

How to Prepare your Tariff for Input into the FERC eTariff Software

Introduction

This document is intended to assist you in creating your baseline tariff. The baseline tariff is intended to be an electronic version/restatement of your effective tariff. This “baseline” will then be used as the basis for filing all tariff changes or revisions.

As questions are asked and issues come up during the prototype testing period, this document will be revised to reflect changes to the software. If you have any comments or ideas on subjects that should be addressed here, please do not hesitate to send them in email form.

During the prototype testing period, you may (1) enter your baseline tariff; (2) request/receive acceptance of the baseline; (3) create some test “revisions”; (4) file them with FERC. However, once the testing period is completed, software adjustments will be made and instructions issued on how to revert back to a “baseline” status – so that you can begin using the software “for real”. Your investment in entering your baseline tariff now – will not be lost. By creating the baseline and keeping it current, you will have a head-start on the process.

First off, I should tell you that using this software will not be fun in the initial stages. This is because you must take your existing tariff and paste it, section by section, into the eTariff application. This is a tedious task (and I’ll bet before you are done, you will think of better descriptions for it).

This initial electronic version of your tariff is called the “baseline tariff”, and once completed and approved, things get more interesting because the software can be used to electronically make and file changes. Filing changes and being able to access and search effective tariffs is the big payoff for the eTariff system.

Theory of Operation

Before beginning this arduous task of creating your baseline tariff, it might be a good idea to give you a general idea on the theory of operation behind the eTariff software.

Consider a deck of 3x5 index cards. A single section of your tariff is written on each index card. The index card also contains “Metadata” about the section, such as company, date written, date effective, who wrote it, etc. etc. When asked to print a copy of the effective tariff, the computer collects all the index cards that are current, and prints them in section order. The section is the most granular element in the tariff system.

When you make changes to a tariff in this system, you either change existing sections or add new sections between existing sections. For example, you might place a new section, labeled

1.2.3.4 between section 1.2.3 and section 1.2.4. Existing sections that are changed are not replaced, but rather superceded. For instance, if over the years you make 15 separate changes to section 1.2.3.4, there will be a “stack” of 15 index cards in the database, and the one on top will be the most recent “approved” change. As a consequence, you can ask the software to print the tariff as it was at an earlier effective date. All the history is saved and available for review and research.

So, essentially what you are doing when you initially input your tariff is transcribing your tariff to a bunch of electronic 3x5 cards.

There are a lot of other nifty things about the tariff system such as the feature that allows you to include all supporting documents with the filing; and the feature that tells you what supporting documents are required for any particular filing. However, this document is just an aid to getting your baseline tariff into the database.

Suggestion – Prepare your Tariff before using the eTariff Software

The best approach is to make a copy of your existing effective tariff. Then, you can modify the copy to facilitate inputting the tariff into the eTariff software.

The following are a list of changes you might consider (if applicable) to your tariff copy:

1. Fonts and Font Sizes

Select the entire document and select an appropriate font and font size. For example, this document was prepared using the Arial font with a point size of 11. Many of the gas pipeline companies may be using a plain text font commonly referred to as ASCII. I would recommend changing to a normal proportional font. It makes the resulting tariff look better, and the software will handle any font type and size supported by Microsoft Word and most other word processing systems.

2. Line Spacing

If your tariff is double-spaced, I would recommend changing to single space. If you REALLY want a double-spaced print of your tariff at a later date, you can always export the tariff from the eTariff system in MS Word format, and then tell MS Word to print it double-spaced. However, on the other hand, if you “hard-code” the double-spacing into the eTariff system – it is there permanently.

3. Hard Carriage Returns

If your tariff paragraphs contain carriage-returns at the end of each line (instead of allowing the word processing software to use what are called “soft returns”), I would suggest removing the hard returns within each paragraph. If not, if you put sections into the eTariff system – and the margins are different than the original, you will have partial line fragments on some lines – since the ability to reformat for margin differences depends on the use of soft carriage returns within paragraphs.

4. Section Numbers/Numbering

The eTariff system uses only sections. No pages, no sheets, no anything else. Some company tariffs already have section numbers, some may not. The eTariff system uses the 1.2.3.4.5.6 method of assignment section numbers. When you click on “Add Section”, the system will automatically generate the next main section number. If you click on “Add Subsection”, the existing section will be incremented. (eg Section 1.2.3 will be incremented to Section 1.2.3.1)

However, your company may use a different type of section number and reference it within your Tariff. If so, you can use both. When a new section is created in eTariff, you have the option of inputting “your” section number in addition to the eTariff generated section number. When printing the tariff from the eTariff system, you have the option of using the eTariff section numbers OR using YOUR section numbers.

