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*Acting Secretary, U.S. Consumer Product Safety Commission.*  
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**DEPARTMENT OF ENERGY**

**Federal Energy Regulatory Commission**

**18 CFR Part 284**

[Docket No. RM96–1–041; Order No. 587–Y]

**Standards for Business Practices of Interstate Natural Gas Pipelines**

**AGENCY:** Federal Energy Regulatory Commission, DOE.

**ACTION:** Final rule.

**SUMMARY:** The Federal Energy Regulatory Commission is amending its regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 3.1) of business practice standards adopted by the Wholesale Gas Quadrant of the North American Energy Standards Board (NAESB) applicable to natural gas pipelines in place of the currently incorporated version (Version 3.0) of those business practice standards. The revisions made by NAESB in this version of the standards are designed to clarify the processing of certain business transactions.

**DATES:** This rule will become effective February 1, 2019. Compliance filings required by this rule are due on April 1, 2019 and compliance with the standards incorporated in this rule is required on and after August 1, 2019. The incorporation by reference of

certain publications listed in this rule is approved by the Director of the Federal Register as of February 1, 2019.

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**SUPPLEMENTARY INFORMATION:**

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1. In this Final Rule, the Federal Energy Regulatory Commission (Commission) amends its regulations at 18 CFR 284.12 to incorporate by reference, with certain enumerated exceptions, the latest version (Version 3.1) of business practice standards applicable to interstate natural gas pipelines adopted by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) in place of the currently incorporated version (Version 3.0) of those business practice standards. Under this Final Rule, interstate natural gas pipelines are required to file compliance filings with the Commission by April 1, 2019 and are required to comply with the standards incorporated by reference in this rule on and after August 1, 2019.

2. The implementation of these standards and regulations will promote additional efficiency and reliability of the natural gas industries' operations thereby helping the Commission to

carry out its responsibilities under the Natural Gas Act (NGA).<sup>1</sup>

3. The NAESB WGQ Version 3.1 package of standards contains a number of revisions to the NAESB Version 3.0 package of standards. As explained further below, NAESB adopted two substantive revisions to its Nominations Related Standards, one to establish a standard rounding process for elapsed-prorated-scheduled quantity calculations and a second to revise the specifications for the information to be included in a nomination request.

4. NAESB also adopted three minor revisions to the WGQ Electronic Delivery Mechanism (EDM) Related Standards. First, it has increased the allowable field length in ASCII Comma Separated Value Files to 3000 characters. Second, NAESB adopted new Standard 4.3.106 to allow checkboxes and radio buttons in the Transmission Service Providers' (TSP) Electronic Bulletin Boards (EBB). Third, NAESB modified its standards to update

the operating systems and web browsers that entities should support on behalf of users. Additionally, clarifying language was added to the Secure Sockets Layer (SSL)/Transport Layer Security (TLS) protocols.

5. Other changes adopted by NAESB included changes to the NAESB WGQ data sets and other technical implementation documentation as well as revisions to the Flowing Gas Related data sets and technical implementation. In addition, NAESB revised the Imbalance Trade data set and revised two Sender's Option data elements. NAESB also adopted revisions to the Capacity Release Related data sets and technical implementation and revised Standard 6.3.1 (*i.e.*, the NAESB Base Contract for Sale and Purchase of Natural Gas) to add language directing users to NAESB's copyright disclaimer posted on the NAESB website. Identical language was added to three additional NAESB WGQ Contracts.

6. Lastly, NAESB adopted modifications to add a self-identification provision that assists end

<sup>1</sup> 15 U.S.C. 717 (2012).

users in determining whether counterparties are commercial market participants as defined by the United States Commodity Futures Trading Commission.

## I. Background

7. Since 1996, the Commission has adopted regulations to standardize the business practices and communication methodologies of interstate natural gas pipelines to create a more integrated and efficient pipeline grid. These regulations have been promulgated in the Order No. 587 series of orders,<sup>2</sup> wherein the Commission has incorporated by reference standards for interstate natural gas pipeline business practices and electronic communications that were developed and adopted by NAESB's WGQ. Upon incorporation by reference, this version of these standards will become part of the Commission's regulations and compliance by interstate natural gas pipelines will become mandatory and will replace the earlier version of these standards that the Commission previously incorporated by reference in 2015.<sup>3</sup>

8. On September 29, 2017, NAESB filed a report informing the Commission that it had adopted and ratified WGQ Version 3.1 of its business practice standards applicable to natural gas pipelines. The NAESB report identifies all the changes made to the Version 3.0 Standards and summarizes the deliberations that led to the changes. It also identifies changes to the existing standards that were considered but not adopted due to a lack of consensus or other reasons.

9. On August 21, 2018, the Commission issued a Notice of Proposed Rulemaking proposing to amend its regulations to incorporate by reference, with certain enumerated exceptions, the NAESB WGQ Version 3.1 business practice standards (referenced above) applicable to natural gas pipelines.<sup>4</sup>

10. In response to the Version 3.1 NOPR, Tennessee Valley Authority (TVA) and the Interstate Natural Gas Association of America (INGAA) filed comments. TVA expresses support for

the Commission's proposal to incorporate by reference NAESB's WGQ Version 3.1 business practice standards. INGAA also supports the Commission's proposal in the Version 3.1 NOPR, but urges the Commission to ensure that implementation of a Final Rule in this proceeding does not occur prior to April 1, 2019, after the winter heating season. INGAA states that implementation of a Final Rule in this proceeding will require substantial time and effort from both pipelines and their customers to alter business systems, scheduling, and coordination processes and, thus, it would be best to schedule implementation to not occur during the winter heating season.

