

## DEPARTMENT OF ENERGY

Federal Energy Regulatory  
Commission

## 18 CFR Part 161

[Docket No. RM98-7-000; Order No. 599]

Reporting Interstate Natural Gas  
Pipeline Marketing Affiliates on the  
Internet

Issued July 30, 1998.

AGENCY: Federal Energy Regulatory  
Commission.

ACTION: Final rule.

**SUMMARY:** The Federal Energy Regulatory Commission (Commission) is amending its Standards of Conduct regulations to require that interstate natural gas pipelines identify the names and addresses of their marketing affiliates on their web sites on the Internet and update the information within three business days of any change. Pipelines will also be required to state the dates the information was last updated.

EFFECTIVE DATE: September 11, 1998.

ADDRESSES: Federal Energy Regulatory  
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Washington, DC 20426.

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## I. Introduction

The Federal Energy Regulatory  
Commission (Commission) is amending  
its regulations in section 161.3 to  
require that interstate natural gas  
pipelines identify the names and  
addresses of their marketing affiliates on  
their web sites on the Internet. By doing  
so, the Commission will make it easier  
for the public to identify each interstate  
gas pipeline's current marketing  
affiliates. The new regulation is  
necessary to further assist the  
Commission in its oversight efforts as  
well as to permit shippers to effectively  
monitor transportation transactions  
between pipelines and their affiliated  
marketers.

## II. Background

## A. Regulatory History

The Commission, in Order Nos. 497 *et seq.*<sup>1</sup> and Order Nos. 566 *et seq.*,<sup>2</sup> established rules intended to prevent interstate natural gas pipelines from providing preferential treatment to their marketing or brokering affiliates. Specifically, the Commission adopted Standards of Conduct (codified at Part 161 of the Commission's regulations)<sup>3</sup> and reporting requirements (codified in sections 161.3(h)(2) and 250.16).<sup>4</sup>

The Standards of Conduct govern the relationships between pipelines and their marketing affiliates. In general, they provide that pipelines and their marketing affiliates must function independently of each other. Pipelines cannot favor their marketing affiliates of providing transportation services or in providing transportation information or transportation discounts not available to non-affiliates.

However, there was no requirement in the Commission's regulations for pipelines to report the names of their marketing affiliates or changes in the status of marketing affiliates as they occur through, for example, acquisitions of new affiliates, or divestitures, consolidations, or name changes of prior affiliates.

<sup>1</sup> Order No. 497, 53 FR 22139 (June 14, 1988), FERC Stats. & Regs. 1986-1990 ¶ 30,820 (188) (Order No. 497); Order No. 497-A, *order on rehearing*, 54 FR 52781 (December 22, 1989), FERC Stats. & Regs. 1986-1990 ¶ 30,868 91989; Order No. 497-B, *order extending sunset date*, 55 FR 53291 (December 28, 1990), FERC Stats. & Regs. 1986-1990 ¶ 30,908 (1990); Order No. 497-C, *order extending sunset date*, 57 FR 9 (January 2, 1992), FERC Stats. & Regs. 1991-1996 ¶ 30,934 (1991), rehearing denied, 57 FR 5815 (February 18, 1992), 58 FERC ¶ 61,139 (1992); *Tenneco Gas v. FERC* (affirmed in part and remanded in part), 969 F.2d 1187 (D.C. Cir. 1992); Order No. 497-D, *order on remand and extending sunset date*, FERC Stats. & Regs. 1991-1996 ¶ 30,958 (December 4, 1992), 57 FR 48978 (December 14, 1992); Order No. 497-E, *order on rehearing and extending sunset date*, 59 FR 243 (January 4, 1994), 65 FERC ¶ 61,381 (December 23, 1993); Order No. 497-F, *order denying rehearing and granting clarification*, 59 FR 15336 (April 1, 1994), 66 FERC ¶ 61,347 (March 24, 1994); and Order No. 497-G, *order extending sunset date*, 59 FR 32884 (June 27, 1994), FERC Stats. & Regs. 1991-1996 ¶ 30,996 (June 17, 1994).

