

141 FERC ¶ 61,167
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Trans-Union Interstate Pipeline L.P	Docket Nos. RP11-65-001
Steckman Ridge, LP	RP12-1065-000
Leaf River Energy Center LLC	RP12-1067-000
Tres Palacios Gas Storage LLC	RP12-1068-000
Arlington Storage Company, LLC	RP12-1075-000
Central New York Oil And Gas, LLC	RP12-1079-000
Pine Needle LNG Company, LLC	RP12-1086-000
Bobcat Gas Storage	RP12-1094-000
Egan Hub Storage, LLC	RP12-1096-000
Saltville Gas Storage Company L.L.C.	RP12-1099-000
Honeoye Storage Corporation	RP12-1104-001
Total Peaking Services, LLC	RP12-1111-000
KO Transmission Company	RP13-1-000
Texas Gas Transmission, LLC	RP13-5-000
	RP13-5-001
Panther Interstate Pipeline Energy L.L.C.	RP13-8-000
Gulf South Pipeline Company, LP	RP13-12-000
Carolina Gas Transmission Corporation	RP13-19-000
MoGas Pipeline LLC	RP13-36-000
National Grid LNG, L.P.	RP13-40-000
Blue Water Gas Storage, LLC	RP13-43-000
SG Resources Mississippi LLC	RP13-44-000
Pine Prairie Energy Center, LLC	RP13-45-000
Dominion Transmission, Inc.	RP13-61-000
Dominion South Pipeline Co., LP	RP13-64-000
Stingray Pipeline Company, LLC	RP13-73-000
Northern Natural Gas Company	RP13-75-000
Garden Banks Gas Pipeline, LLC	RP13-76-000
Mississippi Canyon Gas Pipeline, LLC	RP13-78-000
Nautilus Pipeline Company, LLC	RP13-80-000
Young Gas Storage Company, Ltd.	RP13-106-000
Blue Lake Gas Storage Company	RP13-112-000
ANR Storage Company	RP13-115-000
Black Marlin Pipeline Company	RP13-119-000
Hardy Storage Company, LLC	RP13-124-000

WestGas InterState, Inc.	RP13-147-000
USG Pipeline Company	RP13-178-000
B-R Pipeline Company	RP13-179-000
Standards for Business Practices of Interstate Natural Gas Pipelines	RM96-1-037

ORDER ON FILINGS IN COMPLIANCE WITH ORDER NO. 587-V

(Issued November 29, 2012)

1. The above-captioned natural gas pipelines submitted tariff filings to comply with Order No. 587-V issued in Docket No. RM96-1-037.¹ The proposed tariff provisions implement Version 2.0 of the North American Energy Standards Board (NAESB) Wholesale Gas Quadrant's (WGQ) Standards incorporated by reference by the Commission in Order No. 587-V. As discussed below, the filings are accepted to become effective as proposed, subject to further review and conditions as discussed in the body of this order.²

Background

2. In Order No. 587-V, the Commission amended section 284.12 of its regulations governing Standards for conducting business practices and electronic communication with interstate natural gas pipelines to incorporate by reference the most recent version of the NAESB WGQ Standards, Version 2.0. The Version 2.0 Standards revised the Version 1.9 Standards to include: (1) Standards to support gas-electric interdependency; (2) Standards created for Capacity Release redesign due to the elimination of Electronic Data Interchange (EDI) for Capacity Release Upload information; (3) Standards to support the Electronic Delivery Mechanism (EDM); (4) Standards to support the Customer Security Administration (CSA) Process; (5) Standards for pipeline postings of information regarding waste heat; and (6) minor technical maintenance revisions designed to more efficiently process wholesale natural gas transactions. Order No. 587-V required pipelines to make filings to incorporate Version 2.0 of the NAESB WGQ Standards into their tariffs by October 1, 2012, to become effective December 1, 2012. In Order No. 587-V, the Commission also found that over the years, pipelines have been

¹ *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order No. 587-V, FERC Stats. & Regs. ¶ 31,332 (2012).

² Appendix A summarizes the compliance obligations of pipelines.

implementing these Standards in different ways, and the Commission required pipelines to provide in their tariff additional information to increase transparency as well as assist the Commission in evaluating these differences and to help determine any revisions that may be necessary for future filings. Each of the above-captioned pipelines filed tariff records to adopt Version 2.0 of the NASEB WGQ Standards.

3. Public notice of these filings was issued, with interventions and protests due as provided in the Commission's Rules. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceedings will not disrupt the proceedings or place additional burdens on existing parties. Adverse comments were filed in Docket No. RP13-12-000 pertaining to Gulf South Pipeline Company, LP's compliance filing.

Discussion

A. Waiver Requests

4. In Order No. 587-V, the Commission set out the principles it would apply generally to waiver requests.³ In general, the Commission found that all waivers and extensions of time will be granted only in reference to the individual set of NAESB Standards being adopted (in this case the NAESB WGQ Version 2.0 Standards). The Commission determined pipelines will need to seek renewal of any such waivers or extensions for each version of the Standards the Commission adopts. The Commission also ruled that waivers or extensions of time will not be granted for Standards that merely describe the process by which a pipeline must perform a business function, if it performs that function, and where the standard does not require the pipeline to perform the business function. In such a case, as long as the pipeline does not perform the business function, it does not trigger a requirement to comply with the standard and hence no waiver or extension of time is required.

5. A number of pipelines sought waiver of the requirements of Order No. 587-V, or extensions of time in which to comply with that order. These requests are discussed below. Any waivers or extensions of time granted herein are limited to the NAESB WGQ Version 2.0 Standards promulgated by Order No. 587-V.

³ Order No. 587-V, FERC Stats. & Regs. ¶ 31,332 at PP 38-39.

1. Waivers of Gas Quality Posting Requirements

6. Three pipelines request continuation of previously granted waivers of the NAESB WGQ gas quality posting requirements.⁴ In support of the request, each pipeline states that the Commission has previously granted it waiver of the NAESB WGQ gas quality posting related Standards.⁵ The Commission finds it appropriate to grant the requested waivers because these pipelines typically have one source of gas, one customer, and do not separately measure gas quality.⁶ However, the referenced pipelines must comply with the gas quality reporting Standards if, in the future, they decide to separately measure gas quality.

7. Dominion South Pipeline Company, LP (Dominion South) requests waiver of NAESB WGQ Version 2.0 Standards 4.3.90, 4.3.91, 4.3.92, and 4.3.93 given that its system consists of five feet of pipeline, which extends from an interconnection with Transcontinental Gas Pipe Line Company (Transco) to an interconnection with Florida Gas Transmission. The Commission grants Dominion South the requested waiver of NAESB WGQ Version 2.0 Standards 4.3.90 through 4.3.93.

8. Four pipelines request waiver of NAESB WGQ Version 2.0 Standard 4.3.95.⁷ The Commission will deny the requested waivers of NAESB WGQ Version 2.0 Standard 4.3.95 because the Standard is conditional and does not apply unless the pipeline performs the business practice. NAESB Standard 4.3.95 requires pipelines to calculate hydrocarbon liquid dropout from one of two prescribed methods if its tariff contains gas quality provisions pertaining to the measurement of hydrocarbon liquid dropout. In support of their requests, the pipelines indicated that their tariffs do not contain such provisions. Thus, in each case the pipeline complies with the NAESB WGQ Version 2.0 Standard 4.3.95. These pipelines must make a compliance filing

⁴ B-R Pipeline Company (B-R Pipeline), Total Peaking Services, L.L.C. (Total Peaking) and USG Pipeline Company (USG Pipeline).

⁵ See *Total Peaking Services, L.L.C.*, 138 FERC ¶ 61,098 (2012); *Standards for Business Practices of Interstate Natural Gas Pipelines*, 133 FERC ¶ 61,096, at PP 6-9 (2010) (October 28, 2010 Order On Filings In Compliance with Order No. 587-U).

⁶ NAESB WGQ Version 2.0 Standards 4.3.23 (as it relates to gas quality posting), 4.3.89, 4.3.90, 4.3.91-4.3.93.

