

112 FERC ¶ 61,043
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Parts 35, 131, 154, 157, 250, 281, 284, 300, 341,
344, 346, 347, 348, 375, and 385

Docket No. RM01-5-000

Electronic Tariff Filings

(July 6, 2005)

AGENCY: Federal Energy Regulatory Commission

ACTION: Notice of Additional Proposals and Procedures

SUMMARY: The Federal Energy Regulatory Commission is making additional proposals, requesting comments, and establishing procedures related to its July 8, 2004 Notice of Proposed Rulemaking (69 Fed. Reg. 43,929) (NOPR). The Commission is proposing to revise its prior proposal that natural gas companies and public utilities file pre-existing agreements electronically. The Commission is proposing that only current tariffs and future agreements, and not pre-existing non-conforming rate schedules and agreements, be filed electronically. The Commission is proposing to permit electronic service of all initial and subsequent tariff filings upon the implementation of electronic tariff filing. The Commission is seeking comment on whether oil pipelines should utilize an approach to tariff filing that differs from the approach to be utilized in the gas pipeline and electric industries. In addition, Commission staff will be establishing a second technical conference in the next few months once the changes to the Commission's software that have been identified are completed. Comments on the non-regulatory text

portion of the proposal are anticipated to be due within 60 days after the conference.

A future notice will be issued announcing a date for a second technical conference to discuss the electronic tariff filing software to be used in compliance with the NOPR.

DATES: August 1, 2005 for comments on the proposed regulatory text, electronic service, and any changes to the method of filing for oil pipelines.

ADDRESSES: Comments may be filed electronically via the eFiling link on the Commission's web site at <http://www.ferc.gov>. Commenters unable to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street N.E., Washington, DC, 20426. Refer to the Comment Procedures section of the preamble of the Notice of Proposed Rulemaking for additional information on how to file comments.

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SUPPLEMENTARY INFORMATION:

112 FERC ¶ 61,043
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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Docket No. RM01-5-000

NOTICE OF ADDITIONAL PROPOSALS AND PROCEDURES

(July 6, 2005)

1. In a Notice of Proposed Rulemaking (NOPR) issued on July 8, 2004, the Commission proposed to require public utilities, gas and oil pipelines to file tariff and tariff related material electronically.¹ Since the issuance of the NOPR, Commission staff has been working with industry to develop electronic tariff (eTariff) filing software that will meet the needs of industry, the Commission, and the public alike. In recognition of the complex nature of creating electronic tariff and rate case filing software, the Commission staff hosted a technical conference on June 1, 2005 to discuss the software that has been developed thus far.

2. Based on the results of these efforts, the Commission is proposing two changes to the NOPR intended to ease utilities' burdens in complying and to expand the efficiency of the electronic filing process. The Commission is proposing to exempt old, paper versions of agreements and tariffs that are not being revised frequently from the

¹ *Electronic Tariff Filings, Notice of Proposed Rulemaking*, 69 Fed. Reg. 43,929 (July 23, 2004) FERC Stats. & Regs., Proposed Regulations ¶ 32,575 (July 8, 2004) (July 8 NOPR).

electronic filing requirement. The Commission also is proposing to allow participants to electronically serve tariff and tariff related material once electronic tariff filing is implemented. Additionally, the Commission is seeking comments on whether oil pipelines should utilize an approach to tariff filing that differs from the approach to be utilized in the gas pipeline and electric industries.

3. Further, the Commission is instructing staff to establish a procedural schedule with respect to completion of the electronic tariff software. The electronic tariff software is being revised to incorporate, where practically feasible, functions requested by conference participants. Staff will hold a second technical conference once the eTariff filing software incorporates these changes, so that the industries can see a demonstration of the functional software. Comments on the software will likely be due 60 days after the second technical conference. The technical conference and comment dates will be announced in a subsequent notice.

Proposed Changes To The NOPR

Reduction in Compliance Obligations

4. The Commission's July 8 NOPR proposed that regulated entities convert old or non-conforming paper rate schedules and agreements, for which an electronic version does not exist, into electronic word searchable sections. In light of the technical conference discussion, the Commission proposes to ease the burden of compliance by not requiring regulated entities to convert these materials into electronic format. However, if

the materials are amended or changed and refiled, the Commission will require that regulated entities convert the materials into electronic format and file them utilizing the eTariff process. The Commission further proposes that these revised materials will not be required to be fully word searchable since scanning of paper agreements into a graphic is less burdensome than conversion to electronic text documents. Thus, with respect to old contracts that are lengthy, a utility can file in graphic format portions of unchanged text, while filing in electronic, word searchable format, those sections that are, or are likely to be revised. Pipelines and public utilities also would be required to file an index of those tariffs and agreements that are not being filed as part of their initial baseline compliance tariffs, and would continue to abide by their obligations to make these tariffs and agreements available, upon request.² As a company complies by making its electronic tariff filing with the index of tariffs and agreements not included in the electronic filing, the Commission will no longer update or maintain the company's paper tariff.

5. As applied to filings by electric utilities, all generally applicable tariffs, which includes the open access transmission tariffs (OATTs), power sales tariffs, and market-based rate tariffs, as well as new agreements will still need to be filed utilizing the

² Section 4(c) of the Natural Gas Act, 15 U.S.C. §717c(c); § 205 (c) of the Federal Power Act, 16 U.S.C. § 824d(c), and § 6 of the Interstate Commerce Act, 49 App. U.S.C. § 1(6).

