

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Standards for Business Practices of)
Interstate Natural Gas Pipelines)

Docket No. RM96-1-038

COMMENTS OF THE INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA

The Interstate Natural Gas Association of America (INGAA) submits these comments in response to the Federal Energy Regulatory Commission's (FERC or Commission) July 16, 2015 Notice of Proposed Rulemaking (NOPR) on standards for business practices of interstate natural gas pipelines.¹

INGAA is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry in North America. INGAA is comprised of 25 members representing the vast majority of the interstate natural gas transmission pipeline companies in the United States and comparable companies in Canada. Its United States members are regulated by the Commission pursuant to the Natural Gas Act (NGA), 15 U.S.C. §§ 717-717w. INGAA supports the Commission's proposal to amend its regulations to incorporate by reference Version 3.0 of the business practice standards adopted by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) applicable to natural gas pipelines, subject to the following modifications to the Commission's proposed and existing regulations and clarifications.

¹ *Standards for Business Practices of Interstate Natural Gas Pipelines*, Notice of Proposed Rulemaking, 80 Fed. Reg. 43979 (2015).

COMMENTS

I. THE COMMISSION SHOULD MODIFY ITS REGULATIONS TO CREATE A NEW § 284.13(f) TO ADDRESS PIPELINE LOCATION CODES.

The Commission proposes to incorporate by reference NAESB standards, which discontinue the use of “industry common codes,” and incorporate the use of proprietary pipeline “location codes” to identify the location of receipt and delivery points. The Commission recognizes that incorporating the use of pipeline location codes will reduce the industry’s costs since pipelines no longer will need to contract with a third-party provider to maintain a common code database, while at the same time maintain shippers’ and others’ ability to identify interconnection points between pipelines.²

A. The Commission should remove the phrase “along with a posting on the pipeline’s website that identifies active and inactive points, the date the point becomes active or inactive, the location of the point, and an identification of the upstream or downstream entity, if any, at the point” from § 284.13(c)(2)(vi) of its regulations and create a new § 284.13(f) for “Location codes.”

The Commission proposes to amend § 284.13(c)(2)(vi) of its regulations, “Index of customers,” to replace the term “industry common code” with the new term “location code.”

The Commission also proposes to add to this section the following posting requirement, italicized below:

The receipt and delivery points and the zones or segments covered by the contract in which the capacity is held, including the location code for each point zone or segment along with a posting on the pipeline’s website that identifies active and inactive points, the date the point becomes active or inactive, the location of the point, and an identification of the upstream or downstream entity, if any, at the point. (emphasis added)³

² NOPR at Par. 16.

³ Proposed 18 C.F.R. § 284.13(c)(2)(vi).

INGAA supports replacing the term “industry common code” with the term “location code” in § 284.13(c)(2)(vi) of the Commission’s regulations. However, adding this italicized language to the Index of customers is not appropriate, as explained below.

The Commission states that the NAESB “revised standards include requirements for the pipelines to post on their websites information on each of the proprietary points that can be used to determine which points are interconnecting points between pipelines, one of the primary reasons for adoption of the common code database.”⁴ The Commission, however, does not explain why it proposes to revise § 284.13(c)(2)(vi) of its regulations to include in the Index of customers a posting that identifies “active and inactive points, the date the point becomes active or inactive, the location of the point, and an identification of the upstream or downstream entity, if any, at the point.” A pipeline’s Index of customers includes the receipt and delivery points “covered by the contract in which the capacity is held” for that quarterly reporting period.⁵ Consequently, an Index of customers will not necessarily include all active pipeline points at which a shipper could schedule capacity, since those receipt or delivery points may not be under contract for that quarter. Certainly, an Index of customers report will never include inactive points, since the points are not held under contract. Therefore, it is not appropriate for the Commission to include this posting requirement in the Index of customers. Accordingly, the Commission should delete the requirement for a pipeline to post on its Internet web site “active and inactive points, the date the point becomes active or inactive, the location of the point, and an identification of the upstream or downstream entity, if any, at the point” from proposed § 284.13(c)(2)(vi).

⁴ NOPR at Par. 15.

⁵ 18 C.F.R. § 284.13(c)(2)(vi)(2015).

Moreover, the use of location identifiers, such as location point names and location codes, are relevant to a number of pipeline reporting and posting requirements.⁶ The purpose of the revised NAESB WGQ Standard 0.4.4, the Location Data Download, is to provide a single resource for pipeline location identifiers and to help ensure that location identifiers are used consistently across reports and postings.⁷ Therefore, in order to provide a discrete section for this location code posting requirement in the Commission’s regulations and to provide the ability for other regulations to reference back to this requirement, INGAA suggests that the Commission modify its regulations to create new § 284.13(f), entitled “Location codes.”