<sup>2</sup> Standards of Conduct and Reporting Requirements for Transportation and Affiliate Transactions, Order No. 566, 59 FR 32885 (June 27, 1994), FERC Stats. & Regs. 1991-1996 ¶ 30,997 (June 17, 1994) (Order No. 566); Order No. 566-A, *order on rehearing*, 59 FR 42896 (October 20, 1994), FERC Stats. & Regs. 1991-1996 ¶ 31,002 (October 14, 1994) (Order No. 566-A); Order No. 566-B, *Order on rehearing*, 59 FR 65707 (December 21, 1994), 69 FERC ¶ 61,334 (December 14, 1994).

<sup>3</sup> 18 CFR 161.3 (1998).

<sup>4</sup> 18 CFR 161.3(h)(2) and 250.16 (1998).

*B. The NOPR*

The May 13, 1998 Notice of Proposed Rulemaking (NOPR)<sup>5</sup> proposed to add section 161.3(l), which would require pipelines to post on their web sites on the Internet, the names and addresses of their marketing affiliates and to update this information within three business days of any change. A pipeline would also be required to state the date the information was last updated.

The NOPR stated that the proposed new regulation was necessary to further assist the Commission's oversight efforts as well as to enable the public to monitor pipeline-affiliate transactions. Marketing affiliations change rapidly in today's business climate. It is important for the public and the Commission to have a current picture of the pipelines' marketing affiliates to determine if pipelines are complying with the regulatory requirements.

The NOPR further stated that posting marketing affiliates' names and addresses on a pipeline's web site on the Internet would minimize the burden on pipelines and the Commission's administrative resources. The NOPR concluded that the burden on pipelines would be slight, as pipelines are already required to have web sites under Order No. 587-C and would only have to add the affiliate information.

*C. Federal Register Notice and Comments*

The NOPR was published in the **Federal Register** on May 19, 1998,<sup>6</sup> with comments due on or before June 19, 1998. The Commission received seven comments, which are discussed below. The commenters are: Shell Gas Pipeline Company (Shell); Michigan Gas Storage Company (MGSC); Williston Basin Interstate Pipeline Company (Williston); Great Lakes Gas Transmission Limited Partnership (Great Lakes); Public Utilities Commission of Ohio (PUCO); the Interstate Natural Gas Association of America (INGAA); and the Enron Interstate Pipelines (Enron).

**III. Discussion***A. Scope of the Rule*

## 1. Comments

Shell states that, because the NOPR proposes an amendment to Part 161 of the Commission's regulations, the rule should be "applicable only for pipelines and marketing affiliates to which this Part applies, as specified by section 161.1." Specifically, Shell asks for clarification that the rule would not apply to interstate gas pipelines that do

not engage in transportation transactions with their marketing affiliates.

Great Lakes comments that requiring a pipeline to list marketing affiliates that it does not conduct business with places an unnecessary burden on the pipeline to monitor the actions of its parents and subsidiaries, and adds to the burden on the Commission and on non-affiliated shippers to monitor companies that may never conduct transactions with the pipeline subject to Commission oversight.

## 2. Commission Ruling

Section 161.1 of the Commission's regulations, 18 CFR 161.1 (1998), limits the applicability of the standards of conduct to any pipeline that has transportation transactions with its marketing or brokering affiliate.<sup>7</sup> The new Standard of Conduct is only applicable to interstate natural gas pipelines that meet the criteria of section 161.1. Thus, the posting requirements would not apply to interstate natural gas pipelines that do not have transportation transactions with their marketing affiliates. Nor does the name and address of a marketing affiliate have to be posted unless the marketing affiliate has transportation transactions on the affiliated pipeline. We note that a marketing affiliate need not be a shipper to have a transportation transaction with its affiliated pipeline.<sup>8</sup>

*B. Posting Requirements*

All of the commenters either supported or did not oppose the requirements that interstate natural gas pipelines identify the names and addresses of their marketing affiliates on their web sites and update the information.

Enron states that the posting requirement provides an excellent opportunity to update the Commission's regulations to take advantage of advances in information technology.

PUCO states that it believes that the proposed rule will assist Commission oversight efforts to ensure that pipelines adhere to the standards of conduct. It further comments that the posting requirement will ensure the availability of timely information, which is important in today's environment of increasing and numerous acquisitions

and mergers. PUCO states that requiring the disclosure of affiliated marketer information on each pipeline's web site will not impose a significant additional burden on the pipeline, as the Commission has previously required that each pipeline post information on a web site. Finally, PUCO states that the availability of the names and addresses of pipeline marketing affiliates will be important to its staff for obtaining necessary and timely information.