## II. Discussion

### A. The NAESB WGQ Version 3.1 Business Practice Standards

11. The NAESB WGQ Version 3.1 Business Practice Standards made a number of modifications to the earlier version of those standards that the Commission previously incorporated by reference in 2015 in Order No. 587-W.<sup>5</sup> Notable among these modifications<sup>6</sup> were two substantive revisions concerning the Nominations Related Standards, which govern shipper requests to schedule service on natural gas pipelines. One revision adds a new provision, Standard 1.3.82, to establish a standard rounding process (requiring calculations to at least the seventh decimal place) for elapsed-prorated-scheduled quantity<sup>7</sup> calculations to provide for needed numerical uniformity and granularity for users of these NAESB procedures. The other Nominations Related Standards revision was to revise the "Service Requester" element of Standard 1.3.27,<sup>8</sup> which specifies some of the information that should be included in a nomination request, from a Mandatory designation to a Business Conditional<sup>9</sup> designation.

<sup>5</sup> Order No. 587-W, FERC Stats. & Regs. ¶ 31,373.

<sup>6</sup> An abbreviated description of these modifications is provided at PP 3-6 above.

<sup>7</sup> Standard 1.2.12 of the Nominations Related Standards defines the elapsed-prorated-scheduled quantity to mean:

That portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

<sup>8</sup> NAESB also made conforming revisions to the related data sets and documents: Standard 1.4.1 of the Nomination data set, Standard 1.4.5 of the Scheduled Quantity data set, Standard 2.4.4 of the Shipper Imbalance data set, Standard 1.4.2 of the Nomination Quick Response data set, Standard 2.4.1 of the Pre-Determined Allocation document, and Standard 2.4.3 of the Allocation document.

<sup>9</sup> Standard 1.2.2 of the Nominations Related Standards provides that a Business Conditional data

Thus, instead of forcing a specific upstream or downstream (unthreaded) nomination<sup>10</sup> to be tied to a specific contract (using a specific threaded nomination), upstream nominations may now be distributed among several contracts (using a Pathed Non-Threaded nomination structure), which generally increases flexibility to customers.

12. NAESB also adopted three minor revisions to the WGQ EDM Related Standards, which establish the framework for the electronic dissemination and communication of information between parties in the North American Wholesale Gas marketplace. First, NAESB revised Standard 4.3.80 to increase the allowable field length in ASCII Comma Separated Value Files to 3000 characters. The revision increases the amount of information that can be conveyed, but reasonably limits it in conformity with commonly used software such as Excel. Second, NAESB adopted new Standard 4.3.106 to allow checkboxes and radio buttons in the TSPs' EBBs to indicate "Yes" and/or "No" responses to data elements, which NAESB states is more convenient than the current drop down list. Third, NAESB revised its standards to update the operating systems and web browsers that entities should support to allow

element is one that is based on current variations in business practice.

<sup>10</sup> NAESB's Nomination Data Dictionary, WGQ Version 3.1, Standard 1.4.1, retains from the Version 3.0 standard the field for "Model Type Data" that identifies which of three types of nomination structures is being used. These are: Pathed, Non-Pathed, and Pathed Non-Threaded. Having these three types of model type data allows specificity as to the details of the nomination. A pathed nomination uses one nomination line item to transact business and, therefore, has one transaction type. A non-pathed nomination uses two nomination line items to transact business and, therefore, has two transaction types. A pathed non-threaded nomination uses three nomination line items to transact business and, therefore, has three transaction types.

NAESB also provides the following clarification of these concepts in the description of the technical implementation of business processes included as part of Standard 1.4.1, where NAESB explains that:

[a] "Pathed" nomination is actually a "Pathed Threaded" nomination because (1) the physical path of the pipeline locations and service contract(s) is fully described in the nomination, and (2) the logical thread of a specific supplier entity to a specific market entity at specific pipeline locations for a specific quantity is also fully described. "Non-Pathed" nominations are actually "Non-Pathed Non-Threaded" nominations because (1) physical "location-to-location" paths are not described in the nominations, and (2) no ties of specific supply entities to specific market entities are established. And for "Pathed Non-Threaded" nominations, (1) the physical path of the pipeline locations, service contract(s), and quantity is fully described, and (2) no ties of specific supply entities to specific market entities are established. See NAESB WGQ Version 3.1 Business Practice Standards, Nominations Related Standards, Standard 1.4.1, at 87 (Sep. 29, 2017).

<sup>2</sup> This series of orders began with the Commission's issuance of *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587, FERC Stats. & Regs. ¶ 31,038 (1996) (cross-referenced at 76 FERC ¶ 61,042).

<sup>3</sup> *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-W, FERC Stats. & Regs. ¶ 31,373 (2015) (Order No. 587-W) (cross-referenced at 153 FERC ¶ 61,061).

<sup>4</sup> *Standards for Business Practices of Interstate Natural Gas Pipelines*, Notice of Proposed Rulemaking, 83 FR 44521 (Aug. 31, 2018), FERC Stats. & Regs. ¶ 32,728 (2018) (Version 3.1 NOPR).

users to take advantage of recent developments in computer technology and use. Additionally, language was added to clarify the SSL/TLS protocols, which encrypt data to hide information from electronic observers on the internet. The revised standard provides guidance on the timing for adoption of a new version of SSL/TLS protocols—new versions of these protocols should be used within 9 months of the version becoming generally available. In addition, the revised standard clarifies that SSL is a colloquial term that encompasses both SSL and TLS.

13. Other changes adopted by NAESB included changes to the NAESB WGQ data sets and other technical implementation documentation, which provide the technical support necessary to use the NAESB standards effectively. One such change was to add a new Business Conditional data element “Agent” and corresponding technical implementation to the Nominations related Standard 1.4.1 and the Scheduled Quantity Standard 1.4.5. Currently, in the data sets, the Service Requester is defined as the Shipper or its Agent; however, language included in the implementation guides states that both the Shipper and Agent will be identified. Thus, this change adds a data element “Agent” to the data sets to allow the Service Requester to identify both the shipper and its agent if it uses an agent to nominate and schedule on the pipeline.