INGAA’s proposal to move the location code posting requirement to new § 284.13(f) also includes two additional changes to the Commission’s proposed language. First, INGAA proposes that pipelines also should identify the name of each point. Second, INGAA proposes that pipelines should provide the FERC company identifier (CID) for the upstream and/or downstream entity, if any, at that point since the FERC CID is the information specified for the upstream and/or downstream entity in the Location Data Download in the NAESB business practice standards.

Accordingly, INGAA’s proposed new § 284.13(f) of the Commission’s regulations would state:

(f) Location codes. An interstate pipeline must maintain a posting of the pipeline’s location codes on its Internet web site, in accordance with standards adopted in § 284.12 of this part, that identifies active and inactive points, the name of each point, the date each point becomes active or inactive, the location of each point, and the FERC company identifier (CID) for the upstream and/or downstream entity, if any, at that point.

⁶ See, e.g., proposed 18 C.F.R. §§ 157.14(a), 157.18(c) and 260.8(a).

⁷ For example, a pipeline should use the same location code for each point, segment or zone listed in the Location Data Download as the location code for the Index of customers and its transactional reporting postings. Yet, not all location identifiers listed in the Location Data Download are applicable to every posting and reporting requirement.

B. The Commission should modify §§ 284.13(b)(1)(vi) and 284.13(b)(2)(iv) of its regulations to reference the term “location code.”

Consistent with the intent of the NOPR to incorporate the use of pipeline proprietary “location codes,” the Commission should modify §§ 284.13(b)(1)(vi) and 284.13(b)(2)(iv), which continue to require a pipeline to provide the old term “industry common codes,” rather than “location codes,” for pipeline firm and interruptible transportation services.⁸ Unless the Commission modifies these sections, pipelines would be required to contract with a third-party provider to maintain the list of industry common codes, which would undermine the Commission’s decision to transition from industry common codes to pipeline location codes. Accordingly, INGAA requests that the Commission amend §§ 284.13(b)(1)(vi) and 284.13(b)(2)(iv) of its regulations to use the term “pipeline’s location code.”^{9 10}

INGAA further requests that the Commission modify §§ 284.13(c)(2)(vi), 284.13(b)(1)(vi) and 284.13(b)(2)(iv) of its regulations to cross reference the location code posting requirement in new § 284.13(f), “Location codes.”

Accordingly, INGAA’s proposed revisions to §§ 284.13(c)(2)(vi), 284.13(b)(1)(vi) and 284.13(b)(2)(iv) of the Commission’s regulations would state:

⁸ 18 C.F.R. §§ 284.13(b)(1)(vi)(2015) and 284.13(b)(2)(iv)(2015).

⁹ For consistency, INGAA also requests the Commission insert the word “pipeline’s” before “location code” in revised § 284.13(c)(2)(vi), regarding the Index of customers.

¹⁰ Similarly, the Commission should amend § 284.126(b)(1)(iv) of its regulations, regarding intrastate pipeline reporting requirements, to read as follows:

(iv) The primary receipt and delivery points covered by the contract, identified by the list of points that the pipeline has published with the Commission, which shall include the ~~industry common code for each point where one has already been established~~ pipeline’s location code, in conformity with §284.13(f) of this part, for each point;

INGAA proposed § 284.13

(a) *

(b) *

(1) *

(vi) The receipt and delivery points and zones or segments covered by the contract, including the pipeline's location code, in conformity with § 284.13(f) of this part, for each point, zone, or segment; (new language added)

(2) *

(iv) The receipt and delivery points covered between which the shipper is entitled to transport gas at the rate charged, including the pipeline's location code, in conformity with § 284.13(f) of this part, for each point, zone, or segment; (new language added)

(c) *

(2) *

(vi) The receipt and delivery points and the zones or segments covered by the contract in which the capacity is held, including the pipeline's location code, in conformity with § 284.13(f) of this part, for each point, zone, or segment ~~along with a posting on the pipeline's website that identifies active and inactive points, the date the point becomes active or inactive, the location of the point, and an identification of the upstream or downstream entity, if any, at the point;~~ (new language added)

(d) *

C. The Commission should modify §§ 157.14(a), 157.18(c) and 260.8(a) of its regulations to reference new § 284.13(f), "Location codes."