⁷ Arlington Storage Company, LLC (Arlington), Central New York Oil and Gas, LLC, Dominion South, and USG Pipeline.

within 15 days of this order to include NAESB WGQ Standard 4.3.95 in their respective tariffs.

9. Total Peaking requests waiver of NAESB WGQ Standards 4.3.96 through 4.3.98. The Commission will deny the requested waivers of NAESB WGQ Version 2.0 Standards 4.3.96 through 4.3.98 because the Standards are conditional and do not apply unless the pipeline actually performs the business practice. NAESB Version 2.0 Standard 4.3.96 requires pipelines to provide hourly gas quality information “to the extent that the Total Peaking is required to do so in its tariff or general terms and conditions, a settlement agreement, or by order of an applicable regulatory authority.” Further, NAESB WGQ Version 2.0 Standards 4.3.97 and 4.3.98 specify how the data for Standard 4.3.96 should be provided. Because Total Peaking represents that its tariff does not require it provide gas quality information, it does not require a waiver of NAESB WGQ Standards 4.3.96 through 4.3.98. Total Peaking complies with the NAESB WGQ Version 2.0 Standards 4.3.96 through 4.3.98 by simply including the referenced provisions in its tariff. Accordingly, Total Peaking must make a compliance filing within 15 days of this order to include these Standards in its tariff.

2. Waivers of Netting and Trading of Imbalances Standards

10. Twelve pipelines request continued waiver of the NAESB WGQ Standards governing imbalance netting and trading, and posting of imbalances.⁸ The pipelines generally indicate that the Commission has granted such waivers in the past,⁹ and that they are not authorized by the Commission to assess imbalance penalties. The Commission will deny the requests for waiver of the NAESB WGQ Version 2.0

⁸ Steckman Ridge, LP (Steckman), Arlington, Bobcat Gas Storage (Bobcat), Eagan Hub Storage (Egan Hub), Hardy Gas Storage Company, LLC (Hardy), Bluewater Gas Storage, LLC (Bluewater), SG Resources Mississippi, L.L.C. (SG Resources), Tres Palacios Gas Storage LLC (Tres Palacios), Total Peaking, Leaf River Energy Center, LLC (Leaf River), Saltville Gas Storage Company, LLC (Saltville), and Pine Prairie Energy Center, LLC (Pine Prairie).

⁹ See *Tres Palacios Gas Storage LLC*, 120 FERC ¶ 61,253, at P 35 (2007); *Bluewater Gas Storage, LLC*, 117 FERC ¶ 61,122, at P 52 (2006); *Pine Prairie Energy Center LLC*, 109 FERC ¶ 61,215, at P 47 (2004); *Saltville Gas Storage Co., L.L.C.*, 109 FERC ¶ 61,200 (2004); *SG Resources Mississippi, L.L.C.*, 101 FERC ¶ 61,029, at P 28 (2002); *Standards for Business Practices of Interstate Natural Gas Pipelines*, 93 FERC ¶ 61,150, at 61,471 (2000) (Order on Filing to Establish Imbalance Netting and Trading Pursuant to Order Nos. 587-G and 587-L).

Standards relating to netting and trading of imbalances. Upon further consideration of each of the pipeline's tariffs, we find that they have failed to justify a request for waiver of netting and trading of imbalances because they offer some combination of imbalance management services and Operational Flow Order (OFO) penalties.

11. Section 284.12(b)(2)(ii) of the Commission's regulations requires pipelines to "establish provisions permitting shippers and their agents to offset imbalances accruing on different contracts held by the shipper with the pipeline and to trade imbalances with other shippers where such imbalances have similar operational impact on the pipeline's system."¹⁰ The requirement to offer netting and trading of imbalances applies regardless of whether a pipeline's tariff includes imbalance penalties.¹¹ For example, even without penalties, shippers may want to trade or net imbalances to reduce the need to make up their gas deficiencies or surpluses.¹² The NAESB WGQ Business Practice Standards, as incorporated into the Commission's regulations, required, among other things, that pipelines: (1) define the largest possible areas on their systems in which imbalances have similar operational effect; (2) explain why imbalances crossing those lines are not sufficiently similar in operational effect; (3) notify shippers of their imbalances and post imbalances automatically without charging a fee; and (4) process, without charging a separate fee, imbalance trades submitted by shippers or third parties acting to facilitate imbalance trading.¹³

12. In these circumstances, we find that the pipelines identified in footnote eight have not justified their request for continuation of waiver of imbalance netting and trading and

¹⁰ 18 C.F.R § 284.12(b)(2)(ii) (2012).

¹¹ The Commission clarified that it would address on an individual basis pipelines on which shippers cannot incur imbalances and are not subject to imbalance penalties. *See Standards for Business Practices for Interstate Natural Gas Pipelines*, 92 FERC ¶ 61,266 (2000) (Order Granting Clarification of Order No. 587-L). In this order, the Commission indicated that the absence of imbalances was necessary, not simply the absence of imbalance penalties. For example, some pipelines may require shippers to make up imbalances on a physical basis (without penalty) and imbalance netting and trading would provide an efficient method of making up those imbalances.

¹² *See East Cheyenne Gas Storage, LLC*, 137 FERC ¶ 61,096, at PP 10-16 (2011) (denying request for waiver of imbalance netting and trading).

¹³ *Id.*, *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-G, FERC Stats. & Regs. ¶ 31,062 at 30,678-30,679 (1998).

the pipelines are required to file revised tariff records within 15 days from the date of this order to incorporate NAESB WGQ Version 2.0 Standards 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50.¹⁴

13. Similarly, Pine Needle LNG Company, LLC (Pine Needle) requests continuation of waiver of NAESB WGQ Standards 2.4.9 through 2.4.16 which relate to the posting of imbalances and request for trades. In support of its request, Pine Needle states that its tariff does not contain a cash out mechanism for imbalance resolution and the Commission has previously granted waiver of the requirement to net and trade imbalances.¹⁵ However, Pine Needle's tariff provides a mechanism to trade imbalances. While Pine Needle believes such a waiver or extension of time to comply is justified, it has failed to explain why the ability to trade and net imbalances on its system cannot comply with the requirements of the Standards.¹⁶ In these circumstances, we find that Pine Needle has not justified its request for continuation of waiver of NAESB WGQ Version 2.0 Standards 2.4.9 through 2.4.16 and require Pine Needle to file revised tariff records within 15 days from the date of this order to incorporate the Standards in its tariff.¹⁷

14. Additionally, to the extent the posting requirements require the use of electronic communication methods involving Electronic Data Interchange (EDI) or EDM (Electronic Delivery Mechanism) processing, a pipeline may seek an extension of time to comply with those requirements in its compliance filings. Further, each pipeline should identify and define the largest possible area on its system in which imbalances have similar operational effect and explain why imbalances crossing those lines are not sufficiently similar in operational effect.¹⁸

15. KO Transmission Company (KO Transmission) requests waiver of NAESB WGQ Version 2.0 Standards relating to netting and trading of imbalances, explaining that it

¹⁴ See *East Cheyenne Gas Storage, LLC*, 137 FERC ¶ 61,096 (2011).

¹⁵ See October 28, 2010 Order on Filings In Compliance with Order No. 587-U, 133 FERC ¶ 61,096 (2010); *Pine Needle LNG Co., LLC*, 100 FERC ¶ 61,302 (2002).

¹⁶ See *Carolina Gas Transmission Corp.*, 131 FERC ¶ 61,211, at P 4 (2010); *MoGas Pipeline LLC*, 131 FERC ¶ 61,251, at P 7 (2010); *Granite State Gas Transmission, Inc.*, 132 FERC ¶ 61,262, at P 8 (2010).

¹⁷ See *East Cheyenne Gas Storage, LLC*, 137 FERC ¶ 61,096 (2011).