14. NAESB also adopted revisions to the Flowing Gas Related data sets and technical implementation, which address quantitative issues relating generally to allocation, imbalances, and measurement of flowing gas. Specifically, NAESB added three Business Conditional data elements to the Authorization to Post Imbalances data set (Standard 2.4.9). The addition of the three data elements will allow a Service Requester to authorize specific contracts and quantities of imbalances for specified periods of time to be posted.

15. In addition, NAESB revised the Imbalance Trade data set (Standard 2.4.11) to reinstate language providing the confirming party the ability to reject a trade in the Imbalance Trade data set when an auto-confirm agreement with a confirming party is in place. NAESB states that in its WGQ Version 2.1 publication, before the Imbalance Trading data sets were consolidated, the Imbalance Trade Confirmation contained a Yes/No indicator that the confirming party could use to indicate its acceptance or rejection of the trade. This indicator informed a pipeline whether the confirming party agreed to

the terms of the trade that the initiating trader had posted. When the data sets were consolidated, this data element was dropped because it was assumed that if a confirming party did not agree with the posted terms it would not confirm the trade, which was effective only if the pipeline did not have an auto-confirm agreement with that confirming party. Accordingly, to address situations where there are auto-confirm agreements, NAESB has now revised Standard 2.4.11 to add a new Business Conditional data element “Imbalance Trade Response” with an “Accept/Reject” code value. This Accept/Reject indicator informs the pipeline whether the confirming party agrees to the terms of the trade that the initiating trader had posted.

16. NAESB also revised Standard 2.4.6 to add two Sender’s Option data elements,<sup>11</sup> “Comments” and “Volume-Uncorrected” to the Measured Volume Audit Statement<sup>12</sup> in order to communicate raw data on volumes in addition to the final volumes, which are communicated through the existing data element “Volume Corrected.” Thus, users will now be able to indicate what initial data they received in addition to how that data was ultimately corrected, and to provide comments concerning that data, which relate to what meter was used to measure the data.

17. NAESB also adopted revisions to the Capacity Release Related data sets and technical implementation. Specifically, NAESB revised Standard 5.4.24 to add a new Business Conditional data element, “Waive Bidder Credit Indicator” and corresponding code values to the Offer data set. The additional data element indicates to a Bidder whether the Releasing Shipper will waive, pursuant to the TSP’s tariff, the Bidder’s creditworthiness pre-qualification.

18. Further, NAESB revised Standard 6.3.1 (*i.e.*, the NAESB Base Contract for Sale and Purchase of Natural Gas) to add language to the disclaimer to provide a copyright notification and direct the reader to the NAESB Copyright Policy and Companies with Access to NAESB Standards under the Copyright Policy posted on the NAESB website. Identical language was added

<sup>11</sup> Nominations Related Standard 1.2.2 provides that Sender’s Option means that this element is an option for the sender to send and, if sent, the receiver should store and use the contents of the data element.

<sup>12</sup> NAESB’s business process and practices overview of the Flowing Gas Related Standards states that the Measured Volume Audit Statement data set is used to report gas measurement information in support of the allocation, imbalance, invoice and audit processes.

to three additional NAESB WGQ Contracts.

19. Lastly, NAESB adopted modifications to the cover page of Standard 6.3.1 to add a self-identification provision that assists end users in determining whether counterparties are commercial market participants as defined by the United States Commodity Futures Trading Commission.

#### B. NAESB’s Process

20. NAESB used its consensus procedures to develop and approve the Version 3.1 Standards. As the Commission found in Order No. 587, the adoption of consensus standards is appropriate, because the consensus process helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of industry participants representing all segments of the industry. Moreover, since the industry itself must conduct business under these standards, the Commission’s regulations should reflect those standards that have the widest possible support. In section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTT&AA),<sup>13</sup> Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, as means to carry out policy objectives or activities determined by the agencies unless an agency determines that the use of such standards would be inconsistent with applicable law or otherwise impractical.

#### C. Adoption of Version 3.1 of the Standards

21. In the Version 3.1 NOPR, the Commission proposed to incorporate by reference, in its regulations, Version 3.1 of the NAESB WGQ consensus business practice standards, with the exception of NAESB’s standards specifying the terms of optional model contracts and the eTariff-related standards.<sup>14</sup> As explained above, all of the commenters supported the Commission’s proposal to incorporate by reference the NAESB WGQ Version 3.1 business practice standards as proposed in the Version 3.1 NOPR.<sup>15</sup>

22. After a review of the comments filed in response to the Version 3.1 NOPR, the Commission amends Part 284 of its regulations to incorporate by

<sup>13</sup> Public Law 104–113, 12(d), 110 Stat. 775 (1996).

<sup>14</sup> Version 3.1 NOPR, FERC Stats. & Regs. ¶ 32,728 at n.1 & P16.

<sup>15</sup> INGA’s suggestions for the implementation dates for the Final Rule are discussed separately in section III below.

reference the NAESB WGQ Version 3.1 business practice standards, with the exceptions (as explained in the Version 3.1 NOPR) of the optional model contracts and the eTariff-related standards.

