.*

- (1) An interstate pipeline that transports gas under [subparts B or G](#) of this part must comply with the business practices and electronic communications standards as promulgated by the North American Energy Standards Board, as incorporated herein by reference in [paragraphs \(a\)\(1\)\(i\) through \(vii\)](#) of this section.
 - (i) Additional Standards (Version 3.2, August 15, 2020);
 - (ii) Nominations Related Standards (Version 3.2, August 15, 2020);
 - (iii) Flowing Gas Related Standards (Version 3.2, August 15, 2020);
 - (iv) Invoicing Related Standards (Version 3.2, August 15, 2020);
 - (v) Quadrant Electronic Delivery Mechanism Related Standards (Version 3.2, August 15, 2020);
 - (vi) Capacity Release Related Standards (Version 3.2, August 15, 2020); and
 - (vii) internet Electronic Transport Related Standards (Version 3.2, August 15, 2020).
 - (2) This incorporation by reference was approved by the Director of the Federal Register in accordance with [5 U.S.C. 552\(a\)](#) and [1 CFR part 51](#). Copies of these standards may be obtained from the North American Energy Standards Board, 801 Travis Street, Suite 1675, Houston, TX 77002, *Phone:* (713) 356-0060. NAESB's website is at <https://www.naesb.org/>. Copies may be inspected at the Federal Energy Regulatory Commission, Public Reference Room, 888 First Street NE, Washington, DC 20426, *Phone:* (202) 502-8371, <https://www.ferc.gov/>, or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, email fr.inspection@nara.gov, or go to: www.archives.gov/federal-register/cfr/ibr-locations.html.
- (b) *Business practices and electronic communication requirements.* An interstate pipeline that transports gas under [subparts B or G](#) of this part must comply with the following requirements. The regulations in this paragraph adopt the abbreviations and definitions contained in the North American Energy Standards Board Wholesale Gas Quadrant standards incorporated by reference in [paragraph \(a\)\(1\)](#) of this section.

(1) Nominations.

(i) Intra-day nominations.

- (A) A pipeline must give scheduling priority to an intra-day nomination submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers. When an interruptible shipper's scheduled volumes are to be reduced as a result of an intra-day nomination by a firm shipper, the interruptible shipper must be provided with advance notice of such reduction and must be notified whether penalties will apply on the day its volumes are reduced.
- (B) An intra-day nomination submitted on the day prior to gas flow will take effect at the start of the gas day at 9 a.m. CCT.

(ii) *Capacity release scheduling.*

- (A) Pipelines must permit shippers acquiring released capacity to submit a nomination at the earliest available nomination opportunity after the acquisition of capacity. If the pipeline requires the replacement shipper to enter into a contract, the contract must be issued within one hour after the pipeline has been notified of the release, but the requirement for contracting must not inhibit the ability of the replacement shipper to submit a nomination at the earliest available nomination opportunity.
 - (B) A pipeline must permit releasing shippers, as a condition of a capacity release, to recall released capacity and renominate such recalled capacity at each nomination opportunity. Each replacement shipper must be provided with advance notice of such recall and must be notified whether penalties will apply on the day its volumes are reduced.
- (iii) Within 60 days after a shipper request, a pipeline must file to make appropriate tariff changes at the Commission to allow multiple shippers associated with a designated agent or asset manager to be jointly and severally liable under a single firm transportation service agreement, subject to reasonable terms and conditions.

(2) *Flowing gas.*

- (i) *Operational balancing agreements.* A pipeline must enter into Operational Balancing Agreements at all points of interconnection between its system and the system of another interstate or intrastate pipeline.
- (ii) *Netting and trading of imbalances.* A pipeline must establish provisions permitting shippers and their agents to offset imbalances accruing on different contracts held by the shipper with the pipeline and to trade imbalances with other shippers where such imbalances have similar operational impact on the pipeline's system.
- (iii) *Imbalance management.* A pipeline with imbalance penalty provisions in its tariff must provide, to the extent operationally practicable, parking and lending or other services that facilitate the ability of its shippers to manage transportation imbalances. A pipeline also must provide its shippers the opportunity to obtain similar imbalance management services from other providers and shall provide those shippers using other providers access to transportation and other pipeline services without undue discrimination or preference.

- (iv) **Operational flow orders.** A pipeline must take all reasonable actions to minimize the issuance and adverse impacts of operational flow orders (OFOs) or other measures taken to respond to adverse operational events on its system. A pipeline must set forth in its tariff clear standards for when such measures will begin and end and must provide timely information that will enable shippers to minimize the adverse impacts of these measures.
 - (v) **Penalties.** A pipeline may include in its tariff transportation penalties only to the extent necessary to prevent the impairment of reliable service. Pipelines may not retain net penalty revenues, but must credit them to shippers in a manner to be prescribed in the pipeline's tariff. A pipeline with penalty provisions in its tariff must provide to shippers, on a timely basis, as much information as possible about the imbalance and overrun status of each shipper and the imbalance of the pipeline's system.
- (3) **Communication protocols.**
- (i)
 - (A) All electronic information provided and electronic transactions conducted by a pipeline must be provided on the public Internet. A pipeline must provide, upon request, private network connections using internet tools, internet directory services, and internet communication protocols and must provide these networks with non-discriminatory access to all electronic information. A pipeline may charge a reasonable fee to recover the costs of providing such an interconnection.
 - (B) A pipeline must implement this requirement no later than June 1, 2000.
 - (ii) A pipeline must comply with the following requirements for documents constituting public information posted on the pipeline web site:
 - (A) The documents must be accessible to the public over the public Internet using commercially available web browsers, without imposition of a password or other access requirement;
 - (B) Users must be able to search an entire document online for selected words, and must be able to copy selected portions of the documents; and
 - (C) Documents on the web site should be directly downloadable without the need for users to first view the documents on the web site.
 - (iii) If a pipeline uses a numeric or other designation to represent information, an electronic cross-reference table between the numeric or other designation and the information represented must be available to users, at a cost not to exceed reasonable shipping and handling.
 - (iv) A pipeline must provide the same content for all information regardless of the electronic format in which it is provided.
 - (v) A pipeline must maintain, for a period of three years, all information displayed and transactions conducted electronically under this section and be able to recover and regenerate all such electronic information and documents. The pipeline must make this archived information available in electronic form for a reasonable fee.

- (vi) A pipeline must post notices of operational flow orders, critical periods, and other critical notices on its Internet web site and must notify affected parties of such notices in either of the following ways to be chosen by the affected party: Internet E-Mail or direct notification to the party's Internet URL address.
- (4) *Communication and information sharing among pipelines and public utilities.*
 - (i) A pipeline is authorized to share non-public, operational information with a public utility, as defined in § 38.2(a) of this chapter or another pipeline covered by this section, for the purpose of promoting reliable service or operational planning.
 - (ii) Except as permitted in paragraph (b)(4)(i) of this section, a pipeline and its employees, contractors, consultants, and agents are prohibited from disclosing, or using anyone as a conduit for the disclosure of, non-public, operational information received from a public utility pursuant to § 38.2 of this chapter to a third party or to its marketing function employees as that term is defined in § 358.3(d) of this chapter.

[Order 587, 61 FR 39068, July 26, 1996]

Editorial Note: For FEDERAL REGISTER citations affecting § 284.12, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.