

142 FERC ¶ 61,009  
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.

Discovery Gas Transmission LLC

Docket Nos. RP09-673-003  
RP11-1521-003  
RP11-1521-002  
(not consolidated)

ORDER ON CLARIFICATION, LIMITED REHEARING AND ACCEPTING  
COMPLIANCE FILING

(Issued January 3, 2013)

1. This order addresses Discovery Gas Transmission LLC's (Discovery) February 20, 2012 compliance filing (February 20 filing) in response to the Commission's February 3, 2012 order<sup>1</sup> and Discovery's request for clarification and limited rehearing of the February 3 Order regarding its request for waiver or in the alternative an extension of time to comply with certain North American Energy Standards Board (NAESB) Wholesale Gas Quadrant (WGQ) Standards. For the reasons discussed more fully below, we grant Discovery's request for limited rehearing; grant Discovery's request for clarification and confirm that Discovery's proposed workarounds satisfy the Commission's February 3 Order; and accept the revised tariff record listed in footnote no. 14, effective November 1, 2010.

**Background**

**A. NAESB WGQ Version 1.8 Standards**

2. In Docket No. RP09-673-002, Discovery sought rehearing of the Commission's July 30 Order<sup>2</sup> denying Discovery's request for permanent waiver of certain NAESB

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<sup>1</sup> *Discovery Gas Transmission LLC*, 138 FERC ¶ 61,089 (2012) (February 3 Order).

<sup>2</sup> *Discovery Gas Transmission LLC*, 128 FERC ¶ 61,107 (2009) (July 30 Order).

WGQ Version 1.8 Standards submitted pursuant to Order No. 587-T.<sup>3</sup> Specifically, the July 30 Order denied Discovery's request for a permanent waiver of the NAESB WGQ 1.8 Standards, and instead of permanent waiver, the Commission granted Discovery an extension of time to implement such standards given the limited nature of Discovery's pipeline operations.<sup>4</sup>

3. Subsequently, the Commission issued Order No. 587-U adopting a revised version of the NAESB WGQ Standards. Discovery submitted a new compliance filing related to Order No. 587-U with substantially the same request as submitted previously; therefore, the Commission addressed Discovery's request for rehearing of the July 30 Order in the February 3 Order discussed below.

#### **B. NAESB WGQ Version 1.9 Standards**

4. In Order No. 587-U, the Commission incorporated by reference into its regulations Version 1.9 of the NAESB WGQ Standards. On September 1, 2010, in Docket No. RP10-1234-000, Discovery filed a tariff record to comply with Order No. 587-U.<sup>5</sup> In its October 28, 2010 order, the Commission accepted Discovery's tariff record to become effective as proposed, subject to conditions.<sup>6</sup> Specifically, the October 28 Order directed Discovery to: (1) identify the procedures for the manual index-based capacity releases on its system; and (2) reference the NAESB WGQ Version 1.9 business practice standards and definitions for index-based capacity release.<sup>7</sup>

5. On November 12, 2010, Discovery submitted a compliance filing (November 12 filing), in accordance with the October 28 Order in Docket No. RP11-1521-000. In its November 12 filing, Discovery also argued that the Commission should reconsider the rejection of Discovery's request for a permanent waiver of the NAESB WGQ Interactive/Internet website related standards, title transfer tracking related standards, and

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<sup>3</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order No. 587-T, FERC Stats. & Regs. ¶ 31,289 (2009).

<sup>4</sup> July 30 Order, 128 FERC ¶ 61,107 at P 7.

<sup>5</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order No. 587-U, FERC Stats. & Regs. ¶ 31,307 (2010).

<sup>6</sup> *Standards for Business Practices of Interstate Natural Gas Pipelines, et al.*, Order on Filings in Compliance With Order No. 587-U, 133 FERC ¶ 61,096 (2010) (October 28 Order).

<sup>7</sup> October 28 Order, 133 FERC ¶ 61,096 at P 23.

capacity release datasets due to Discovery's unique operational, customer and market circumstances as it pertains the NAESB WGQ Version 1.9 Standards.<sup>8</sup>

6. On February 11, 2011, in Docket No. RP11-1521-001, Discovery submitted a revised tariff record (February 11 filing) amending its November 12 filing and identifying the NAESB WGQ Version 1.9 Standards for which it sought waiver.