In any event, life will be easier if you apply section numbers so that whoever inputs your Tariff into the eTariff system – will understand how it will be sectioned. In other words, it will be more productive in the long run to change the copy of your tariff so it is compatible with the eTariff system, before inputting the tariff. It is a lot harder to make changes to these elements once the text is entered into the system.

At the end of this document, I have appended a document written by Keith Pierce describing and suggesting how you might use section numbers in the new eTariff system. Essentially, everything must have a section number. If you prefer to create your own table of contents instead of letting the eTariff system generate a table of contents based on your section numbers and section headers (recommended), then the table of contents you insert into the tariff must have a section number. If you have appendixes, then they must have section numbers. (for example: 8.1 – Appendices; 8.1.1 – Appendix 1; 8.1.2 Appendix 2; etc.).

The following is a first draft of a document written by Keith Pierce of OMTR.

1. Instructions to Create Electronic Tariffs

1.1 GENERAL INSTRUCTIONS

These instructions are applicable to all tariffs required to be filed pursuant to the Commission's tariff filing requirements. This includes tariff required to be filed pursuant to Parts 35, 154, 284, 300, and 341.

1.2 Tariff Organization Guidelines

All regulated entities should carefully consider the organization of their complete tariff. Tariffs are composed of many parts, and the requirements for a complete tariff filed with the Commission vary. Regulated entities should first abide by the Commission's regulations. Part 154 has specific requirements for gas pipeline tariff organization. These requirements are located at §§ 154.102 through 154.110. Parts 35 and 300 do not have explicit instructions for organizing an electric tariff. Parts 284 and 341 provides limited requirements for NGPA pipelines' and oil pipelines' tariff organization.

Regulated industries without specific tariff organization requirements should evaluate their total filed tariff obligations and organized the parts of their tariff in a coherent and consistent fashion. For example:

Title Page – location of company name, address, and contacts.

Preliminary Statement - statement of regulatory status and jurisdictional services.

Map – a generalized map for showing areas of service and rate zones.

Currently effective rates – a rate summary section that locates all services rates in one part of the tariff.

General Terms and Conditions – a compilation of terms and conditions applicable to multiple services.

Service definitions – specific identification of the terms and conditions of service for specific services, often referred to in the gas and electric industries as rate schedules.

Standard forms of agreements – unexecuted standard forms of agreement for generally applicable services

As guidance for basic tariff organization, electric utilities, NGPA and oil pipelines are referred to §§ 154.102 through .107, .109 and .110.

Regulated entities that are creating their first electronic tariff, or creating a completely new tariff to supercede and existing electronic tariff, may wish to follow the following guidelines.

1.2.1 Take advantage of the automatic section numbering provided in the software

The software utilizes a 1.1.1.1.1 section numbering system. It has 6 levels. If the tariff system's section numbers are utilized, it will reduce data entry of the applicant's own section numbering system, and facilitate future re-sectioning changes.

1.2.2 Use the first level to separate major differences in tariff objectives

Use the first section number to separate major differences in tariff objectives. For example:

Section 1: Company information

Section 2: Open Access Tariff/Volume No. 1 (gas or electric)

Section 3: Volume No. 2 (gas) / Operating Company A or Rate Schedule (electric)

Section 4: Operating Company B or Rate Schedule(electric)

1.2.3 Consolidate information

Consolidate common information in one location. For example, the company name, address and means of contact are common tariff requirements for all three programs. That information can be located in just one part of the tariff. For example:

Section 1: Company information

1.1 Company name and business location

1.2 Company contact and means of contacting

1.3 Preliminary Statement

1.4 Map

1.5 Summary of Rates for all services

Regulated entities may use the Commission's software to create the Table of Contents through the tariff viewer. Regulated entities may also file their own Table of Contents tariff section.

1.2.4 Reserve Section Numbers

Reserve section numbers to create space for future expansion or tariff content groupings. For example:

Section 2 Volume 1

2.100 Definition of Services/Rate Schedules

2.200 General Terms and Conditions

2.300 Pro forma service agreements

1.2.5 Group service agreements near their service definitions

Group service agreements near their service definitions. For example:

Section 2 Volume No. 1

2.115 Rate Schedule FT

2.116 Rate Schedule FT negotiated rate service agreements

2.116.1 Negotiated service agreement with ABC Company

2.117 Rate Schedule FT negotiated terms and conditions service agreements

2.117.1 Negotiated service agreement with ABX Company

1.2.6 Avoid tariff section renumbering

One of the benefits of the electronic tariff data base is its ability to maintain a historical reference of changes that occurred for every section of a tariff. However, the software is unable to maintain historical links if tariff sections are renumbered.

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