Great Lakes states that it supports the Commission's effort to utilize Internet technology to provide timely and relevant information in a convenient way.

*C. Timing of Postings*

## 1. Comments

Several commenters opposed the proposal to update postings of the names and addresses of marketing affiliates within three business days of a change in the information. Williston commented that it did not oppose the three business day deadline, but would be opposed to a shorter period.

Enron and MGSC raised specific concerns that a three day period for updates would be burdensome.<sup>9</sup> Enron contends that a three day reporting deadline will add a burden on pipeline staff and resources without providing any additional protection against discrimination. Enron states that the Commission does not fully appreciate the resources that would be required for companies like Enron to identify and post name changes within three days. It states that most energy companies today are diverse organizations with affiliates engaged in many different enterprises. By way of example, Enron states that in 1997 its corporate family had 109 incorporations, 101 acquisitions, 43 name changes and six dissolutions, and that the majority of the companies involved are not marketing affiliates.

Enron contends that, to ensure compliance with the proposed rule, pipelines must make a daily review of a complete roster of affiliates, and that jointly-owned or partnership pipelines have the additional task of reviewing records of both operating and non-operating companies or partners. Enron states that only by reviewing a comprehensive affiliate list, together with information on whether an affiliate buys or sells or transports gas on the affiliated pipeline, can a pipeline determine if a change must be posted.

MGSC comments that no showing has been made in the NOPR that the posting

<sup>7</sup> Section 161.1 identifies transportation under Part 157, Subpart A (Natural Gas Act certificate) and Part 284, Subparts B (Natural Gas Policy Act) or G (blanket certificate under the Natural Gas Act).

<sup>8</sup> See Order No. 566, FERC Stats. & Regs. 1991-1996 at 31,068-69 and Order No. 566-A, FERC Stats. & Regs. 1991-1996 at 31,126. For example, a marketing affiliate may act as an agent in a transaction by arranging for gas supplies and/or transportation for a shipper on the related pipeline.

<sup>9</sup> In their comments, Enron, MGSC and Great Lakes referred to the update period as three days, not three business days as stated in the NOPR.

<sup>5</sup> 83 FERC ¶ 61,146 (1998).

<sup>6</sup> 63 Fed. Reg. 27526 (May 19, 1998).

needs to be made as quickly as three days or 24 hours.<sup>10</sup> MGSC states that pipelines do not have contemporaneous knowledge of their marketing affiliates' business activities.

MGSC further comments that "marketing affiliates," as defined in section 161.2(a) of the Commission's regulations, can be distantly related to a pipeline.<sup>11</sup> MGSC states that its first marketing affiliate was a partnership, a partner of which is a subsidiary of MGSC's parent. MGSC states that its parent has one representative on the management committee of the partnership, which is primarily engaged in generating electricity. MGSC asserts that it is not in a position to post or know of changes in the affiliate's activities and status on a day-to-day basis.

Both Enron and MGSC contend that a three-day update requirement would lead to greater communications between pipelines and their marketing affiliates. Enron states that the imposition of a 24-hour or three-day update requirement would necessitate increased day-to-day communications between the pipeline and the affiliate. MGSC states that, under the proposed posting requirements, pipelines would be required to keep closer contact with their marketing affiliates' plans and activities. MGSC contends that this would be inconsistent with the prohibitions against inappropriate entanglements between pipelines and marketing affiliates.

INGAA proposes an alternative to the NOPR's three business day update requirement, which was supported in the comments by Enron and Great Lakes. INGAA proposes that pipelines report changes in marketing affiliate names and addresses contemporaneously with any new transportation transactions or discounts with their marketing affiliates. Citing language from Order No. 497, INGAA argues that if a marketing affiliate has no transactions on its affiliated pipeline, then there is no possibility for abuse.<sup>12</sup>

Enron contends that INGAA's suggestion that pipelines post names contemporaneously with discounts or new transactions meets the objective to protect against discrimination without

requiring a lot of time searching corporate records. Enron further argues that, unless the pipeline enters into a new transaction or discount, the pipeline has no immediate reason to know or anticipate affiliate name changes.

