



Federal Energy Regulatory Commission

February 16, 2012

Open Commission Meeting

Staff Presentation

Item G-1

"Good morning, G-1 is a draft notice of proposed rulemaking that seeks comment on whether the Commission should incorporate by reference into its regulations Version 2.0 of the business practice standards for natural gas pipelines. These standards were developed by the North American Energy Standards Board; also known as NAESB.

The Version 2.0 standards include standards to support gas-electric interdependency; standards for waste heat information; and several maintenance revisions designed to more efficiently process capacity release and wholesale natural gas transactions. The draft notice of proposed rulemaking proposes to not adopt two new business practice standards relating to the posting of operationally available and unsubscribed capacity. These standards appear to conflict with some of the requirements in the Commission's regulations regarding the posting of pipeline capacity information.

The standards to support gas-electric interdependency further define the roles and responsibilities of natural gas pipelines, electric reliability coordinators and power plant gas coordinators under the Gas/Electric Operational Communication Standards adopted in Order No. 698.

In addition, these standards provide public utilities and other shippers clear identification of changes in pipelines' system conditions by creating 15 new notice types posted on the pipelines' websites and disseminated through email. The new notice types inform shippers and interested parties of intraday bumps, operational flow orders, and other critical notices. The use of these additional notice categories will enable shippers to more quickly identify changes in pipeline conditions by enabling them to filter pipeline notices more efficiently.

The revised standards also specify the location where waste heat feasibility information is to be posted on pipeline websites. These standards were developed to facilitate the Commission's Strategic Plan objective of evaluating the feasibility of installing waste heat recovery systems as a way to promote the efficient design and operation of jurisdictional natural gas facilities.

Finally, to increase transparency, the draft notice of proposed rulemaking proposes to modify the compliance filing requirements. The Commission will provide sample tariff language for the proposed compliance filings showing the preferred format and style for these filings. This sample tariff language will be posted on a new section of the Commission's website as well as the eLibrary website."