¹⁸ See Order No. 587-G, FERC Stats. & Regs. ¶ 31,062 at 30,678-30,679.

owns percentage interests in the facilities operated by Columbia Gas Transmission, LLC (Columbia Gas), and NAESB WGQ Standards related to netting and trading of imbalances for its system are carried out by Columbia Gas.¹⁹ We will deny the requested waiver since the Standard only requires that a pipeline permit netting and trading of imbalances, and based on KO Transmission's representations, it is offering that service through Columbia Gas. Therefore, it complies with the NAESB WGQ Standards 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50 and no waiver is required. KO Transmission must make a compliance filing within 15 days of this order to include the Standards in its tariff.

3. Waivers of Pooling Standards

16. Eight pipelines request waiver of the NAESB WGQ Version 2.0 Standards governing pooling.²⁰ The pipelines indicate that the Commission has granted such waivers in the past,²¹ and that given the nature of their respective pipeline systems they do not have the ability to provide pooling services. We grant waiver of the NAESB WGQ Version 2.0 Standards relating to pooling²² based on these pipelines' representations that it is currently not feasible to provide pooling services. However, we deny the pipelines' request for a waiver of NAESB WGQ Version 2.0 Definition 1.2.3. In Order No. 587-V, the Commission indicated that, generally, it would not entertain requests for waiver or extension of time to comply with NAESB WGQ Definitions.²³ The NAESB WGQ Definitions specify and elucidate specific terms of generally applicable business practices and do not require the pipelines to perform any action or incur expense to comply. As such, the pipelines have failed to support their requests for waiver of NAESB WGQ Definition 1.2.3. Accordingly, each of the pipelines referenced

¹⁹ See KO Transmission's October 1, 2012 Transmittal at p. 11.

²⁰ Young Gas Storage (Young Gas), Blue Lake Storage Company, (Blue Lake) ANR Storage Company (ANR), MoGas Pipeline LLC (MoGas), Panther Interstate Energy L.L.C (Panther), Trans-Union Interstate Pipeline L.P (Trans-Union), National Grid LNG, LP (NG LNG), and WestGas Interstate, Inc. (WestGas).

²¹ October 28, 2010 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,096 (2010); *Standards for Business Practices for Interstate Natural Gas Pipelines*, 133 FERC ¶ 61,185 (2010) November 30, 2010 Order on Filings in Compliance with Order No. 587-U.

²² NAESB WGQ Version 2.0 Standards 1.3.17, 1.3.18, and 3.3.6.

²³ See Order No. 587-V, FERC Stats. & Regs ¶ 31,332 at P 39.

in footnote 20 is directed to file a revised tariff record to incorporate Standard 1.2.3 in their tariffs.

4. Gas/Electric Operational Communications Standards

17. Eight pipelines request continuation of their respective waivers of the NAESB WGQ Version 2.0 Standards applicable to gas/electric operational communications.²⁴ Specifically, these pipelines request waiver of NAESB WGQ Version 2.0 Standards 0.3.11 through 0.3.15. In support of their requests, the referenced pipelines indicate that the Commission has previously granted waiver of the NAESB WGQ Standards adopted by the Commission in Order No. 698²⁵ governing the Standards for operational communications between pipelines and gas fired generators. The pipelines assert that they continue to operate in the same manner as before and, therefore, continuation of the prior waivers should be granted.²⁶

18. The Commission will deny the requested waivers of NAESB WGQ Version 2.0 Standards 0.3.11 through 0.3.13 because the Standards are conditional and do not apply unless the pipeline performs the business practice. NAESB WGQ Standards 0.3.11 through 0.3.13 require power plant gas coordinators and pipelines to establish procedures to communicate material changes in circumstances that may impact hourly flow rates and require a pipeline to attempt to accommodate such changes consistent with a pipeline's tariff. In support of the requests, the pipelines indicated that their systems do not connect with any power plants. Because the Standards apply, by definition, only in the case where power plants are connected, we find no reason to grant a waiver of the Standards. The pipelines are required to make a compliance filing within 15 days of this order to include the Standards in their tariffs.

²⁴ B-R Pipeline, Honeoye Storage Company (Honeoye), USG Pipeline, Stingray Pipeline Company, LLC (Stingray), Garden Banks Gas Pipeline, LLC (Garden Banks), Mississippi Canyon Gas Pipeline, LLC (Mississippi Canyon), NG LNG, and Nautilus Pipeline Company, LLC (Nautilus).

²⁵ October 28, 2012 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,096 (2010); November 30, 2012 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,185 (2010); *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order No. 698, FERC Stats. & Regs. ¶ 31,251 (2007), *order on clarification and reh'g*, Order No. 698-A, 121 FERC ¶ 61,264 (2007).

²⁶ *B-R Pipeline Co.*, 128 FERC ¶ 61,126, at P 9 (2009).

19. The Commission will similarly deny the requests for waiver of NAESB WGQ Standards 0.3.14 and 0.3.15. NAESB WGQ Standard 0.3.14 requires pipelines to provide notification of operational flow orders and other critical notices to Balancing Authorities and Reliability Coordinators. Similarly, NAESB WGQ Standard 0.3.15 requires Balancing Authorities and Reliability Coordinators to establish written operational communication procedures with the pipeline to be utilized during extreme conditions. Even without directly connected generators, pipelines need to provide balancing authorities and electric utilities with relevant information as to conditions that might affect electrical systems. The pipelines are required to provide such information only when the balancing authority or electric utility requests it.

20. In recent years, reliance on natural gas as a fuel for electric generation has steadily increased. This trend is expected to continue in the future, leading to greater interdependence between the natural gas and electric industries.²⁷ Establishing such communication protocols is therefore important in any case in which a pipeline's practices may affect the electric grid. Accordingly, the pipelines are required to make a compliance filing within 15 days of this order to include the Standards in their tariffs.

5. Waiver of Interstate Pipeline Standards of Conduct Reporting Standards

21. B-R Pipeline, USG Pipeline, Honeoye, Total Peaking, and NG LNG request limited waivers of the NAESB WGQ Version 2.0 Standard 4.3.23 regarding the Standards of Conduct reporting requirements. In support of their requests, the pipelines state that the Commission has previously granted a partial waiver of the affiliate Standards.²⁸ Further, each of the pipelines indicates that it has posted on its website affiliate-related information required by Order No. 2004 and the revised Standards of

²⁷ See FERC/NERC, *Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1-5, 2011* (Aug. 2011), available at <http://www.ferc.gov/legal/staff-reports/08-16-11-report.pdf>. "The February 2011 cold weather event highlights the interdependency of electricity and natural gas, an interdependency that has grown in recent years." While not the principal cause of the outages, "rolling blackouts (or customer curtailments) in ERCOT were a significant cause, from 29 to 27 percent respectively, of production shortfalls in the Permian and Fort Worth Basins."

²⁸ *Standards of Conduct for Transmission Providers*, Order No. 2004-A, FERC Stats. & Regs. ¶ 31,161, at PP 30-31 (2004); *Honeoye Storage Corp.*, 129 FERC ¶ 61,054 (2009); *Total Peaking Services, LLC*, 108 FERC ¶ 61,011, at P 99 (2004).

Conduct requirements in Order No. 717.²⁹ In addition, the pipelines contend that Order No. 717 continued the existing partial waivers of the Standards of Conduct.³⁰ For good cause shown, the Commission grants the pipelines a partial waiver of NAESB WGQ Version 2.0 Standard 4.3.23 to the extent it is consistent with the prior waivers granted with respect to Order No. 717.

6. Waiver of the Nomination and Capacity Release Timelines

22. Panther states that, as a small two segment, onshore, offshore pipeline with no firm customers, it was granted limited waivers of standard and intra-day timelines.³¹ For good cause shown, the Commission grants Panther a waiver of the NAESB WGQ Version 2.0 Standards 1.3.2 and 5.3.2 governing standard and intra-day timelines and timelines for notification and processing of partial day recalls of released capacity.

23. NG LNG requests waiver of NAESB WGQ Version 2.0 Standard 1.3.2 governing standard and intra-day timelines with respect to trucking operations and vapor deliveries by displacement. NG LNG states that the Commission has previously granted NG LNG such waiver,³² and that it continues to operate on the same basis on which the prior waiver was granted.³³ For good cause shown, the Commission grants NG LNG a

²⁹ *Standards of Conduct for Transmission Providers* Order No. 717, FERC Stats. & Regs. ¶ 31,280 (2008), *order on reh'g and clarification*, Order No. 717-A, FERC Stats. & Regs. ¶ 31,297 (2009), *order on reh'g*, Order No. 717-B, 129 FERC ¶ 61,123 (2009), *order on reh'g*, Order No. 717-C, 131 FERC ¶ 61,045 (2010), *order on reh'g*, Order No. 717-D, 135 FERC ¶ 61,017 (2011).