Great Lakes supports INGAA's comments and states that the Commission's goal to enable it and nonaffiliated shippers to efficiently monitor pipeline-affiliate transactions can be achieved by more limited requirements than those described in the NOPR. Great Lakes suggests that pipelines should report marketing affiliate names and addresses contemporaneously with any regulated transaction that the affiliate conducts with the pipeline.

Enron, Great Lakes and MGSC also suggested alternative time periods for updating changes in the names and addresses of marketing affiliates. Enron asks that, if the Commission does not accept INGAA's proposal, it adopt a 30-day deadline to update marketing affiliate names. Great Lakes proposes that a pipeline should be responsible for updating its posting of the names and addresses of its marketing affiliates only after it has become aware of changes, regardless of the actual effective dates of the changes. MGSC asserts that, because marketing affiliates are customers of the pipelines, pipelines will learn of their affiliates' changes in names and addresses in the ordinary course of business. MGSC contends that the NOPR did not present any reason for needing, or even wanting, such status changes posted on a more expedited basis.

Finally, two commenters, Enron and Williston, specifically addressed the 24-hour update deadline proposed in the concurrence to the NOPR. Enron contends that the examples in the concurrence of 24-hour reporting deadlines are not comparable to the updates proposed in the NOPR. Enron contends that the 24-hour deadlines for electric utilities to report emergency deviations on the OASIS and for hydroelectric power licensees to report deviations from state water quality standards involve exception-based reporting. In contrast, Enron states that keeping track of changes to marketing affiliates would require a continuous review of corporate organizational records. Enron further states that the 24-hour posting deadline for discounts comports with INGAA's suggestion to post name changes concurrently with posting discounts to the marketing affiliate.

Williston states that requiring updates within a shorter time frame than three

business days would increase the administrative burden associated with monitoring affiliate names and addresses and create havoc if changes were received on short notice and the necessary administrative personnel to post such information were unavailable. Williston states that employees are not informed instantaneously of companies that the pipeline has purchased. It asserts that closings take place before the information is disseminated to pipeline employees, making it difficult to ensure that the marketing affiliate information is accurate in less than three business days. Williston contends that the three business day requirement for posting changes to marketing affiliate names and addresses affords the Commission and the public adequate notice of any changes without causing the problems that would be associated with a shorter time frame.

## 2. Commission Ruling

The Commission is retaining the three business day time period after a change occurs in which a pipeline must update the names and addresses of its marketing affiliates.

As discussed earlier, a pipeline must only post and update the names and addresses of marketing affiliates that are involved in transportation transactions on its pipeline facilities. Such transactions are subject to the marketing affiliate rules. Consequently, it is important that the pipeline, the marketing affiliate, the Commission and the public know of the affiliate relationship when such transactions occur. Pipelines have an obligation to have up-to-date information on the identities of their marketing affiliates, and to communicate that information to their employees, to enable the employees to observe the marketing affiliate rules. For example, under section 161.3(f), to the extent a pipeline provides to a marketing affiliate information related to the transportation of natural gas, it must provide that information contemporaneously to all potential shippers, affiliated and non-affiliated, on its system.<sup>13</sup> Pipeline employees must know the identities of relevant marketing affiliates to comply with that rule.

We believe that three business days is a sufficient and reasonable period of time in which to provide the Commission and non-affiliated shippers with a meaningful and timely opportunity to monitor pipelines' compliance with the marketing affiliate rules. As Enron points out, the pace of markets today is brisk. As a result,

<sup>10</sup> In a concurring opinion to the NOPR, Commissioner Massey advocated a 24-hour period after a change occurs as a deadline for posting updated information.

<sup>11</sup> Section 161.2(a) of the Commission's regulations states that "affiliate," when used in reference to any person in Part 161 or section 250.16, means another person which controls, is controlled by, or is under common control with, such person. 18 CFR 161.2(a) (1998).

<sup>12</sup> Order No. 497, FERC Stats. & Regs. 1998-1999 at 31,131.