#### D. Required Compliance Filings

23. To implement the standards we are incorporating by reference in this Final Rule, we will require each interstate natural gas pipeline to file a separate tariff record reflecting the changed standards by April 1, 2019, to take effect on August 1, 2019, and the natural gas pipelines will be required to comply with these standards on and after August 1, 2019.<sup>16</sup>

### III. Implementation Schedule

24. As suggested by INGAA, we have selected an implementation schedule for compliance with this Final Rule that delays implementation until after the winter heating period. We also observe that none of the comments took issue with the Commission's explanation of its policies on tariff filings and on waiver requests. Thus, we are not modifying these policies in this Final Rule and stand by the explanation of those policies we made in the Version 3.1 NOPR. The Commission will require interstate natural gas pipelines to comply with the revised NAESB standards that we are incorporating by reference in this Final Rule beginning on August 1, 2019. We are adopting this implementation schedule to give the interstate natural gas pipelines subject to these standards adequate time to implement these changes. In addition, the interstate natural gas pipelines must file tariff records to reflect the changed standards by April 1, 2019.

25. In addition, consistent with the requirements in Order No. 587-W,<sup>17</sup> the Commission is including the following compliance filing requirements to increase the transparency of the pipelines' incorporation by reference of the NAESB WGQ Standards so that shippers and the Commission will know which tariff provision(s) implements each standard as well as the status of each standard.

(1) The pipelines must designate a single tariff record under which every NAESB standard currently incorporated by reference by the Commission is

listed.<sup>18</sup> This section should be a separate tariff record under the Commission's electronic tariff filing requirement and should be filed electronically using the eTariff portal using the Type of Filing Code 580. The Commission will post on its eLibrary website (under Docket No. RM96-1-041) a sample tariff record, to provide filers an illustrative example to aid them in preparing their compliance filings;<sup>19</sup>

(2) For each standard, each pipeline must specify in the tariff record a list of all the NAESB standards currently incorporated by reference by the Commission:

(a) whether the standard is incorporated by reference;

(b) for those standards not incorporated by reference, the tariff provision that complies with the standard;<sup>20</sup> and

(c) a statement identifying any standards for which the pipeline has been granted a waiver, extension of time, or other variance with respect to compliance with the standard.<sup>21</sup>

(3) If the pipeline is requesting a continuation of an existing waiver or extension of time, it must include a table in its transmittal letter that states the standard for which a waiver or extension of time was granted, and the docket number or order citation to the proceeding in which the waiver or extension of time was granted.

### IV. Notice of Use of Voluntary Consensus Standards

26. Office of Management and Budget (OMB) Circular A-119 (section 11) (February 10, 1998) provides that federal agencies should publish a request for comment in a NOPR when the agency is seeking to issue or revise a regulation proposing to adopt a voluntary consensus standard or a government-unique standard. In this Final Rule, the Commission is amending its regulations to incorporate by reference voluntary consensus standards developed by NAESB's WGQ. In section 12(d) of NTT&AA, Congress affirmatively requires federal agencies to use technical standards developed by

voluntary consensus standards organizations to carry out policy objectives or activities determined by the agencies unless use of such standards would be inconsistent with applicable law or otherwise impractical.<sup>22</sup>

### V. Incorporation by Reference

27. The Office of the Federal Register requires agencies incorporating material by reference in final rules to discuss, in the preamble of the final rule, the ways that the materials it incorporates by reference are reasonably available to interested parties and how interested parties can obtain the materials.<sup>23</sup> The regulations also require agencies to summarize, in the preamble of the final rule, the material it incorporates by reference.

28. The NAESB standards being incorporated by reference in this Final Rule consist of seven suites of NAESB WGQ Business Practice Standards that touch on a variety of topics and are designed to streamline the transactional processes for the wholesale gas industry by promoting a more competitive and efficient market. These include the WGQ Additional Business Practice Standards; WGQ Nominations Related Business Practice Standards; WGQ Flowing Gas Related Business Practice Standards; Invoicing Related Business Practice Standards; Quadrant EDM Related Business Practice Standards; Capacity Release Related Business Practice Standards; and internet Electronic Transport Related Business Practice Standards. These can be summarized as follows.

29. *The WGQ Additional Business Practice Standards* address six areas: Creditworthiness, Storage Information, Gas/Electric Operational Communications, Operational Capacity, Unsubscribed Capacity, and Location Data Download.

- The Creditworthiness related standards describe requirements for the exchange of information, notification, and communication between parties during the creditworthiness evaluation process.

- The Storage Information related standards define the information to be provided to natural gas service requesters related to storage activities and/or balances.

- The Gas/Electric Operational Communications related standards define communication protocols intended to improve coordination

<sup>16</sup> To aid in compliance, promptly after issuance of this Final Rule, the Commission will post a sample tariff record on the Commission's website that may be accessed at <http://www.ferc.gov/docs-filing/elibrary.asp>. All interstate natural gas pipelines are to file their tariff records in conformance with this sample tariff record.

<sup>17</sup> Order No. 587-W, FERC Stats. & Regs. ¶31,373 at P 42.

<sup>18</sup> See supra n.14.

<sup>19</sup> *Id.*

<sup>20</sup> For example, pipelines are required to include the full text of the NAESB nomination and capacity release timeline standards (WGQ Standards 1.3.2(i-vi) and 5.3.2) in their tariffs. See, e.g., *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-U, FERC Stats. & Regs. ¶ 31,307, at P 39 & n.42 (2010). Each pipeline's submittal is to identify which tariff provision complies with each of these standards.

<sup>21</sup> Shippers can use the Commission's electronic tariff system to locate the tariff record containing the NAESB standards, which will indicate the docket in which any waiver or extension of time was granted.

<sup>22</sup> Public Law 104-113, 12(d), 110 Stat. 775 (1996), 15 U.S.C. 272 note (1997).

<sup>23</sup> 1 CFR 51.5. See *Incorporation by Reference*, 79 FR 66267 (Nov. 7, 2014).

between the gas and electric industries in daily operational communications between transportation service providers and gas-fired power plants. The standards include requirements for communicating anticipated power generation fuel for the upcoming day as well as any operating problems that might hinder gas-fired power plants from receiving contractual gas quantities.