³⁰ Order No. 717, FERC Stats. & Regs. ¶ 31,280 at P 31 (“[E]xisting waivers relating to the Standards shall continue in full force and effect.”); *see also id.* P 32 (“[A]ny entity that has already received a ... partial waiver [of the Standards of Conduct] may continue to rely upon it.”).

³¹ *Panther Interstate Pipeline Energy, LLC*, 105 FERC ¶ 61,383 (2003).

³² NG LNG states that the Commission previously granted waiver of the nomination Standards to its predecessor company, Algonquin LNG, Inc.

³³ *Algonquin LNG, Inc.*, 86 FERC ¶ 61,285 (1999) (concluding that the NAESB nominations Standards are not applicable to liquefied natural gas (LNG) being transported by truck, since those Standards are intended to standardize nominations and scheduling across the interstate pipeline grid); *Algonquin LNG, Inc.*, 83 FERC ¶ 61,133, at 61,601 (1998) (granting waiver of the nomination Standards based on Algonquin’s assertion that such intra-day nominations are not possible for deliveries of LNG by truck

(continued...)

continuation of its waiver of the NAESB WGQ Standards governing standard and intra-day timelines concerning trucking operations and vapor deliveries by displacement, until such time as NG LNG becomes integrated with the interstate pipeline grid.

24. NG LNG further requests continuation of a waiver of the NAESB WGQ Version 2.0 Standard 5.3.2 governing timelines for notification and processing of partial day recalls of released capacity. NG LNG states that the Commission has previously granted NG LNG such waiver,³⁴ and that it continues to operate in the same manner.³⁵ For good cause shown, the Commission grants NG LNG a continuation of its waiver of the NAESB WGQ Standards governing timelines for notification and processing of partial day recalls of released capacity.

7. Waiver of the EDI Data Sets, EDM Standards, and “Customer Activities” Website Requirements

25. In Order No. 587-V, the Commission also explained its policy towards requests for waivers or extensions of time of the Standards related to using the Internet to conduct business transactions and the Standards requiring pipelines to use Electronic Data Interchange (EDI). These electronic requirements fall into three categories:

- 1) The requirement to conduct business over the Internet. The Commission stated that the requirement to conduct business over the Internet will be evaluated based on a pipeline’s individual circumstances, such as the size of the pipeline, the number of shippers, its ability to provide electronic services, the demand for such services, and alternative means by which the pipeline conducts the business practice.

to storage or from storage to trucks, since the LNG trucking load and unloading facilities can only accommodate two trucks per day).

³⁴ NG LNG states that the Commission previously granted waiver of the NAESB WGQ Standards governing timelines for notification and processing of partial day recalls of released capacity to its predecessor, Algonquin LNG, Inc.

³⁵ *Algonquin LNG, Inc.*, 99 FERC ¶ 61,342, at 62,463 (2002) (explaining that the timeline for the notification and processing of partial day recalls of released capacity are also covered by a waiver, since the Commission has previously granted [NG LNG] waiver of the nomination requirements until such time as [NG LNG] becomes integrated with the interstate pipeline grid).

2) The requirement to post information on an Internet site. The Commission found that it will rarely grant waivers or extensions of time to comply with the posting requirements because posting of this information is required by the Commission's regulations and the cost of maintaining and posting information on an Internet website is not great even for smaller pipelines.

3) The requirement to support Electronic Data Interchange (EDI). The Commission stated it will evaluate waivers or extensions of time to comply with the EDI requirements based on a pipeline's individual circumstances, such as the size of the pipeline, the number of shippers, its ability to provide electronic services, the demand for such services, and alternative means by which the pipeline conducts the business practice. For smaller pipelines, the Commission generally grants waivers of the EDI Standards when such pipelines have shown that complying with such Standards would prove unduly burdensome.

26. KO Transmission requests continuation of its waiver of the NAESB WGQ Version 2.0 EDI datasets, EDM Standards, and the "Customer Activities" section of its website. KO Transmission states that it owns a percentage of the facilities operated by Columbia Gas and that NAESB WGQ Standards related to the operational responsibilities and activities carried out by Columbia Gas have been assumed as waived for KO Transmission. Those responsibilities and activities are listed on Columbia Gas' Navigates website under the heading "Customer Activities." The Commission has previously granted KO Transmission a waiver of the NAESB WGQ Standards relating to the electronic data interchange datasets, electronic delivery mechanism Standards and the "Customer Activities" section of its website.³⁶ For good cause shown, the Commission grants KO Transmission continuation of its requested waivers.³⁷

³⁶ *KO Transmission Co.*, 83 FERC ¶ 61,229 (1998); *KO Transmission Co.*, 74 FERC ¶ 61,101, at 61,307 (1996).

³⁷ NAESB WGQ Version 2.0 Standards 1.3.3, 1.3.23, 1.3.36, 1.3.37, 1.3.45, 1.3.47 through 1.3.50, 1.3.52 through 1.3.63, 1.3.79, 2.3.21, 2.3.32 through 2.3.35, 2.3.51 through 2.3.53, 3.3.22 through 3.3.24, 4.3.1 through 4.3.3, 4.3.5, 4.3.27 through 4.3.29, 4.3.39, 4.3.42 through 4.3.49, 4.3.51 through 4.3.62, 4.3.65 through 4.3.67, 4.3.69, 4.3.74 through 4.3.76, 4.3.78 through 4.3.85, 4.3.87, 4.3.100, 4.3.101, 5.3.10, 5.3.11,

(continued...)

27. Panther requests continuation of its waiver of the NAESB WGQ Version 2.0 Standards related to EDI datasets, EDM Standards, and the “Customer Activities” section of its website. Panther states that as a small, two-segment pipeline with no firm customers it was granted limited waivers of EEDI datasets, EDM Standards, and Interactive website requirements³⁸ For good cause shown, the Commission grants Panther continuation of its requested waivers.³⁹ However, we deny Panther’s request for a waiver of NAESB WGQ Version 2.0 Definitions 1.2.2, 1.2.4, 1.2.5, 1.2.8 through 1.2.10, 1.2.12, and 1.2.14. The NAESB WGQ Definitions specify and elucidate specific terms of generally applicable business practices and do not require Panther to perform any action or incur expense to comply. Accordingly, Panther has failed to support its request for waiver of NAESB WGQ Definitions. Panther is directed to file revised tariff records to incorporate the Standards in its tariff.

28. WestGas requests continuation of its waiver of the NAESB WGQ Version 2.0 EDI datasets, EDM Standards, and the “Customer Activities” section of its website. In support of its request, WestGas asserts that that the Commission has consistently granted waivers of the NAESB Standards due to WestGas’s operational and market circumstances.⁴⁰ WestGas explains that its system consists of an 11-mile long pipeline with one receipt and two delivery points. WestGas notes that it only has two firm shippers and its net operation income for 2011 was only \$20,176, with total operating revenues of \$173,782. For good cause shown the Commission grants WestGas continuation of its requested waivers.⁴¹ However, we deny WestGas’s request for a

5.3.13, 5.3.14, 5.3.32, 5.3.34, 5.3.40, 5.3.41, 5.3.42, 5.3.48, 10.3.1, 10.3.3 through 10.3.12, 10.3.14, and 10.3.25 through 10.3.27.

³⁸ *Panther Interstate Pipeline Energy, LLC*, 105 FERC ¶ 61,383 (2003).

