

137 FERC ¶ 61,233  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
and Cheryl A. LaFleur.

Black Marlin Pipeline Company

Docket Nos. RP10-1215-001  
RP11-2361-000

(not consolidated)

ORDER ACCEPTING COMPLIANCE FILING SUBJECT TO CONDITIONS

(Issued December 22, 2011)

1. This order addresses Black Marlin Pipeline Company's (Black Marlin) November 12, 2010 compliance filing (November 12 filing) in response to the Commission's October 28, 2010 order<sup>1</sup> and Black Marlin's request for extension of time to comply with certain North American Energy Standards Board (NAESB) Wholesale Gas Quadrant (WGQ) Standards. For the reasons discussed below, the Commission clarifies the October 28 Order and accepts the revised tariff record listed in footnote no. 7, effective November 1, 2010, subject to the conditions discussed in the body of this order. Section 23, NAESB Standards, 1.1.0 to Second Revised Volume No. 1, FERC NGA Gas Tariff is rejected as moot.

**Background**

2. On September 1, 2010, in Docket No. RP10-1215-000, Black Marlin filed a tariff record<sup>2</sup> to comply with Order No. 587-U.<sup>3</sup> In Order No. 587-U, the Commission

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<sup>1</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,096 (2010) (October 28 Order).

<sup>2</sup> Section 23, NAESB Standards, 1.0.0 to Second Revised Volume No. 1, FERC NGA Gas Tariff.

<sup>3</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order No. 587-U, FERC Stats. & Regs. ¶ 31,307 (2010).

incorporated by reference into its regulations Version 1.9 of the NAESB WGQ standards. By Order issued October 28, 2010, the Commission accepted Black Marlin's tariff record to become effective as proposed, subject to conditions.<sup>4</sup> Specifically, the October 28 Order directed Black Marlin to include NAESB WGQ Version 1.9 Standards 4.3.96-4.3.98 in its tariff database.<sup>5</sup>

### **Details of Compliance Filing**

3. In the November 12 filing, Black Marlin submitted a revised tariff record,<sup>6</sup> in Docket No. RP10-1215-001, in compliance with the October 28 Order. Black Marlin's filing, as detailed below, also includes a request for clarification of the October 28 Order regarding its previous request for extension of time of certain NAESB WGQ Version 1.9 Standards. Subsequently, on August 10, 2011 (August 10 filing), in Docket No. RP11-2361-000, Black Marlin submitted a revised tariff record<sup>7</sup> to amend its November 12 filing to: (1) incorporate by reference a NAESB WGQ Version 1.9 Standard x.y.z; (2) identify the NAESB WGQ Version 1.9 Standards for which it seeks an extension of time; and (3) substantiate its continued need for extensions of time.

4. In support of its November 12 filing, Black Marlin submits that the Commission should grant clarification of the October 28 Order and reconsider Black Marlin's request for an extension of time of the NAESB WGQ Interactive/Internet web site related standards, title transfer tracking related standards, and capacity release data sets due to Black Marlin's operational, customer and market circumstances.<sup>8</sup> Black Marlin states

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<sup>4</sup> October 28 Order, 133 FERC ¶ 61,096 at P 8-9.

<sup>5</sup> *Id.*

<sup>6</sup> Section 23, NAESB Standards, 1.1.0 to Second Revised Volume No. 1, FERC NGA Gas Tariff.

<sup>7</sup> Section 23, NAESB Standards, 1.2.0 to Second Revised Volume No. 1, FERC NGA Gas Tariff.

<sup>8</sup> Black Marlin requests an extension of time of the following NAESB WGQ Version 1.9 data sets, definitions, and standards: Nominations Related Data Sets: 1.4.1 through 1.4.7; Flowing Gas Related Data Sets: 2.4.1 through 2.4.18; Invoicing Related Data Sets: 3.4.1 through 3.4.4; Capacity Release Data Sets: 5.4.1 through 5.4.23; Capacity Release Related Standards: 5.3.10 through 5.3.12, 5.3.30 through 5.3.34, 5.3.41 through 5.3.43, and 5.3.48; Electronic Data Interchange (EDI) Related Definitions: 4.2.10 through 4.2.13, 4.2.16 through 4.2.20, and 10.2.1 through 10.2.36; EDI Related Standards: 1.3.47 through 1.3.50, 1.3.52 through 1.3.63, 1.3.79, 2.3.32 through 2.3.35, 2.3.40 through 2.3.44; 2.3.51 through 2.3.53, 2.3.65, 3.3.23, 3.3.24, 4.3.39, 4.3.42

(continued...)

that the Commission has previously granted Black Marlin extensions of time to comply with certain Interactive/Internet web site, title transfer tracking, and capacity release business practices and data sets adopted in prior NAESB orders.<sup>9</sup>

5. In its August 10 filing, Black Marlin explains that it is a small pipeline and continues to experience operational stress due to severely declining volumes. Black Marlin notes that it has continued to see a decline in production from its sole shipper, and that average daily deliveries were less than 675 dekatherms per day. Black Marlin asserts that it cannot provide firm transportation service on its system at all, and it cannot even provide interruptible transportation service pursuant to the Commission's directives in Part 284 of its regulations. Black Marlin further states that it has not received any requests for transportation service associated with new production or any new developmental activity in the vicinity of its system. Black Marlin explains that because of the low production volume, it cannot physically deliver gas on a continuous daily basis. Black Marlin states that, with the current flow rate representing only 0.42 percent of system capacity, the internal pressure of its system is not sufficient to push through the delivery meter on a continuous basis and return reliable measurement. Black Marlin asserts that if the Commission grants its requested exemptions, its stakeholders will benefit from its continued operations, and no shipper or stakeholder should be harmed in any manner by the granting of these exemptions.