- The Operational Capacity related standards define requirements of the transportation service provider related to the reporting and requesting of a transportation service provider's operational capacity, total scheduled quantity, and operationally available capacity.
- The Unsubscribed Capacity related standards define requirements of the transportation service provider related to reporting and requesting a transportation service provider's available unsubscribed capacity.
- The Location Data Download related standards define requirements for the use of codes assigned by the transportation service provider for locations and common codes for parties communicating electronically.

30. *The WGQ Nominations Related Business Practice Standards* define the process by which a natural gas service requester with a natural gas transportation contract nominates (or requests) service from a pipeline or a transportation service provider for the delivery of natural gas.

31. *The WGQ Flowing Gas Related Business Practice Standards* define the business processes related to the communication of entitlement rights of flowing gas at a location, of the entitlement rights on a contractual basis, of the management of imbalances, and of the measurement and gas quality information of the actual flow of gas.

32. *The Invoicing Related Business Practice Standards* define the process for the communication of charges for services rendered (Invoice), communication of details about funds rendered in payment for services rendered (Payment Remittance), and communication of the financial status of a customer's account (Statement of Account).

33. *The Quadrant Electronic Delivery Mechanism Related Business Practice Standards* define the framework for the electronic dissemination and communication of information between parties in the North American wholesale gas marketplace for Electronic Data Interchange (EDI)/EDM transfers, batch flat file/EDM transfers, informational

postings websites, EBB/EDM and interactive flat file/EDM.

34. *The Capacity Release Related Business Practice Standards* define the business processes for communication of information related to the selling of all or any portion of a transmission service requester's contract rights.

35. *The Internet Electronic Transport Related Business Practice Standards* define the implementation of various technologies necessary to communicate transactions and other electronic data using standard protocols for electronic commerce over the internet between trading partners.

36. Our regulations provide that copies of the NAESB standards incorporated by reference may be obtained from NAESB, whose offices are located at 801 Travis Street, Suite 1675, Houston, TX 77002, Phone: (713) 356-0060. NAESB's website can be accessed at <https://www.naesb.org/>. Copies of the NAESB standards may be inspected at the Federal Energy Regulatory Commission, Public Reference and Files Maintenance Branch, 888 First Street NE, Washington, DC 20426, Phone: (202) 502-8371, <http://www.ferc.gov>.<sup>24</sup>

37. NAESB is a private, consensus standards developer that develops voluntary wholesale and retail standards related to the energy industry. The procedures utilized by NAESB make its standards reasonably available to those affected by the Commission regulations.<sup>25</sup> Participants can join NAESB, for an annual membership cost of \$7,000, which entitles them to full participation in NAESB and enables them to obtain these standards at no additional cost.<sup>26</sup> Non-members may obtain the Individual Standards Manual or Booklet for each of the seven manuals or booklets by email for \$250 per manual or booklet, which in the case of these standards would total \$1,750.<sup>27</sup> Non-members also may obtain the complete set of Business Practice Standards on USB flash drive for \$2,000. NAESB also provides a free electronic read-only version of the standards for a three business day period or, in the case of a regulatory

comment period, through the end of the comment period.<sup>28</sup> In addition, NAESB considers requests for waivers of the charges on a case-by-case basis based on need.

## VI. Information Collection Statement

38. The collections of information for this Final Rule are being submitted to OMB for review under section 3507(d) of the Paperwork Reduction Act of 1995<sup>29</sup> and OMB's implementing regulations.<sup>30</sup> OMB must approve information collection requirements imposed by agency rules. The burden estimates for this Final Rule are for one-time implementation of the information collection requirements of this Final Rule (including tariff filing, documentation of the process and procedures, and IT work), and ongoing burden.

39. The Commission solicited comments from the public on the Commission's need for this information, whether the information will have practical utility, the accuracy of the burden estimates, recommendations to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing respondents' burden, including the use of automated information techniques. No comments were filed raising any objections to the burden estimate presented in the Version 3.1 NOPR. Accordingly, we will use that same burden estimate in this Final Rule.

40. The collections of information related to this Final Rule fall under FERC-545B (Gas Pipeline Rates: Rate Change (Non-Formal))<sup>31</sup> and FERC-549C (Standards for Business Practices of Interstate Natural Gas Pipelines).<sup>32</sup> The following estimates of reporting burden are related only to this Final Rule and include the costs to pipelines to comply with the Commission's directives in this Final Rule. The burden estimates are primarily related to start-up to implement these standards and regulations and will not result in ongoing costs.

<sup>28</sup> Procedures for non-members to evaluate work products before purchasing are available at [https://www.naesb.org/misc/NAESB\\_Nonmember\\_Evaluation.pdf](https://www.naesb.org/misc/NAESB_Nonmember_Evaluation.pdf). See *Incorporation by Reference*, 79 FR at 66271, n.51 & 53 (Nov. 7, 2014) (citing to NAESB's procedure of providing "no-cost, no-print electronic access," NAESB Comment, at 1, available at <http://www.regulations.gov/#!documentDetail;D=OFR-2013-0001-0023>).

<sup>29</sup> 44 U.S.C. 3507(d).

<sup>30</sup> 5 CFR 1320.

<sup>31</sup> FERC-545B covers rate change filings made by natural gas pipelines, including tariff changes.

<sup>32</sup> FERC-549C covers Standards for Business Practices of Interstate Natural Gas Pipelines.

<sup>24</sup> 18 CFR 284.12.

<sup>25</sup> As a private, consensus standards developer, NAESB needs the funds obtained from its membership fees and sales of its Individual Standards Manual or Booklet to finance the organization. The parties affected by these Commission regulations generally are highly sophisticated and have the means to acquire the information they need to effectively participate in Commission proceedings.