³⁹ NAESB WGQ Version 2.0 Standards 1.3.3, 1.3.4, 1.3.8, 1.3.9, 1.3.11, 1.3.13, 1.3.22(ii)-(iv), 1.3.23, 1.3.27, 1.3.32, 1.3.33, 1.3.36 through 1.3.63, 1.3.72, 1.3.74, 1.3.75, 1.3.76, 1.4.1 through 1.4.7, 2.3.1, 2.3.6, 2.3.25, 2.3.32 through 2.3.44, 2.4.1 through 2.4.16, 3.3.1, 3.3.2, 3.3.5, 3.3.14, 3.3.23, 3.3.24, 3.3.26, 3.4.1 through 3.4.4, 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, 4.3.89 through 4.3.102, 5.3.10 through 5.3.12, 5.3.16, 5.3.20, 5.3.31 through 5.3.42, 5.4.14 through 5.4.22, 10.3.1, and 10.3.3 through 10.3.27.

⁴⁰ November 30, 2010 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,185 (2010).

⁴¹ NAESB WGQ Version 2.0 Standards 0.3.22, 0.4.1 through 0.4.3, 1.3.3, 1.3.24, 1.3.25, 1.3.27, 1.3.47 through 1.3.50, 1.3.52 through 1.3.63, 1.3.79, 1.4.1 through 1.4.7,

(continued...)

waiver of NAESB WGQ Version 2.0 Definitions 1.2.1 and 1.2.2. The NAESB WGQ Definitions specify and elucidate specific terms of generally applicable business practices and do not require WestGas to perform any action or incur expense to comply. WestGas has not supported its request for waiver of NAESB WGQ Definitions. Accordingly, WestGas is directed to file a revised tariff records to incorporate the Standards in its tariff.

29. Total Peaking requests continuation of its waiver of the NAESB WGQ Version 2.0 EDI datasets, EDM Standards, and the “Customer Activities” section of its website. In support of its request, Total Peaking asserts that that the Commission has consistently granted waivers of the NAESB Standards due to Total Peaking’s operational and market circumstances.⁴² Total Peaking explains that its system consists of a liquefied natural gas storage tank whose working storage capacity is approximately 1.2 Bcf. Total Peaking explains that it is located behind a local distribution company’s city gate and can only physically receive gas either by tank or truck from its interconnection with the local distribution company. For good cause shown, the Commission grants Total Peaking a continuation of its requested waivers.⁴³

30. MoGas requests a limited waiver of the NAESB WGQ Version 2.0 EDI datasets. In support of its request, MoGas asserts that it is a small interstate pipeline company, as defined by the Small Business Administration. MoGas explains that it currently has eight shippers and the provision of data using EDI would be unduly burdensome. MoGas asserts that it currently provides the requested data in alternate formats such as flat file and none of MoGas’s shippers have requested the use of an EDI mechanism. For good

2.3.25, 2.3.32 through 2.3.35, 2.4.2 through 2.4.16, 3.3.1, 3.3.5, 3.3.22 through 3.3.24, 3.4.1 through 3.4.4, 4.3.1 through 4.3.22, 4.3.24 through 4.3.86, 4.3.94, 4.3.101, 4.3.102,

5.3.10, 5.3.11, 5.3.32, 5.3.34, 5.3.41, 5.3.42, 5.3.72, 5.4.14 through 5.4.17, 5.4.20 through 5.4.22, 5.4.24 through 5.4.27, 10.3.1, and 10.3.3 through 10.3.27.

⁴² November 30, 2010 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,185 at P 36.

⁴³ NAESB WGQ Version 2.0 Standards 0.3.22, 4.3.54, 4.3.94, 4.3.99 through 4.3.102, 5.3.31 through 5.3.33, 5.3.38, 5.3.70 through 5.3.72, and 10.3.1 through 10.3.27.

cause shown, the Commission grants MoGas's request for limited waiver of the EDI requirements as requested.⁴⁴

8. Waiver of the Electronic Bulletin Board Requirements

31. Total Peaking requests a continued waiver of 18 C.F.R. § 284.10 and Order No. 563, *et seq.*⁴⁵ to allow use of telephone bulletin board rather than interactive website. Total Peaking states that the Commission has previously granted Total Peaking such waiver in the past,⁴⁶ and that it continues to operate on the same basis that Total Peaking's prior waiver was granted. For good cause shown, the Commission grants Total Peaking a continuation of its waiver of 18 C.F.R. § 284.10.

9. Waivers of Index-Based Capacity Release Standards

32. Five pipelines request waiver of the Version 2.0 Standards regarding communication Standards and protocols related to the business practice Standards dealing with index-based capacity release.⁴⁷ These Standards provide additional flexibility to shippers and create a uniform method that enables releasing and replacement shippers to use third-party rate indices to create rate formulas for capacity releases that will better reflect the value of capacity.⁴⁸ These Standards also reflect a reasonable compromise for dealing with copyright issues that arise in using copyrighted gas indices to set prices, ensuring that shippers have a reasonable choice of available indices to use while

⁴⁴ NAESB WGQ Version 2.0 Standards 0.4.1 through 0.4.3, 1.4.1 through 1.4.7, 2.4.1 through 2.4.8, 2.4.10 through 2.4.12, 2.4.15 through 2.4.18, 3.4.1 through 3.4.4, 5.4.14 through 5.4.17, 5.4.24 through 5.4.27.

⁴⁵ *Standards For Electronic Bulletin Boards Required Under Part 284 of the Commission's Regulations*, Order No. 563, FERC Stats. & Regs., Regulations Preambles ¶ 30,988 (1993), *order on reh'g*, Order No. 563-A, FERC Stats. & Regs. ¶ 30,994 (1994), *reh'g denied*, Order No. 563-B, 68 FERC ¶ 61,002 (1994).

⁴⁶ *Total Peaking Services L.L.C.*, Docket No. CP96-339-001 (Aug. 14, 1998) (unpublished letter order).

⁴⁷ Carolina Gas Transmission Corporation (Carolina Gas), MoGas, Panther, Trans-Union, and Total Peaking.

⁴⁸ *See Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-U, FERC Stats. & Regs. ¶ 31,307 at 31,029.

equitably spreading the costs entailed by the use of such indices among the pipelines and shippers.

33. Generally, the Commission received waiver requests for the index-based capacity release in two components: requests for waiver of the EDI and Internet requirements;⁴⁹ and requests for waiver of the requirement to support gas-indices.⁵⁰ The pipelines requesting waiver assert there are no representative index references for their pipeline, and that shippers are unlikely to request such releases.

a. Waivers of Electronic Standards

34. The Commission finds it appropriate to grant Carolina Gas and Total Peaking a limited waiver of the electronic requirements of the NAESB WGQ index-based capacity release Standards. We grant limited waiver of NAESB WGQ Standard 5.3.61 of the EDI and Internet requirements based on the administrative burdens and costs for the requesting pipelines, and the low probability of a releasing shipper on the requesting pipelines' systems requesting to utilize index-based pricing.⁵¹

b. Support for Index Based Releases

35. MoGas, Panther, Trans-Union, and Total Peaking request waiver of NASEB WGQ Version 2.0 Standard 5.3.65, which is a business practice standard that requires a pipeline to support indexed based releases. The requesting pipelines assert that there are no representative indexed references for their respective pipelines, and that shippers are unlikely to request such releases. Consistent with the Commission's prior rulings,⁵² and the requesting pipelines' contention that there are no representative index references

⁴⁹ Carolina Gas and Total Peaking requested waiver of the EDI and Internet requirements for the index-based capacity release NAESB WGQ Version 2.0 Standard 5.3.61.

⁵⁰ MoGas, Panther, Trans-Union, and Total Peaking request waiver of Version 2.0 Standard 5.3.65.

⁵¹ November 30, 2010 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,185 at P 25; and *Carolina Gas Transmission Corp.*, 131 FERC ¶ 61,211 (2010).

