

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 26, 2005

In Reply Refer To:
USG Pipeline Company
Docket No. RP05-412-000

USG Pipeline Company
c/o Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, DC 20004-2415

Attention: William H. Penniman, Attorney
Dena E. Wiggins, Attorney

Reference: Order No. 587-S Compliance Filing

Ladies and Gentlemen:

1. On June 30, 2005, USG Pipeline Company (USG Pipeline) filed tariff sheets¹ to comply with Order No. 587-S.² Order 587-S incorporates Version 1.7 of the North American Energy Standards Board Wholesale Gas Quadrant's (NAESB) consensus standards; the standards to implement Order No. 2004³ ratified by NAESB on June 25, 2004 (Annual Plan Item 2 FERC Order 2004); the standards to implement Order No. 2004-A ratified by NAESB on May 3, 2005 (2005 Annual Plan Item 8 FERC Order 2004); and the standards governing gas quality reporting ratified by

¹ First Revised Sheet No. 18, Third Revised Sheet No. 19 and Fourth Revised Sheet No. 71 to FERC Gas Tariff, Original Volume No. 1.

² *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-S, FERC Stats. & Regs. ¶ 31,179 (2005).

³ *Standards of Conduct for Transmission Providers*, Order No. 2004, FERC Stats. & Regs. ¶ 31,155 (2003); *order on reh'g*, Order No. 2004-A, FERC Stats. & Regs. ¶ 31,161 (2004); *order on reh'g*, Order No. 2004-B, FERC Stats. & Regs. ¶ 31,166 (2004); *order on reh'g*, Order No. 2004-C, FERC Stats. & Regs. ¶ 31,172 (2004); *order on reh'g*, Order No. 2004-D, 110 FERC ¶ 61,320 (2005).

NAESB on October 20, 2004 (Recommendation R03035A). The tariff sheets generally comply with Order No. 587-S and are accepted effective September 1, 2005, conditioned upon USG Pipeline filing revised tariff sheets within 15 days of the date of this order, as discussed below.

2. Notice of USG Pipeline's filing was published in the *Federal Register*, 70 Fed. Reg. 41,389 (2005), with interventions and protests due on or before July 18, 2005. None was filed.

3. USG Pipeline is directed to file revised tariff sheets to delete NAESB Nomination related Standards 1.3.78 and Flowing Gas related Standard 2.3.24 (Version 1.7) from section 27 of the General Terms and Conditions (GT&C) of its FERC Gas Tariff (Sheet No. 71), as required by Order No. 587-S, and incorporate NAESB Capacity Release related Standards 5.3.7, 5.3.41, 5.3.42, 5.3.45, 5.3.46, 5.3.47 and 5.3.48 (Version 1.7) by reference or verbatim, but not both, into its tariff. In addition, USG Pipeline incorrectly submitted a designation of Sheet No. 71. USG designated the tariff sheet as "Fourth Third Revised Sheet No. 71" instead of "Fourth Revised Sheet No. 71." Therefore, USG Pipeline is directed to correct this pagination error.

4. USG Pipeline requests a continuation of the extension of time for compliance with those NAESB standards requiring implementation of Electronic Data Interchange (EDI), Electronic Delivery Mechanism (EDM) and certain Internet website transactions, until a Part 284 open access customer requests such electronic data services. USG Pipeline states that the Commission has previously granted it such an extension in the past and, therefore, it continues to operate on this basis.⁴ For good cause shown, USG Pipeline's extension of time request to implement EDI and EDM standards until a Part 284 customer requests that USG Pipeline offer transactions via its web site is granted.

5. USG Pipeline also requests waiver of the NAESB posting requirements adopted October 20, 2004, in Recommendation R03035A, regarding gas quality measurements for current and recent periods. In support of its request for waiver, USG Pipeline states that it: (1) has only one source of gas; (2) does not deliver gas to anyone other than its only affiliated customer, United States Gypsum Company (U.S. Gypsum); and (3) does not separately measure its gas quality. USG Pipeline further states that the gas quality is dictated entirely by East Tennessee Natural Gas Company's (East Tennessee) deliveries and any customer of USG can access gas quality data concerning East Tennessee's gas quality from East Tennessee's Electronic Bulletin Board. Furthermore, USG Pipeline states that US Gypsum does

⁴ *USG Pipeline Co.*, 89 FERC ¶ 61,121 (1999).

not want this gas quality information to be posted by USG Pipeline since: (1) US Gypsum can already access the information from East Tennessee; and (2) US Gypsum would bear all the costs of developing and implementing redundant measurement and posting procedures.

6. In Order No. 587-S, the Commission allowed entities to request a waiver of the requirements in their individual compliance filings where justified.⁵ Since USG Pipeline does not separately measure its gas quality and its only affiliated customer, US Gypsum, does not want it to post the information since it can be accessed from East Tennessee without additional cost to US Gypsum, we will grant the requested waiver of the gas quality measurement posting requirement, so long as USG Pipeline does not separately measure gas quality. If, in the future, USG Pipeline does separately measure its gas quality, then it must fully comply with the NAESB standards regarding gas quality posting requirements.

By direction of the Commission.

Magalie R. Salas,
Secretary.

⁵ Order No. 587-S, 111 FERC ¶ 61,203 at P 25.