<sup>26</sup> *NAESB Membership Application*, <https://www.naesb.org/pdf4/naesbapp.pdf>.

<sup>27</sup> *NAESB Materials Order Form*, <https://www.naesb.org/pdf/ordrform.pdf>.

RM96-1-041 FINAL RULE

[Standards for business practices of interstate natural gas pipelines]

	Number of respondents <sup>33</sup>	Annual number of responses per respondent	Total number of responses	Average burden hr. per response	Total annual burden hours & total annual cost <sup>34</sup>	Annual costs per respondent (\$)
	(1)	(2)	(1) * (2) = (3)	(4)	(3) * (4) = (5)	(5) * (1)
FERC-545B (one-time) ...	165	1	165	10 hrs.; \$1,020 .....	1,650 hrs.; \$168,000	\$1,020
FERC-549C (one-time) ...	165	1	165	22 hrs.; \$2,244 .....	3,630 hrs.; \$370,260	2,244
Total .....	.....	.....	330	.....	5,280 hrs.; 538,560 ...	.....

The one-time burden (for both the FERC-545B and FERC-549C) will be averaged over three years:

FERC-545B: 1,650 hours ÷ 3 = 550 hours/year over three years

FERC-549C: 3,630 hours ÷ 3 = 1,210 hours/year over three years

The number of responses is also averaged over three years (for both the FERC-545 and FERC-549C):

FERC-545B: 165 responses ÷ 3 = 55 responses/year

FERC-549C: 165 responses ÷ 3 = 55 responses/year

The responses and burden for Years 1-3 will total respectively as follows:

Year 1: 55 responses; 550 hours (FERC-545B); 1,210 hours (FERC-549C)

Year 2: 55 responses; 550 hours (FERC-545B); 1,210 hours (FERC-549C)

Year 3: 55 responses; 550 hours (FERC-545B); 1,210 hours (FERC-549C)

41. OMB regulations require OMB to approve certain information collection requirements imposed by agency rule. The Commission is submitting notification of this Final Rule to OMB.

<sup>33</sup> The number of respondents is the number of entities in which a change in burden from the current standards to the proposed exists, not the total number of entities from the current or proposed standards that are applicable.

<sup>34</sup> The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures for May 2017 posted by the Bureau of Labor Statistics for the Utilities sector (Bureau of Labor Statistics, *May 2017 National Industry-Specific Occupational Employment and Wage Estimates* (May 2017), [http://www.bls.gov/oes/current/naics2\\_22.htm#13-0000](http://www.bls.gov/oes/current/naics2_22.htm#13-0000)) and scaled to reflect benefits using the relative importance of employer costs in employee compensation from May 2017 (Bureau of Labor Statistics, *May 2017 National Industry-Specific Occupational Employment and Wage Estimates* (May 2017), [https://www.bls.gov/oes/current/naics2\\_22.htm](https://www.bls.gov/oes/current/naics2_22.htm)). The hourly estimates for salary plus benefits are:

Computer and Information Systems Manager (Occupation Code: 11-3021), \$96.51

Electrical Engineer (Occupation Code: 17-2071), \$66.90

Legal (Occupation Code: 23-0000), \$143.68

The average hourly cost (salary plus benefits), weighting all of these skill sets evenly, is \$102.36. The Commission rounds it to \$102/hour.

These information collections are mandatory requirements.

*Title:* FERC-545B,<sup>35</sup> Gas Pipeline Rates: Rates Change (Non-Formal); FERC-549C, Standards for Business Practices of Interstate Natural Gas Pipelines.

*Action:* Proposed information collections.

*OMB Control Nos.:* TBD (FERC-545B), 1902-0174 (FERC-549C).

*Respondents:* Business or other for profit (e.g., Natural Gas Pipelines, applicable to only a few small businesses).

*Frequency of Responses:* One-time implementation (related to business procedures, capital/start-up).

*Necessity of Information:* The Commission has determined that the revisions the Commission makes in this Final Rule to its regulations specifically will upgrade the business practices and communication standards of natural gas pipelines by (1) updating the Nominations Related Standards to standardize a rounding process for the elapsed-prorated-scheduled quantity calculation, and dictate that the "Service Requester Contract" data element signify business conditional nominations, rather than mandatory nominations, (2) updating the WGQ EDM Related Standards to make three minor revisions designed to add clarity, update the minimum technical characteristics to account for changes in technology since the previous version (Version 3.0) of the WGQ standards, and update the minimum and suggested operating systems and web browsers that entities should support, and (3) revising the NAESB WGQ data sets or other technical implementation documentation while not resulting in modifications to the underlying

<sup>35</sup> In the supporting statement for the NOPR, we submitted Gas Pipeline Rates: Rate Changes (Non-Formal) under the temporary information collection FERC-545B to ensure timely submission to OMB as another unrelated item was pending OMB review under FERC-545 (and only one item per collection can be pending at OMB). FERC-545B will also be used for the Final Rule in Docket No. RM96-1-041.

business practice standards. The package of standards also includes minor corrections.

The implementation of these data requirements will provide additional transparency to informational posting websites and will improve communication standards. The implementation of these standards and regulations will promote the additional efficiency and reliability of the natural gas industries' operations thereby helping the Commission to carry out its responsibilities under the NGA. In addition, the Commission's Office of Enforcement will use the data for general industry oversight.

*Internal Review:* The Commission has reviewed the business practice standards of natural gas pipelines adopted by NAESB and has determined that the revisions the Commission makes in this Final Rule to its regulations are necessary to provide additional transparency to informational posting websites and promote the additional efficiency and reliability of the natural gas industry's operations. These requirements conform to the Commission's plan for efficient information collection, communication, and management within the natural gas pipeline industry. The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements. Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director], email: [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov), phone: (202) 502-8663, fax: (202) 273-0873.