⁵² See November 30, 2010 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,185 at P 25; and *MoGas Pipeline, LLC*, 133 FERC ¶ 61,035, at PP 8-10 (2010).

for the respective pipeline system, and that shippers are unlikely to request such releases, we grant MoGas, Panther, Trans-Union, and Total Peaking a waiver of NAESB WGQ Version 2.0 Standard 5.3.65 and its requirement to support at least two non-public price index references until a releasing shipper presents an index-based capacity release. We find it reasonable in these circumstances to not require the pipelines to acquire and pay for the licenses necessary to support indices at this time. However, the pipelines will be required to support an index-based release when requested by a releasing shipper. In supporting such a release, the pipeline will need to pay whatever licensing costs are necessary to cover its processing of the release.⁵³

10. Waivers Regarding Redirection of Scheduled Quantities

36. NAESB WGQ Version 2.0 Standard 1.3.80 requires pipelines to support the ability to redirect scheduled quantities to other receipt points upstream or downstream of a constraint point. Five pipelines request waiver of Standard 1.3.80 stating that, given the nature of their respective pipeline systems they cannot offer options to redirect scheduled quantities beyond constraint points because they have only one delivery point.⁵⁴ We will deny these requests for waivers. Standard 1.3.80 only requires the redirection of scheduled quantities to other receipt and delivery points upstream or downstream, respectively. Because these pipelines have no delivery points downstream of their single delivery point, they cannot violate the Standard. By including this Standard in their tariffs, the pipelines will have to provide for redirected quantities if they add receipt and delivery points. Therefore, we require the pipelines referenced in footnote 54 to make compliance filings within 15 days of this order to incorporate Standard 1.3.80 by reference.

11. Waiver of Overrun Quantity Reporting Standards

37. Hardy requests that the Commission grant waiver of NAESB WGQ Version 2.0 Standard 1.3.19, which provides that “[o]verrun quantities should be requested on a separate transaction.” Currently, Hardy’s tariff provides shippers with the option of submitting overrun quantities as either a separate nomination or within the aggregate sum of all of the shipper’s nominations.

⁵³ The requesting pipelines will not have to support more than two indices at any time since any subsequent releasing shippers will be able to avail themselves of the index or indices currently supported by the requesting pipelines.

⁵⁴ Hardy, Pine Needle, Young Gas Storage, NG LNG, and Total Peaking.

38. The Commission will deny the requested waiver because Hardy complies with the Standard by permitting shippers to submit overrun quantities as a separate nomination. The alternative option for submitting the nomination as an aggregate therefore exceeds the Standard, and no waiver is required for practices exceeding Standards. Therefore, Hardy must make a compliance filing within 15 days of this order to include NAESB WGQ Standard 1.3.19 in its tariff.

12. Waiver of Closing Measurement Timeline

39. USG Pipeline requests waiver of NAESB WGQ Version 2.0 Standard 2.3.7, which provides that “[t]he cutoff for the closing of measurement is 5 business days after business month.” USG Pipeline indicates that it is a small pipeline with a single customer and does not deliver to any other pipeline. USG Pipeline contends that it may not receive a closeout of upstream measurements until the 5th business day after the end of the month, because it relies on its upstream pipeline (i.e., East Tennessee Natural Gas) for measurements of gas delivered into USG Pipeline. Therefore, USG Pipeline asserts that it needs additional time to process that information to close out measurements to its customer(s). Specifically, USG Pipeline requests that it be permitted to maintain its current tariff language, which would allow USG Pipeline to close out measurements to its customer(s) up to three business days after it receives a closeout of an upstream pipeline’s measurements. The Commission grants USG Pipeline waiver of NAESB WGQ Version 2.0 Standard 2.3.7. This will afford USG Pipeline additional time to process the information to close out measurements to its customer.

40. Dominion Transmission Inc. (Dominion) requests a continuation of its limited waiver of NAESB WGQ Version 2.0 Standards 2.3.7 and 2.3.11 with respect to all Appalachian receipt points upstream of the Appalachian Aggregation Points. In support of its request, Dominion notes that the limited waiver was granted to its predecessor, CNG Corporation, based on the representation that nearly 10,000 small quantity receipt points upstream of the aggregation points are measured manually using paper charts, and that collection and review of such charts within five business days after the close of the business month is not feasible.⁵⁵ Dominion explains that its measurement process still requires manual review of the chart measurement data from the numerous receipt points upstream of the Appalachian Aggregation Points. For good cause shown, the Commission grants Dominion limited waiver of NAESB WGQ Version 2.0 Standards 2.3.7 and 2.3.11 as it pertains to the receipt points upstream of the Appalachian Aggregation Points.

⁵⁵ *CNG Transmission Corp.*, 78 FERC ¶ 61,131 (1997).

13. Waiver of Standard 1.3.39

41. Texas Gas Transmission, LLC (Texas Gas) requests limited waiver of NAESB WGQ Version 2.0 Standard 1.3.39, which provides that “[b]umping that affects transactions on multiple Transportation Service Providers should occur at grid-wide synchronization times only.” Texas Gas indicates that the Commission accepted its tariff filing to establish an Enhanced Nomination Service for firm shippers. Under this service, firm shippers have the right to bump interruptible service during additional nomination cycles occurring at times other than the pipeline’s four standard nomination cycles.⁵⁶ Texas Gas argues that a limited waiver of Standard 1.3.39 is required to allow bumping to occur during its additional nomination cycles. The Commission grants Texas Gas a limited waiver of NAESB WGQ Version 2.0 Standard 1.3.39 as it pertains to its Enhanced Nomination Service. This will afford Texas Gas’s Enhanced Nomination Service customers the additional opportunities to utilize such capacity included in this firm service.

14. Waiver of Operational Flow Order Related Standards

42. Young Gas requests waiver of NAESB WGQ Version 2.0 Standards 1.2.6, 1.3.26 and 1.3.34, which pertain to OFOs. In support of its request, Young Gas indicates that its tariff does not contain OFO provisions. The Commission will deny the requested waivers of NAESB WGQ Version 2.0 Standards 1.2.6, 1.3.26 and 1.3.34 because the Standards are conditional and do not apply unless the pipeline actually performs the business practice. To the extent Young Gas seeks to include OFO language in its tariff, these Standards will already be included in its tariff. Accordingly, Young Gas must make a compliance filing within 15 days of this order to include NAESB WGQ Standards 1.2.6, 1.3.26 and 1.3.34 in its tariff.

15. Waiver of Tax Identification Number Requirements

43. Northern Natural Gas Company (Northern) requests waiver of NAESB WGQ Version 2.0 Standard 0.3.2, which pertains to use of proprietary codes when common code identifiers are not available. Northern explains that it uses the Tax Identification (Tax ID) number provided by the Shipper in the Dun & Bradstreet, Inc.’s D-U-N-S identification numbers for shippers (D-U-N-S® Number) field when the D-U-N-S® Number is not available. Northern requests a waiver of Standard 0.3.2 to continue to use

⁵⁶ Texas Gas notes that its service does not permit bumping after Enhanced Nomination Service Cycle 5. *See Texas Gas Transmission, LLC*, 138 FERC ¶ 61,176 (2012).

the shipper-provided Tax ID number if the shipper does not have a D-U-N-S® number. For good cause shown, the Commission will grant waiver of NAESB WGQ Standard 0.3.2. Northern must make a compliance filing within 15 days from the date of this order to reflect its waiver of NAESB WGQ Version 2.0 Standard 0.3.2 in its tariff.

16. Other Waivers and Extensions of Time Based on Market and Operational Circumstances

a. Black Marlin Pipeline Company

44. Black Marlin Pipeline Company (Black Marlin) requests an extension of time to comply with NAESB WGQ title transfer tracking related Standards and waiver of the EDI/ EDM related Standards. In support of its request, Black Marlin explains that it is a small pipeline and continues to experience limited volumes. Black Marlin notes that average daily deliveries for the past year were less than 675 dekatherms per day. Black Marlin asserts that it cannot provide firm transportation service on its system and it cannot even provide interruptible transportation service pursuant to the Commission's directives in Part 284 of its regulations. Black Marlin explains that because of the low production volume, it cannot physically deliver gas on a continuous daily basis because the internal pressure of its system is not sufficient to push through the delivery meter on a continuous basis and return reliable measurement.

45. Black Marlin states that its internally developed interactive website software (i.e., GASKIT) is not fully NAESB compliant but would be costly to upgrade. Black Marlin asserts that GASKIT is sufficiently robust and user-friendly so that customers are able to transact their transportation business as needed.