The Commission also proposes to revise its regulations at §§ 157.14(a), 157.18(c) and 260.8(a) to provide that: "Receipt and delivery point information required in various exhibits must be labeled with a location point name in accordance with the name adopted in § 284.12 of this chapter." Consistent with INGAA's proposed new § 284.13(f), regarding the location code posting requirement, INGAA requests the Commission revise its proposed regulations at §§ 157.14(a), 157.18(c) and 260.8(a), in applicable part, to read:

Receipt and delivery point information required in various exhibits must be labeled with a location point name ~~in accordance with the name adopted in § 284.12 of this chapter~~ in conformity with § 284.13(f) of this chapter. (new language added)

By referencing back to new § 284.13(f), setting forth the location code posting requirement, rather than § 284.12, "Standards for pipeline business practice operations

and communications,” §§ 157.14(a), 157.18(c) and 260.8(a) would identify the pipeline posting requirement for location identifiers, including the location point names that a pipeline must provide under these sections.

INGAA requests two minor additional modifications. In §157.14(a), the Commission should remove the reference to Exhibit H(iv) that appears in the proposed regulatory text as Exhibit H(iv) no longer exists. In addition, the Commission should clarify that it did not intend to delete certain language after the asterisks in both §§ 157.14(a) and 157.18(c). Specifically, the Commission should revise the language at the beginning of item 2 of its proposed amendment to § 157.14(a) to state that “Section 157.14 is amended by revising *the introductory language* of paragraph (a) to read as follows:” (emphasis added), and insert “(1)” before the asterisks. This would remove any doubt about how much of the existing section is being replaced with the new proposed language.¹¹

II. THE COMMISSION SHOULD MODIFY FORM NO. 549B, INDEX OF CUSTOMERS INSTRUCTION MANUAL, TO MAKE MISCELLANEOUS CORRECTIONS.

The Commission posted a revised Form No. 549B, Index of Customers Instruction Manual (Instruction Manual), on its website. In the NOPR, the Commission stated that the “major changes to the instructions are the change from the use of common codes to proprietary codes and the use of the pipelines’ company registration number in place of [the] three digit pipeline code.”¹² INGAA requests that the Commission revise the Instruction Manual, as described below.

¹¹ The Commission similarly should clarify its proposed change to § 157.18(c), “Exhibit V, flow diagram showing daily design and reflecting operation of applicant’s system after abandonment,” to remove any doubt that the Commission did not intend to delete §§ 157.18(c)(1), (2), (3), and (4).

¹² NOPR at Par. 17.

First, INGAA requests that the Commission delete references to two outdated point identifier codes – “G1 – Gas Transportation Point 1” and “G2 – Gas Transportation Point 2.” The Instruction Manual states that “[t]hese codes are from the NAESB Business Practice Standards Manual relating to the Capacity Release – Firm Transportation and Storage – Award Notice (Award Download), N1 Record.” NAESB eliminated references to the “Gas Transportation Point 1” and “Gas Transportation Point 2” codes in its Business Practice Standards Manual beginning with NAESB WGQ Version 1.7,¹³ which the Commission adopted by reference in 2005. Yet, these point identifier codes still are listed in the Instruction Manual. Since the terms are outdated and no longer used, INGAA requests that the Commission update the Instruction Manual by deleting point identifier codes “G1” and “G2,” consistent with the NAESB Business Practice Standards Manual.

Second, the Commission proposes to revise point identification code qualifier Item ID yj to state: “Enter 29 if item yk is the Transmission Service Provider’s Location (LOC). Enter 95 if item yk is assigned by the transporter (Only used if item yh = S8 or S9).” Beginning with NAESB WGQ Version 3.0, in the NAESB Business Practice Standards Manual, Code 95 (Assigned by Transporter) is the only point identification code qualifier that may be sent. Code 29 is unnecessary since it was the point identification code qualifier that specified a point identification code that used a now-outdated industry common code. Since industry common codes are no longer used and all location code identifiers are assigned by the pipeline, it only is necessary for a pipeline to provide one point identification code qualifier – 95. INGAA requests that the Commission modify Point Identification Code Qualifier Item ID yj so that the instructions read: “Enter 95.”

¹³ The Commission issued a Final Rule on May 9, 2005, amending its regulations to incorporate by reference NAESB WGQ Version 3.0, which was promulgated by the WGQ on December 31, 2003. *Standards for Business Practices of Interstate Natural Gas Pipelines*, Final Rule, 111 FERC ¶ 61,203 (2005).

In addition, the Commission proposes to modify Point Identification Code Item ID yk to state: “Enter the Transmission Service Provider’s Location (LOC) if item yj = 29 or enter the transporter assigned code if item yj = 95.” To help ensure consistent use of terms within the Instruction Manual, INGAA recommends modifying Item yk so the instructions read: “Enter the pipeline’s location code.” “Pipeline” is the term utilized throughout the Instruction Manual.

III. CONCLUSION

WHEREFORE, INGAA supports the Commission’s proposal to amend its regulations to incorporate by reference NAESB WGQ Standards Version 3.0, consistent with INGAA’s comments above.

Respectfully submitted,

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