7. In response to Discovery's request for rehearing and compliance filings, the February 3 Order: (1) denied Discovery's request for rehearing of the July 30 Order as moot; (2) denied Discovery's request for a waiver of the NAESB WGQ Version 1.9 title transfer tracking related standards, capacity release related datasets, and Interactive/Internet website related standards and instead granted an extension of time to comply until 90 days following a request from a Part 284 customer to implement the NAESB WGQ Version 1.9 Standards;<sup>9</sup> (3) denied Discovery's request for an extension

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<sup>8</sup> NAESB WGQ Version 1.9 data sets, principles, definitions, and standards: Nominations Related Data Sets: 1.4.1 through 1.4.7; Flowing Gas Related Data Sets: 2.4.1 through 2.4.18; Invoicing Related Data Sets: 3.4.1 through 3.4.4; Capacity Release Principles: 5.1.1 and 5.1.4; Capacity Release Data Sets: 5.4.1 through 5.4.23; Capacity Release Related Standards: 5.3.10 through 5.3.12, 5.3.30 through 5.3.34, 5.3.41 through 5.3.43, and 5.3.48; EDI Related Principles: 1.1.7, 4.1.22 through 4.1.24, 4.1.26 through 4.1.28, 4.1.31 through 4.1.39, 10.1.4, 10.1.8, and 10.1.9; EDI Related Definitions: 4.2.10 through 4.2.13, 4.2.16 through 4.2.20, and 10.2.1 through 10.2.36; EDI Related Standards: 1.3.47 through 1.3.50, 1.3.52 through 1.3.63, 1.3.79, 2.3.32 through 2.3.35, 2.3.40 through 2.3.44; 2.3.51 through 2.3.53, 2.3.65, 3.3.23, 3.3.24, 4.3.39, 4.3.42 through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, 10.3.2, 10.3.5, 10.3.7, 10.3.8, 10.3.12, 10.3.13, 10.3.15, 10.3.17, 10.3.18, 10.3.21, 10.3.22, and 10.3.25 through 10.3.27; Title Transfer Tracking Related Principles: 1.1.10, 1.1.11, 1.1.13, and 1.1.20; Title Transfer Tracking Related Standards: 1.3.17, 1.3.18, 1.3.64 through 1.3.74, 1.3.76, and 1.3.77.

<sup>9</sup> NAESB WGQ Version 1.9 Standards: EDI Related Standards: 2.3.40 through 2.3.44; Title Transfer Tracking Related Standards: 1.3.17, 1.3.18, 1.3.64 through 1.3.74, 1.3.76, and 1.3.77; EDI Related Definitions: 4.2.10 through 4.2.13, 4.2.16 through 4.2.20, and 10.2.1 through 10.2.36; Nominations Related Data Sets: 1.4.1 through 1.4.7; Flowing Gas Related Data Sets: 2.4.1 through 2.4.18; Invoicing Related Data Sets: 3.4.1 through 3.4.4; Capacity Release Data Sets: 5.4.1 through 5.4.23; EDI Related Standards: 1.3.47 through 1.3.50, 1.3.52 through 1.3.63, 1.3.79, 2.3.32 through 2.3.35, 2.3.51 through 2.3.53, 2.3.65, 3.3.23, 3.3.24, 4.3.39, 4.3.42 through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, 10.3.5, 10.3.7, 10.3.8, 10.3.12, 10.3.15, 10.3.17, 10.3.18, 10.3.21, 10.3.22, and 10.3.25 through 10.3.27.

of time to comply with NAESB WGQ Version 1.9 Imbalance Trading Related Business Practice Standards and Capacity Release Related Business Practice Standards;<sup>10</sup> and (4) directed Discovery to file revised tariff records incorporating the NAESB WGQ Version 1.9 Standards for which an extension of time to comply was denied.<sup>11</sup>

### **Request for Clarification and Limited Rehearing**

#### **A. Discovery's Argument**

8. On February 20, 2012, Discovery filed a request for clarification and limited rehearing of the February 3 Order in Docket Nos. RP09-673-003 and RP11-1521-003. Specifically, Discovery requests that the Commission clarify that Discovery's proposed alternatives comply with the intent of specific NAESB WGQ Version 1.9 Capacity Release Related Business Practice Standards.<sup>12</sup> Discovery asserts that it can accommodate some standards if the Commission clarifies that the following proposed workarounds will satisfy each standard's requirement. Discovery asserts that, in an effort to comply with the intent of the NAESB WGQ Version 1.9 Capacity Release Related Standards it will: (1) notify all shippers of prearranged capacity release transactions through email; (2) allow replacement shippers to confirm prearranged capacity release transactions via email; (3) ensure that offers and bids will be complete prior to posting on its website; (4) post capacity release data on its website; and (5) allow releasing shippers to provide capacity recall information to Discovery via email. Discovery asserts that the specific language of the five standards presume that electronic communications will be implemented through the pipeline's Customer Activities Web site or using EDI. If the Commission accepts the proposed workarounds, Discovery states it can incorporate the applicable standards without further concern.

9. Discovery requests rehearing of the Commission's decision in the February 3 Order that it be required to file a revised tariff record incorporating NAESB WGQ Version 1.9 Standard 5.3.42, which requires that capacity release offers be searchable via filters. Discovery asserts that, given its operational circumstances, the notice event will

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<sup>10</sup> February 3 Order, 138 FERC ¶ 61,089 at P 16 (denying an extension of time to comply with NAESB WGQ Version 1.9 Standards: Imbalance Trading Related Standards 2.3.40 through 2.3.44, Capacity Release Related Standards: 5.3.10 through 5.3.12, 5.3.30 through 5.3.34, 5.3.41 through 5.3.43, and 5.3.48).