Commission's eTariff software, as the July 8 NOPR proposed. However, old or non-conforming rate schedules and agreements will not need to be converted unless they are revised. When such agreements and rate schedules are revised, electric public utilities must file the entire agreement utilizing the eTariff software and conform to the requirement in Order No. 614 that a utility filing a service agreement must file a complete agreement with appropriate designation.³

6. As applied to gas pipelines, pipelines would have to convert and file their Volume No. 1 tariffs, which reflect generally available services, but would not have to file special rate schedules or special operating arrangements included in Volume No. 2 tariffs nor any existing negotiated rate or non-conforming service agreements that are not in an electronic format unless they are revised.

Electronic Service

7. The Commission's intention is to permit utilities and pipelines to avail themselves of electronic service (eService) of tariff and related filings upon the implementation of electronic tariff filing. Order Nos. 653 and 653-A⁴ amended the Commission's regulations to provide for eService of Commission issuances and to enhance the use of

³ *Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18221, 18224 (April 7, 2000), FERC Stats. & Regs. ¶ 31,096, at 31,504 (2000).

⁴ *Electronic Notification of Commission Issuances*, Order No. 653, 70 Fed. Reg. 8720 (February 23, 2005), FERC Stats. & Regs. ¶ 31,176 (2005), order on reh'g, Order No. 653-A, 111 FERC ¶ 61,021 (2005).

electronic service between parties to Commission proceedings. But these orders did not apply to all tariff related filings. The Commission proposes to conform the service requirements in Parts 35, 154, 300, 341, and 385 to allow for eService of electronically filed tariffs. This would include first time tariff filings where no official service list has been established. Specifically, § 385.2010 would need to be revised to reflect this. The Commission previously established August 1, 2005 as the comment date for comments related to the regulatory text of the July 8 NOPR. We invite commenters to alert us to any specific parts of the Commission's regulations, for which revisions were not proposed in the NOPR, that will require revision to reflect that eService will be permitted.⁵ Comments related to eService regulatory text changes should be included in comments related to the regulatory text of the July 8 NOPR which are due August 1, 2005.

Comments On Filing Of Oil Pipeline Tariffs

8. The Commission is inviting comments on whether a different approach is warranted to reduce the filing burden on oil pipelines as a result of the differences in the structure and use of oil pipeline tariffs. Oil pipeline tariffs are often less lengthy than gas and electric tariffs, focusing on specific movements between locations. The number of oil pipeline tariff filings is far less than gas and electric filings and far fewer protests are

⁵ See, e.g., 18 CFR 154.2 (defining posting of a tariff as requiring the pipeline to "mail to each affected customer and interested state commission a copy of the tariff, or part thereof").

filed. The current format for identifying changes in oil pipeline tariffs is different, utilizing symbols within the tariff itself to identify changed provisions. The potential audience for using these tariffs also may be more limited. As a result, there may be less need for storing oil pipeline tariffs in a format that permits broad ranging text searches across a tariff and easy assembly of individual tariff provisions.

9. Specifically, the Commission is seeking comments on whether oil pipelines should continue to file paper tariffs or whether there are different filing options that oil pipelines could use. Because oil pipeline tariffs are generally short, the Commission requests comment on an alternative filing approach under which oil pipelines could be permitted to file Adobe Acrobat (PDF) versions of their tariffs as attachments using the Commission's software.⁶ An oil pipeline adopting this option would file its entire tariff (which authorizes a specific movement or movements, or rules and regulations governing crude or refined products) each time it revises or updates that tariff. The filer would continue to use the existing symbol nomenclature to identify changes in that tariff. It also would file an updated table of contents in text format cross referencing the subject matter (movements or rules and regulations) encompassed by each of its tariffs.

10. Adoption of such an approach, however, would mean that search capability across all a company's tariffs would be limited and users would have to download a copy of the

⁶ Due to the length of gas tariffs and electric OATTs, this approach would not be feasible for such filings.

Adobe file and use the Adobe Reader⁷, or other PDF reader, to view and work with the tariff.

11. The Commission seeks specific comment on the following issues:

- (a) Should oil pipelines be allowed to continue to file in paper format? Does this determination need to be uniform for the oil industry or would it be feasible to provide this as an option to those oil pipelines that choose not to use the Commission's filing software? What impact would filing tariffs by different methods have on public access and research?
- (b) Would the proposed PDF alternative filing method reduce the difficulties oil pipelines have found using the Commission's filing software and would it provide sufficient information to state regulators, oil pipeline customers, and other users of oil pipeline tariffs? Specifically, commenters should address:
 - (i) How important is it to be able to do electronic tariff research on oil pipeline rates and rules and regulations. In particular, how important is it to be able to do text searches across all the individual tariffs filed by an oil company?
 - (ii) Should oil pipelines adopting this option also be required to maintain their complete tariffs on their respective websites for the benefit of their customers? How much information, in addition to effective tariffs, should

⁷ The Commission currently posts filings in Adobe Acrobat on its e-Library website. Users can obtain an Adobe reader without charge.
<http://www.adobe.com/support/downloads/main.html>.

the websites include, such as filed but not yet effective tariffs, cancelled, suspended or withdrawn tariffs? Should these websites be required to show the dates of status changes, FERC docket numbers and FERC order information?

12. Comments related to the oil pipeline tariff filing approach should be included in comments related to the regulatory text of the July 8 NOPR which are due August 1, 2005.

Procedural Schedule

13. Staff presented at the June 1, 2005 Technical Conference an incomplete electronic tariff data base and tariff filing system. The software is being improved to incorporate, where practicable, items and features identified at the conference. Staff will continue to develop the software using the “spiral development” methodology and consult with volunteer test companies. Staff will also continue to be available for additional software discussions or meetings with the industry. Once the changes to the Commission’s software have been completed, a second technical conference will be held within a few months. Comments on the non-regulatory text portion of the proposal are anticipated to be due within 60 days after the conference. A notice will be issued announcing a date for the second technical conference and establishing a comment date.

Magalie R. Salas,
Secretary.