<sup>13</sup> 18 CFR 161.3(f) (1998).

unduly discriminatory actions must be corrected quickly if the correction is to be meaningful. A deadline of three business days to update changes in the names and addresses of marketing affiliates should provide enough time for pipelines to obtain information about changes and to update their web sites.

Williston does not object to the three business day requirement.<sup>14</sup> Only Enron and MGSC raised specific arguments that three business days is an inadequate period of time in which to update changes in the names and addresses of marketing affiliates.<sup>15</sup> Enron argues that it would have to conduct a daily review of all of its corporate affiliations because of the numerous changes that occur. However, because pipelines must post only the names and addresses of marketing affiliates that have transportation transactions with their affiliated pipelines, Enron should not have to conduct an involved search to comply with this Final Rule. Moreover, because pipelines are already required to know the identities of their marketing affiliates so that they can comply with the preexisting Standards of Conduct, we are unpersuaded that the difficulty cited by MGSC concerning locating marketing affiliates associated with a partnership is a legitimate reason for requiring a longer update period than three business days.

None of the alternative proposals made by the commenters would further the purpose of enabling the Commission and non-affiliated shippers to monitor transactions between a pipeline and its marketing affiliates in a timely manner. INGAA proposed that a pipeline report changes in a marketing affiliate's name or addresses contemporaneously with any new transportation transaction or new discount with the marketing affiliate. However, INGAA's proposal is inadequate for monitoring all types of conduct covered by the Standards of Conduct in Part 161 because it excludes existing transactions involving newly acquired or renamed affiliates. For example, section 161.3(c) prohibits preferences to affiliates in scheduling, balancing and curtailments, all matters that apply to existing transactions. Further, pipelines that have existing

transportation agreements with marketing affiliates may not disclose non-affiliated shipper information covered by section 161.3(e) or selectively disclose transportation information under section 161.3(f). Accordingly, INGAA's proposal would leave an information gap because marketing affiliates in existing transactions would not be covered.

We also reject the alternate posting time periods proposed by MGSC, Great Lakes and Enron. Choosing an amorphous standard such as when a pipeline learns of the change in the ordinary course of business, as suggested by MGSC and Great Lakes, or a 30-day deadline, as proposed by Enron, would defeat the purpose of making up-to-date information concerning pipelines' transactions with their marketing affiliates publicly available.

Finally, we are unconvinced that, as suggested by Enron and MGSC, keeping track of changes in the names and addresses of marketing affiliates is inconsistent with the principles of separation between pipelines and their marketing affiliates. The Standards of Conduct do not prohibit transactions between a pipeline and its marketing affiliates but place restrictions on those transactions to prevent pipelines from providing undue preferences to their affiliates. To ensure compliance with the marketing affiliate regulations, pipelines must be aware of newly acquired marketing affiliates and changes in status of preexisting marketing affiliates.

In conclusion, we find that three business days is an adequate and reasonable amount of time for a pipeline to update on its web site changes in the names and addresses of its marketing affiliates.

#### *D. Effect on Other Regulatory Requirements*

INGAA asks that the Commission relieve pipelines from the "redundant" requirement to update their tariffs to reflect marketing affiliate name and address changes. However, there was no prior requirement in the Commission's regulations that pipelines report the names and addresses of their marketing affiliates in their tariffs.

There is a requirement, in section 250.16, that pipelines include in tariff provisions a complete list of operating personnel and facilities shared by the pipeline and its marketing affiliates, and the procedures used to address and resolve complaints by shippers and potential shippers. 18 CFR 250.16 (1998). This Final Rule does not

duplicate the requirements of section 250.16 and is not redundant.

Great Lakes asks that the Commission eliminate the requirement that pipelines list all of their affiliated entities, including marketing affiliates, in their annual Form 2 filings. Great Lakes argues that the annual data in the Form 2 does not keep abreast of changes in affiliate status and does not distinguish marketing or brokering affiliates.

We reject Great Lakes's request. The purpose of the Form 2 is to provide adequate financial and statistical data on an annual basis to allow the Commission, other government agencies and the public to adequately assess a pipeline's operations and financial condition. To this end, the requirement to list affiliates in the Form 2 includes all affiliates, not just marketing affiliates. The Form 2 data serve a valid purpose that the information required by this Final Rule does not duplicate.