<sup>11</sup> *Id.*

<sup>12</sup> NAESB WGQ Version 1.9 Capacity Release Related Standards: 5.3.10 through 5.3.12, 5.3.41, 5.3.42, and 5.3.48.

be posted on its website which does not have a filterable search capability for capacity release offers. Discovery indicates that it does not have the means to comply with the NAESB WGQ Version 1.9 Standard and requests that it be given an extension of time to comply commensurate with the other extensions of time granted by the Commission in this proceeding.

## **B. Commission Decision**

10. The Commission grants Discovery's request for clarification and clarifies that Discovery's proposed workarounds comply with the February 3 Order. As discussed above, the February 3 Order denied Discovery's request for rehearing of the July 30 Order as moot. The Commission also stated, among other things, that Discovery had not sufficiently justified its request for an extension of time to comply with the NAESB WGQ Version 1.9 Business Practice Standards (e.g. the Capacity Release Related Business Practice Standards).<sup>13</sup> The Commission typically denies waivers or extensions of time to comply with business practice standards because these standards establish the basic principles by which business is required to be conducted by natural gas pipelines. Nonetheless, if a pipeline believes such a waiver or extension of time to comply is justified, it must detail specific reasons why it seeks the waiver or extension of time to comply with the standard and address alternative methods by which it could comply with the principle of the standard.<sup>14</sup>

11. In its clarification request, Discovery proposes alternative methods of compliance with NAESB WGQ Version 1.9 Standards 5.3.10 through 5.3.12, 5.3.41, and 5.3.48 and seeks confirmation from the Commission that the workarounds it proposes comply with the intent of the NAESB WGQ Version 1.9 Capacity Release Related Standards. Discovery's proposed alternative methods will accommodate the "spirit" of the standards and bring Discovery in compliance with the enumerated Capacity Release Related Business Practice Standards. Given Discovery's operational and market circumstances, we also find the proposed alternative methods are reasonable methods for compliance with the principles of the NAESB WGQ Version 1.9 Capacity Release Related Standards 5.3.10 through 5.3.12, 5.3.41, and 5.3.48.

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<sup>13</sup> See February 3 Order, 138 FERC ¶ 61,089 at P 16. (NAESB WGQ Version 1.9 Standards: Capacity Release Related Standards: 5.3.10 through 5.3.12, 5.3.30 through 5.3.34, 5.3.41 through 5.3.43, and 5.3.48.)

<sup>14</sup> 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) (requiring small pipelines to use manual methods of implementing index-based capacity releases).

12. In its request for limited rehearing of the February 3 Order, Discovery provides justification for an extension of time to comply with NAESB WGQ Version 1.9 Capacity Release Related Standard 5.3.42. This justification for an extension was not submitted in Discovery's filing. However, Discovery now requests that it be given an extension of time to comply with NAESB WGQ Version 1.9 Standard 5.3.42 similar to the other extensions of time granted by the Commission in this proceeding. Given Discovery's operational, customer and market circumstances and the information presented, we find Discovery's request for an extension of time to comply with NAESB WGQ Version 1.9 Standard 5.3.42 appropriate and therefore, we grant Discovery an extension of time to implement NAESB WGQ Version 1.9 Standard 5.3.42 until 90 days following a request from a Part 284 customer.

### **Discovery Compliance Filing**

13. On February 21, 2012 Discovery filed a revised tariff record in Docket No. RP11-1521-002 to comply with the December 22 Order.<sup>15</sup> Discovery indicates that it has incorporated the NAESB WGQ Version 1.9 Business Practices Standards into its tariff in compliance with the February 3 Order except for Standard 5.3.42 on the presumption that the Commission will grant its request for clarification and limited hearing request.

14. Public notice of the February 21, 2012 compliance filing was issued on February 22, 2012, allowing for protests to be filed as provided in Rule 154.210 of the Commission's Rules of Practice and Procedure. No protests or adverse comments were filed.

15. Regarding Discovery's compliance filing submitted in Docket No. RP11-1521-002, the revised tariff record listed in footnote no. 15 complies with the Commission's February 3 Order and is accepted effective November 1, 2010.

### **The Commission orders:**

(A) Discovery's revised tariff record listed in footnote no. 14 is accepted, effective November 1, 2010.

(B) Discovery's request for rehearing is granted.

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<sup>15</sup> Discovery Gas Transmission LLC; FERC NGA Gas Tariff; First Revised Volume No. 1; [Section 25, NAESB Standards, 1.3.0.](#)

(C) Discovery's request for an extension of time to comply with the NAESB WGQ Version 1.9 Capacity Release Related Business Practice Standard 5.3.42 is granted, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.