6. Black Marlin states that its internally developed interactive web site software (i.e., GASKIT) is not fully NAESB compliant but would be costly to upgrade. Black Marlin asserts that GASKIT is robust enough and user-friendly so that customers are able to transact their transportation business as needed. Black Marlin states that it conducted a comprehensive review of what it would cost to upgrade its Interactive web site. Black Marlin asserts that the estimated cost of upgrading the system to be fully NAESB compliant is approximately \$3 million, approximately 13 times greater than 2010 revenues as reflected in its FERC Form 2-A for that year.

### **Notice**

7. Public notices of the filings were issued on November 15, 2010 and August 11, 2011 respectively, allowing for protests to be filed as provided in

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through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, 10.3.5, 10.3.7, 10.3.8, 10.3.12, 10.3.15, 10.3.17, 10.3.18, 10.3.21, 10.3.22, and 10.3.25 through 10.3.27; Title Transfer Tracking Related Standards: 1.3.17, 1.3.18, 1.3.64 through 1.3.74, 1.3.76, and 1.3.77.

<sup>9</sup> *Black Marlin Pipeline Co.*, 128 FERC ¶ 61,108 (2009) (July 30 Order).

section 154.210 of the Commission's regulations. No protests or adverse comments were filed.

### **Discussion**

8. Black Marlin's revised tariff record listed in footnote no. 7 complies with the October 28 Order and is accepted effective November 1, 2010, subject to Black Marlin filing revised tariff records, within 15 days from the date of this order, as discussed below.

9. Given Black Marlin's operational, customer and market circumstances and the information presented, the Commission finds that granting an extension of time to comply with the NAESB WGQ Version 1.9 title transfer tracking related standards is appropriate. The Commission will grant Black Marlin an extension of time to implement such standards until 90 days following a request from a Part 284 customer to implement the NAESB WGQ Version 1.9 title transfer tracking related standards.<sup>10</sup>

10. Further, given Black Marlin's operational, customer and market circumstances and the information presented, the Commission finds that granting waiver of the electronic components of the Interactive/Internet web site requirements is appropriate.<sup>11</sup> Black Marlin should not be required to expend resources to upgrade its current Interactive/Internet web site software to complete NAESB compliance.

11. While Black Marlin has justified a waiver of the requirements to conduct transactions electronically, Black Marlin has not justified its request for an extension of time of the NAESB WGQ Version 1.9 Business Practice Standards, specifically the Imbalance Trading Related Business Practice Standards and Capacity Release Related

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<sup>10</sup> NAESB WGQ Version 1.9 Standards: 1.3.17, 1.3.18, 1.3.64 through 1.3.74, 1.3.76, and 1.3.77.

<sup>11</sup> Waiver is granted for NAESB WGQ Version 1.9 data sets: EDI Related Definitions: 4.2.10 through 4.2.13, 4.2.16 through 4.2.20, and 10.2.1 through 10.2.36; Nominations Related Data Sets: 1.4.1 through 1.4.7; Flowing Gas Related Data Sets: 2.4.1 through 2.4.18; Invoicing Related Data Sets: 3.4.1 through 3.4.4; Capacity Release Data Sets: 5.4.1 through 5.4.23; EDI Related Standards: 1.3.47 through 1.3.50, 1.3.52 through 1.3.63, 1.3.79, 2.3.32 through 2.3.35, 2.3.51 through 2.3.53, 2.3.65, 3.3.23, 3.3.24, 4.3.39, 4.3.42 through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, 10.3.5, 10.3.7, 10.3.8, 10.3.12, 10.3.15, 10.3.17, 10.3.18, 10.3.21, 10.3.22, and 10.3.25 through 10.3.27.

Business Practice Standards.<sup>12</sup> Complying with the requirements of the business practice standards does not require electronic processing. Thus, Black Marlin is directed to file revised tariff records incorporating the NAESB WGQ Version 1.9 Standards listed in footnote no. 12, within 15 days from the date of this order.

12. Further, as discussed in the October 28 Order,<sup>13</sup> all waivers and extensions of time are limited to the NAESB WGQ Version 1.9 Standards promulgated by Order No. 587-U and a renewal request must be filed with respect to compliance with subsequent editions of the standards.<sup>14</sup>

The Commission orders:

(A) Black Marlin's revised tariff record listed in footnote no. 7 is accepted, effective November 1, 2010, subject to the conditions discussed in the body of this order. Section 23, NAESB Standards, 1.1.0 to Second Revised Volume No. 1, FERC NGA Gas Tariff is rejected as moot.

(B) Black Marlin's request for clarification is granted.

(C) Black Marlin's request for an extension of time of the NAESB WGQ Version 1.9 Title Transfer Tracking Related Standards listed in footnote no. 10 is granted.

(D) Black Marlin is granted a waiver of the NAESB WGQ Electronic Interactive/Internet web site requirements listed in footnote no. 11.

(E) Black Marlin's request for extension of time of the NAESB WGQ Imbalance Trading Related and Capacity Release Related Business Practice Standards listed in footnote no. 12 is denied, as discussed in the body of this order.

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<sup>12</sup> NAESB WGQ Version 1.9 Standards: Imbalance Trading Related Standards 2.3.40 through 2.3.44, Capacity Release Related Standards: 5.3.10 through 5.3.12, 5.3.30 through 5.3.34, 5.3.41 through 5.3.43, and 5.3.48.

<sup>13</sup> October 28 Order, 133 FERC ¶ 61,096 at P 36.

<sup>14</sup> See *B-R Pipeline Co.*, 128 FERC ¶ 61,126 (2009) ("Each time the Commission adopts new versions of [the] Standards ... pipelines must request waiver [or extension of time] of the new Standards.").

(F) Black Marlin must file revised tariff records within 15 days from the date of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.