46. 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 2.0 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 2.0 title transfer tracking related Standards.⁵⁷ Further, the Commission finds that granting waiver of the electronic components of the Interactive/Internet website requirements is appropriate.⁵⁸ Black Marlin should not be

⁵⁷ NAESB WGQ Version 2.0 Standards: 1.3.17, 1.3.18, 1.3.64 through 1.3.74, 1.3.76, and 1.3.77.

⁵⁸ Waiver is granted for NAESB WGQ Version 2.0 Standards: 0.4.1 through 0.4.3, 1.3.47 through 1.3.50, 1.3.52 through 1.3.63, 1.3.79, 1.4.1 through 1.4.7, 2.2.2, 2.2.3, 2.3.30, 2.3.32 through 2.3.35, 2.3.40 through 2.3.53, 2.3.65, 2.4.1 through 2.4.18, 3.4.1

(continued...)

required to expend resources to upgrade its current Interactive/Internet website software to complete NAESB compliance.

b. National Grid LNG, LP

47. National Grid LNG, LP (NG LNG) requests continuation of waivers of various NAESB WGQ Version 2.0 Standards, given its unique market and operational circumstances.⁵⁹ NG LNG explains that it operates a liquefied natural gas storage facility which is not physically connected to the interstate pipeline grid. Further, the Commission has previously granted the NG LNG numerous waivers and extension of time to comply with the NAESB WGQ Standards.⁶⁰ Given NG LNG's operational and market circumstances, the Commission finds that granting waiver of the requested NAESB WGQ Version 2.0 Standards is appropriate.⁶¹

48. However, we deny NG LNG's request for a waiver of NAESB WGQ Version 2.0 Definitions 1.2.8 through 1.2.12, 2.2.4, and 2.2.5. The NAESB WGQ Definitions specify and elucidate specific terms of generally applicable business practices and do not require NG LNG to perform any action or incur expense to comply. As such, NG LNG has not supported its request for waiver of the NAESB WGQ Definitions. Accordingly, NG

through 3.4.4, 4.3.42 through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.87, 5.4.14 through 5.4.17, and 5.4.20 through 5.4.27.

⁵⁹ NG LNG requests waiver of NAESB WGQ Standards related to: electronic communications; scheduling equality; flexible points; and segmentation.

⁶⁰ NG LNG states that the Commission previously granted waiver of the nomination Standards to its predecessor company, Algonquin. *See Algonquin LNG, Inc.*, 86 FERC ¶ 61,285 (1999) (concluding that the NAESB nominations Standards are not applicable to liquefied natural gas (LNG) being transported by truck, because those Standards are intended to standardize nominations and scheduling across the interstate pipeline grid); *Algonquin LNG, Inc.*, 83 FERC ¶ 61,133, at 61,601 (1998) (granting waiver of the nomination Standards based on Algonquin's assertion that such intra-day nominations are not possible for deliveries of LNG by truck to storage or from storage to trucks, because the LNG trucking load and unloading facilities can only accommodate two trucks per day).

⁶¹ NAESB WGQ Version 2.0 Standards: 1.3.24, 1.3.25, 1.3.27, 1.3.32, 1.3.35 through 1.3.63, 2.3.51 through 2.3.64, 3.3.22 through 3.3.24, 3.3.26, 4.3.22, 2.3.25, 5.3.20 through 5.3.22, 5.3.24, 5.3.31 through 4.3.42, 5.3.44 through 5.3.46, 5.3.48, 5.3.50, 5.3.54, 5.4.24 through 5.4.27.

LNG is directed to file a revised tariff records to remove the reference to NAESB WGQ Version 2.0 Standards 1.2.8 through 1.2.12, 2.2.4, and 2.2.5 from the section titled Standards for which Waiver or Extension of Time to Comply have been granted and incorporate the Standards in its tariff.

B. Variance

49. Young Gas proposes to continue its request for variance pertaining to the NAESB Standard 1.3.2, for an extension to the nomination cycle deadlines for certain transactions by fifteen minutes. Young Gas is granted an extension of this variance.

C. Extensions of Time

1. Extensions of Time to Implement Electronic Data Interchange, Electronic Delivery Mechanism, and Internet Electronic Transport requirements

50. Nineteen pipelines request an extension of time to implement NAESB WGQ Version 2.0 Standards relating to various Electronic Data Interchange (EDI), Electronic Delivery Mechanism (EDM), and Internet Electronic Transport (IET) requirements until such time as the pipelines are requested by a Part 284, open access customer to provide such electronic data services.⁶² Generally, the referenced pipelines indicate that the Commission has previously granted an extension of time to comply with these Standards, and that they continue to operate on the same basis on which the extensions were granted.⁶³ For good cause shown, the Commission grants the referenced pipelines an extension of time to comply with EDI, EDM, and IET transactions as requested. The extensions of time are limited to the NAESB WGQ Version 2.0 Standards promulgated by Order No. 587-V,⁶⁴ and will be in effect until a Part 284 customer requests the referenced pipeline to offer transactions or data via its web site.

⁶² B-R Pipeline, Steckman, Bobcat, Egan Hub, USG Pipeline, Carolina Gas, Bluewater, SG Resources, Stingray, Garden Bank, Trans-Union, Total Peaking, Leaf River, NG LNG, Northern, Mississippi Canyon, Nautilus, Gulf South Pipeline Company, LP (Gulf South), Saltville, and Pine Prairie.

⁶³ See November 30, 2010 Order on Filings in Compliance with Order No. 587-U, 133 FERC ¶ 61,185.

⁶⁴ See *B-R Pipeline Co.*, 128 FERC ¶ 61,126 (2009) (each time the Commission adopts new versions of the Standards, pipelines must request a waiver of the new Standards).

2. Extensions of Time to Comply with NAESB WGQ Definitions

51. Dominion and Dominion South request an extension of time to comply with NAESB WGQ Version 2.0 Definition 4.2.11 for a period of 90 days following the receipt of a request by a shipper. In support of their requests, the pipelines assert that the Standard pertains to EDI/EDM processing requirements for NAESB WGQ Related Data Sets. We deny the pipelines' requests for an extension of time for NAESB WGQ Version 2.0 Definition 4.2.11. The NAESB WGQ Definitions specify and elucidate specific terms of generally applicable business practices and do not require Dominion and Dominion South to perform any action or incur expense to comply. As such, the pipelines have not supported their request for an extension of time to comply. Accordingly, Dominion and Dominion South are directed to file revised tariff records to remove the reference to NAESB WGQ Version 2.0 Standard 4.2.11 from the section titled Standards for which Waiver or Extension of Time to Comply have been granted. To the extent the pipelines seek an extension of time to comply with the EDI/EDM processing requirements contained in the NAESB WGQ Version 2.0 Data Sets, it must identify the specific Standards in its tariff.

52. Similarly, NG LNG requests an extension of time to comply with NAESB WGQ Version 2.0 Definitions 1.2.13 through 1.2.19, and 10.2.1 through 10.2.38. In support of its request, NG LNG asserts that the Standards pertain to EDI/EDM processing requirements for NAESB WGQ Related Data Sets. We deny the NG LNG's request for an extension of time to comply with NAESB WGQ Version 2.0 Definitions 1.2.13 through 1.2.19, and 10.2.1 through 10.2.38. The NAESB WGQ Definitions specify and elucidate specific terms of generally applicable business practices but do not require NG LNG to perform any action or incur expense to comply. As such, NG LNG has not supported its request for an extension of time to comply with these Standards. Accordingly, NG LNG is directed to file revised tariff records to remove the reference to NAESB WGQ Version 2.0 Standards 1.2.13 through 1.2.19, and 10.2.1 through 10.2.38 from the section titled Standards for which Waiver or Extension of Time to Comply have been granted and include those Standards in its tariff.