42. Comments concerning the collection of information(s) and the associated burden estimate(s) should be sent to the contact listed above and to OMB, Office of Information and Regulatory Affairs, Washington, DC 20503 [Attention: Desk Officer for the

Federal Energy Regulatory Commission, telephone: (202) 395–0710, fax: (202) 395–4718].

## VII. Environmental Analysis

43. The Commission concludes that neither an Environmental Assessment nor an Environmental Impact Statement is required for this Final Rule under § 380.4(a) of the Commission's regulations, which provides a categorical exemption for actions that are clarifying, corrective, or procedural, or that do not substantively change the effect of legislation or regulations being amended, for information gathering, analysis, and dissemination, or for the sale, exchange, or transportation of natural gas under sections 4, 5, and 7 of the NGA that require no construction of facilities.<sup>36</sup> Therefore, an environmental review is unnecessary and has not been prepared as part of this Final Rule.

## VIII. Regulatory Flexibility Act

44. The Regulatory Flexibility Act of 1980 (RFA)<sup>37</sup> generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. The Commission is not required to make such analysis if proposed regulations would not have such an effect.

45. As we stated in the WGQ Version 3.1 NOPR, approximately 165 interstate natural gas pipelines, both large and small, are potential respondents subject to the requirements adopted by this rule. Most of the natural gas pipelines regulated by the Commission do not fall within the RFA's definition of a small entity,<sup>38</sup> which is currently defined for natural gas pipelines as a company that, in combination with its affiliates, has total annual receipts of \$27.5 million or less.<sup>39</sup> For the year 2018, only eleven companies not affiliated with larger companies had annual revenues in combination with its affiliates of \$27.5 million or less and therefore could be considered a small entity under the RFA. This represents about seven percent of the total universe of potential respondents that may have a significant burden imposed on them. The

<sup>36</sup> See 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), 380.4(a)(27).

<sup>37</sup> 5 U.S.C. 601–612.

<sup>38</sup> See 5 U.S.C. 601(3) citing section 3 of the Small Business Act (SBA), 15 U.S.C. 623. Section 3 of the SBA defines a “small-business concern” as a business which is independently owned and operated and which is not dominant in its field of operation.

<sup>39</sup> 13 CFR 121.201 (Subsector 486-Pipeline Transportation; North American Industry Classification System code 486210; Pipeline Transportation of Natural Gas) (2018). “Annual Receipts” are total income plus cost of goods sold.

Commission estimates that the one-time implementation cost of the proposals in this Final Rule is \$538,560 (or \$3,264 per entity, regardless of entity size).<sup>40</sup> The Commission does not consider the estimated \$3,264 impact per entity to be significant. Moreover, these requirements are designed to benefit all customers, including small businesses that must comply with them. Further, as noted above, adoption of consensus standards helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad spectrum of industry participants representing all segments of the industry. Because of that representation and the fact that industry conducts business under these standards, the Commission's regulations should reflect those standards that have the widest possible support.

46. Accordingly, pursuant to § 605(b) of the RFA,<sup>41</sup> the regulations being promulgated herein should not have a significant economic impact on a substantial number of small entities.

## IX. Document Availability

47. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street NE, Room 2A, Washington DC 20426.

48. From FERC's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

49. User assistance is available for eLibrary and the FERC's website during normal business hours from FERC Online Support at (202) 502–6652 (toll free at 1–866–208–3676) or email at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or the Public Reference Room at (202) 502–8371, TTY (202)502–8659. Email the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

<sup>40</sup> This number is derived by dividing the total cost figure by the number of respondents. \$538,560/165 = \$3,264.

<sup>41</sup> 5 U.S.C. 605(b).

## X. Effective Date and Congressional Notification

50. These regulations are effective February 1, 2019. The Commission has determined (with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB) that this rule is not a “major rule” as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996. This Final Rule is being submitted to the Senate, House, and Government Accountability Office.

### List of Subjects in 18 CFR Part 284

Incorporation by reference, Natural gas, Reporting and recordkeeping requirements.

By the Commission. Commissioner McIntyre is not voting on this order.

Issued: November 15, 2018.

**Nathaniel J. Davis, Sr.,**

*Deputy Secretary.*

In consideration of the foregoing, the Commission amends part 284, chapter I, title 18, *Code of Federal Regulations*, as follows:

### PART 284—CERTAIN SALES AND TRANSPORTATION OF NATURAL GAS UNDER THE NATURAL GAS POLICY ACT OF 1978 AND RELATED AUTHORITIES

■ 1. The authority citation for part 284 continues to read as follows:

**Authority:** 15 U.S.C. 717–717z, 3301–3432; 42 U.S.C. 7101–7352; 43 U.S.C. 1331–1356.

■ 2. Section 284.12 is amended by:  
 ■ a. Revising paragraph (a)(1); and  
 ■ b. Removing from paragraph (a)(2) the phrase “[http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html)” and adding “[www.archives.gov/federal\\_register/cfr/ibr-locations.html](http://www.archives.gov/federal_register/cfr/ibr-locations.html)” in its place.

The revision reads as follows:

#### § 284.12 Standards for pipeline business operations and communications.

(a) \* \* \*

(1) An interstate pipeline that transports gas under subparts B or G of this part must comply with the business practices and electronic communications standards as promulgated by the North American Energy Standards Board, as incorporated herein by reference in paragraphs (a)(1)(i) through (vii) of this section.