D. References to NAESB WGQ Standards in Tariffs

53. On October 15, 2012, United Municipal Distributors Group (UMDG) filed adverse comments regarding Gulf South's Order No. 587-V compliance filing. UMDG notes that in numerous instances Gulf South has revised its tariff to insert parenthetical references to specific NAESB Standards in its tariff or altered its tariff to replace detailed tariff language with a the phrase "in accordance with the NAESB WGQ Standards." UMDG suggests that the proposed modifications to Gulf South's tariff provide insufficient guidance to shippers as to which of the specific Version 2.0 Standards govern the given activity delineated in the General Terms and Conditions of Gulf South's tariff. UMDG requests that the Commission require Gulf South to implement the NAESB Standards in

a narrative form with a parenthetical cross references to specific provisions or to replace the phrases “in accordance with the NAESB WGQ Standards” with a cross reference that identifies the governing Standards. UMDG suggest that its changes would allow Gulf South and its shippers to know which of the NAESB WGQ Standards all parties must adhere in order to comply with the tariff.

54. In addition, UMDG seeks clarification as to the intent of the cross reference required by Order No. 587-V. UMDG questions whether the language indentified in the cross reference is meant to comply with the cross referenced NAESB WGQ Standards. UDMG notes that it does not oppose the parenthetical cross references if the intent is simply to designate the applicable NAESB Standard that is being implemented by the narrative in the tariff.

55. The Commission will not require Gulf South to revise its tariff because it complies with the Commission’s policy on the incorporation of NAESB Standards by pipelines. The language of the NAESB WGQ Standards is copyrighted and the Commission cannot require a pipeline to reproduce the Standards in its tariff.⁶⁵ We find the use of parenthetical references in specific tariff provisions to be a reasonable means of incorporating Standards into a pipeline tariff. By including a cross reference to the Standard in the appropriate location in the tariff, Gulf South is specifically alerting its customers that a NAESB Standard applies to the specific business practice at issue. The use of cross-references in the body of the tariff provides shippers with more specific information about the applicable requirements for that tariff provision than does merely including the Standard in a long list of other Standards. As required under the Administrative Procedure Act,⁶⁶ NAESB makes its Standards reasonably available to those needing access. Members may obtain Standards free of charge. Non-members can obtain access to the copyrighted Standards by purchase or apply for a limited copyright

⁶⁵ NAESB has granted pipelines the right to reproduce in their tariffs standards 1.3.2 and 5.3.2 in their entirety. *See* Docket Nos. RM05-5-000, *Standards for Business Practices and Communications Protocols for Public Utilities* and RM96-1-000, *Standards for Business Practices of Interstate Natural Gas Pipelines*, Report of the North American Energy Standards Board, NAESB Copyright Policy at p. 4 (filed November 20, 2012).

⁶⁶ 5 U.S.C. § 552(a)(1) (2006). The Federal Register has approved the incorporation by reference of the NAESB Standards. 15 C.F.R § 284.12(a)(2) (2012); http://standards.gov/sibr/query/index.cfm?fuseaction=rsibr.regulatory_sibr_by_selection

waiver from the NAESB office. Electronic access to Standards for the purpose of review is provided, without charge, through the use of digital rights software.⁶⁷

E. Compliance Filing Deficiencies

1. Steckman Ridge: RP12-1065-000

56. Steckman Ridge is directed to file revised tariff records within 15 days from the date of this order to include NAEBS WGQ Version 2.0 Standard 1.3.33 in its tariff.

2. KO Transmission Company: RP13-1-000

57. KO Transmission is directed to revise its tariff records to: (1) remove the incorporation of Version 2.0 NAESB WGQ Standards 1.3.2(v) by reference as Order No. 587-V requires pipelines to include this Standard in their tariff;⁶⁸ and (2) delineate for each Standard whether a waiver or extension of time to comply has been granted.

3. Young Gas Storage: RP13-106-000

58. Young Gas is directed to file revised tariff records within 15 days from the date of this order to include NAEBS WGQ Version 2.0 Standards 1.2.1, 1.3.72, 1.3.74, and 2.3.12 in its tariff.

4. Hardy Storage Company: RP13-124-000

59. Hardy is directed to file revised tariff records within 15 days from the date of this order to include NAEBS WGQ Version 2.0 Standards 1.3.28, 2.2.1, 2.3.7, 2.3.29, and 2.3.34 in its tariff.

The Commission orders:

(A) All the tariff records filed by the pipelines listed in the caption of the order are accepted to be effective as proposed, subject to the applicable conditions discussed in the body of this order.

⁶⁷ http://www.naesb.org/misc/NAESB_Nonmember_Evaluation_LockLizard.pdf.

⁶⁸ See Order No. 587-V, FERC Stats. & Regs. ¶ 31,332 at n.50.

(B) Extensions of time and/or waivers are granted as discussed in the body of this order and are limited to the NAESB WGQ's Version 2.0 Standards promulgated by Order No. 587-V.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix A

Summary of Compliance Obligations

Company Name	Compliance Obligation
Trans-Union Interstate Pipeline L.P	Incorporate Standards: 1.2.3
Steckman Ridge, LP	Incorporate Standards: 1.3.33, 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Leaf River Energy Center LLC	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Tres Palacios Gas Storage LLC	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Arlington Storage Company, LLC	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, 2.3.40 through 2.3.50, and 4.3.95
Central New York Oil And Gas, LLC	Incorporate Standard: 4.3.95
Pine Needle LNG Company, LLC	Incorporate Standards: 1.3.80, and 2.4.9 through 2.4.16
Bobcat Gas Storage	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Egan Hub Storage, LLC	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Saltville Gas Storage Company L.L.C.	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Honeoye Storage Corporation	Incorporate Standards: 0.3.11 through 0.3.15
Total Peaking Services, LLC	Incorporate Standards: 1.3.80, 2.2.2, 2.2.3, 2.3.30, 2.3.40 through 2.3.50, and 4.3.96 through 4.3.98
KO Transmission Company	(1) Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50; (2) Include language of Standard: 1.3.2(v); (3) delineate waiver or extension of time by NAESB WGQ Standard
Panther Interstate Pipeline Energy L.L.C.	Incorporate Standards: 1.2.2 through 1.2.5, 1.2.8 through 1.2.10, 1.2.12, and 1.2.14
MoGas Pipeline LLC	Incorporate Standard: 1.2.3
National Grid LNG, L.P.	Incorporate Standards: 0.3.11 through 0.3.15, 1.2.3, 1.2.8 through 1.2.19, 1.3.80, 2.2.4, and 2.2.5, and 10.2.1 through 10.2.38

Blue Water Gas Storage, LLC	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
SG Resources Mississippi LLC	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Pine Prairie Energy Center, LLC	Incorporate Standards: 2.2.2, 2.2.3, 2.3.30, and 2.3.40 through 2.3.50
Dominion Transmission, Inc.	Incorporate Standard: 4.2.11
Dominion South Pipeline Co., LP	Incorporate Standards: 4.2.11, and 4.3.95
Stingray Pipeline Company, LLC	Incorporate Standards: 0.3.11 through 0.3.15
Northern Natural Gas Company	Reflect waiver of Standard 0.3.2
Garden Banks Gas Pipeline, LLC	Incorporate Standards: 0.3.11 through 0.3.15
Mississippi Canyon Gas Pipeline, LLC	Incorporate Standards: 0.3.11 through 0.3.15
Nautilus Pipeline Company, LLC	Incorporate Standards: 0.3.11 through 0.3.15
Young Gas Storage Company, Ltd.	Incorporate Standards: 1.2.1, 1.2.3, 1.2.6, 1.3.26 and 1.3.34 , 1.3.72, 1.3.74, 1.3.80, and 2.3.12
Blue Lake Gas Storage Company	'Incorporate Standard: 1.2.3
ANR Storage Company	'Incorporate Standard: 1.2.3
Hardy Storage Company, LLC	'Incorporate Standards: 1.3.19, 1.3.28, 1.3.80, 2.2.1 through 2.2.3 , 2.3.7, 2.3.29, 2.3.30, 2.3.34, and 2.3.40 through 2.3.50
WestGas InterState, Inc.	Incorporate Standards: 1.2.1 through 1.2.3
USG Pipeline Company	Incorporate Standards: 0.3.11 through 0.3.15, and 4.3.95,
B-R Pipeline Company	'Incorporate Standards: 0.3.11 through 0.3.15