(i) Additional Standards (Version 3.1, September 29, 2017);

(ii) Nominations Related Standards (Version 3.1, September 29, 2017);

(iii) Flowing Gas Related Standards (Version 3.1, September 29, 2017);

(iv) Invoicing Related Standards (Version 3.1, September 29, 2017);

(v) Quadrant Electronic Delivery Mechanism Related Standards (Version 3.1, September 29, 2017);

(vi) Capacity Release Related Standards (Version 3.1, September 29, 2017); and

(vii) internet Electronic Transport Related Standards (Version 3.1, September 29, 2017).

\* \* \* \* \*

[FR Doc. 2018-26158 Filed 11-30-18; 8:45 am]

BILLING CODE 6717-01-P

## DEPARTMENT OF DEFENSE

### Department of the Navy

#### 32 CFR Part 701

[Docket ID: USN-2018-HQ-0012]

RIN 0703-AB02

#### Indexing, Public Inspection, and Federal Register Publication of Department of Navy Directives and Other Documents Affecting the Public

**AGENCY:** Department of the Navy, Department of Defense.

**ACTION:** Final rule.

**SUMMARY:** This final rule amends the CFR by removing a subpart that delineates internal responsibilities regarding indexing, public inspection, and **Federal Register** publication of Department of the Navy (DON) directives and other documents affecting the public. It has been determined that this subpart is no longer required, as the procedures outlined in it are internal to the DON.

**DATES:** This rule is effective on December 3, 2018.

**FOR FURTHER INFORMATION CONTACT:** Helena Gilbert at 703-693-9932.

**SUPPLEMENTARY INFORMATION:** It has been determined that publication of this rule in the **Federal Register** for public comment is impracticable, unnecessary, and contrary to public interest since it is based on removing policies and procedures that are solely internal to the DON. Specifically, the subpart this rule is removing prescribes internal instructions for making available for public inspection, and copying, certain classes of documents; maintaining current indexes of documents, and publishing such indexes or making them available by other means; receiving and considering petitions of members of the public for the issuance, revision, or cancellation of documents of some classes; and, distributing the

**Federal Register** for official use within the DON. These internal procedures will continue to be available at <https://doni.documentservices.dla.mil/Directives/05000%20General%20Management%20Security%20and%20Safety%20Services/05-700%20General%20External%20and%20Internal%20Relations%20Services/5720.45C.pdf>.

This rule is not significant under Executive Order (E.O.) 12866, "Regulatory Planning and Review," therefor, E.O. 13771, "Reducing Regulation and Controlling Regulatory Costs" does not apply.

#### List of Subjects in 32 CFR Part 701

Administrative practice and procedure, Freedom of Information, Privacy.

Accordingly, 32 CFR part 701 is amended as follows:

#### PART 701—AVAILABILITY OF DEPARTMENT OF THE NAVY RECORDS AND PUBLICATION OF DEPARTMENT OF THE NAVY DOCUMENTS AFFECTING THE PUBLIC

■ 1. The authority citation for part 701 continues to read as follows:

**Authority:** 5 U.S.C. 552.

#### Subpart E—[Removed and Reserved]

■ 2. Subpart E, consisting of §§ 701.61 through 701.67, is removed and reserved.

**M.S. Werner,**

*Commander, Judge Advocate General's Corps, U.S. Navy, Federal Register Liaison Officer.*

[FR Doc. 2018-26134 Filed 11-30-18; 8:45 am]

BILLING CODE 3810-FF-P

## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 100

[Docket No. USCG-2018-0540]

#### Special Local Regulation: Seminole Hard Rock Winterfest Holiday Boat Parade

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of enforcement of regulation.

**SUMMARY:** The Coast Guard will enforce a special local regulation on December 15, 2018 from 2:00 p.m. through 11:30 p.m. to provide for the safety and security of navigable waterways during

the Seminole Hard Rock Winterfest Holiday Boat Parade. During the enforcement period, all non-participant persons and vessels will be prohibited from entering, transiting, anchoring in, or remaining within the regulated area unless authorized by the Captain of the Port Miami or a designated representative. The operator of any vessel in the regulated area must comply with instructions from the Coast Guard or designated representative.

**DATES:** The regulation in 33 CFR 100.701, Table to § 100.701, Line 14 will be enforced on December 15, 2018 from 2:00 p.m. through 11:30 p.m.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about this notice of enforcement, call or email Petty Officer Mara J. Brown, Sector Miami Waterways Management Division, U.S. Coast Guard; Telephone: 305-535-4317, Email: [Mara.J.Brown@uscg.mil](mailto:Mara.J.Brown@uscg.mil).

**SUPPLEMENTARY INFORMATION:** The Coast Guard will enforce a special local regulation for the Seminole Hard Rock Winterfest Holiday Boat Parade published in 33 CFR 100.701, Table to § 100.701, Line 14 on December 15, 2018 from 2:00 p.m. through 11:30 p.m. This action is being taken to provide for the safety and security of navigable waterways during this one-day event. Our regulation for marine events within the Seventh Coast Guard District, § 100.701, specifies the location of the special local regulation for the Seminole Hard Rock Winterfest Holiday Boat Parade, which encompasses a moving buffer zone of 50 yards around the parade as it travels along the New River and Intracoastal Waterway in Ft. Lauderdale, FL. Only event sponsor designated participants and official patrol vessels will be allowed to enter the regulated area. Spectators may contact the Coast Guard Patrol Commander to request permission to pass through the regulated area. If permission is granted, spectators must pass directly through the regulated area at a safe speed without loitering.

In addition to this notice of enforcement in the **Federal Register**, the Coast Guard will inform the public through Local Notice to Mariners and marine information broadcasts at least 24 hours in advance of the enforcement of the special local regulation.

Dated: November 27, 2018.

**M.M. Dean,**

*Captain, U.S. Coast Guard, Captain of the Port Miami.*

[FR Doc. 2018-26098 Filed 11-30-18; 8:45 am]

BILLING CODE 9110-04-P