#### *E. Waivers*

The NOPR did not address waivers of the requirements that a pipeline post and update the names and addresses of its marketing affiliates on its web site. At the time the Commission issued the NOPR, it had not granted waivers of the GISB web site requirements of Order No. 587, *et seq.*,<sup>16</sup> that extended beyond June 1, 1998. However, the Commission recently granted several waivers extending beyond that date, including waivers to pipelines that have filed Standards of Conduct.<sup>17</sup>

No commenter raised the waiver issue. Nevertheless, we do not want to force pipelines that received waivers of the Order No. 587 requirements to have to seek additional waivers of the requirements of this Final Rule. All of the pipelines with a waiver of the Order No. 587 requirements for posting information on a web site use either an electronic bulletin board (EBB) or some

<sup>14</sup> Because the Commission is retaining the three business day update period from the NOPR, we need not address Williston's and Enron's comments concerning an update period of less than three business days.

<sup>15</sup> Great Lakes generally argued that it is not in a position to ensure its compliance with the requirement, but did not provide details. INGAA provided an alternative proposal, but did not address why it believed that the three business day requirement would be inadequate.

<sup>16</sup> Standards For Business Practices Of Interstate Natural Gas Pipelines, Order No. 587, 61 FR 39053 (Jul. 26, 1996), III FERC Stats. & Regs. Regulations Preambles ¶ 31,038 (Jul. 17, 1996); Order No. 587-B, 62 FR 5521 (Feb. 6, 1997), III FERC Stats. & Regs. Regulations Preambles ¶ 31,046 (Jan. 30, 1997); Order No. 587-C, 62 FR 10684 (Mar. 10, 1997), III FERC Stats. & Regs. Regulations Preambles ¶ 31,050 (Mar. 4, 1997); Order No. 587-D, *order denying rehearing*, 62 FR 19921 (Apr. 24, 1997), III FERC Stats. & Regs. Regulations Preambles ¶ 31,052 (Apr. 18, 1997); Order No. 587-E, *order denying rehearing and request for waiver*, 62 FR 25842 (May 12, 1997), III FERC Stats. & Regs. Regulations Preambles ¶ 31,053 (May 6, 1997); Order No. 587-G, 63 FR 20072 (April 23, 1998), III FERC Stats. & Regs. Regulations Preambles ¶ 31,062 (April 16, 1998); and Order No. 587-H, 63 FR 39509 (July 23, 1998), III FERC Stats. & Regs. Regulations Preambles ¶ 31,063 (July 15, 1998).

<sup>17</sup> *E.g.*, KO Transmission Company (Docket No. RP98-200-000), Midcoast Interstate Transmission Company (Docket No. RP97-278-000).

other means approved by the Commission to comply with other Standard of Conduct requirements (e.g., section 161.3(h)).<sup>18</sup> Such pipelines can comply with the requirements of this Final Rule during the waiver period by identifying the names and addresses of their marketing affiliates on their EBBs, or if the Commission has granted the pipeline a waiver of the EBB requirements, through the facility approved by the Commission in lieu of an EBB.

#### IV. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act of 1980 (RFA)<sup>19</sup> generally requires a description and analysis of rules that will have significant economic impact on a substantial number of small entities. In the NOPR, the Commission concluded that the proposed rule would benefit small entities by making it easier for small customers to monitor pipelines' transactions with their marketing affiliates. No comments were submitted alleging any significant economic effect on small entities. Accordingly, pursuant to section 605(b) of the RFA, the Commission hereby certifies that the regulations proposed herein will not have a significant adverse impact on a substantial number of small entities.

#### V. Environmental Analysis

The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.<sup>20</sup> The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.<sup>21</sup> This Final Rule falls within the categorical exclusion which specifies that information gathering, analysis, and dissemination are not major federal actions that have a significant effect on the human environment.<sup>22</sup> The Final Rule also falls under the categorical exclusion for rules concerning the sale, exchange, and transportation of natural gas that

requires no construction of facilities.<sup>23</sup> Thus, neither an environmental impact statement nor an environmental assessment is required.

#### VI. Information Collection Statement and Reporting Requirements

The OMB regulations require OMB to approve certain reporting and record keeping (collections of information) imposed by agency rule.<sup>24</sup> OMB has approved the NOPR without comment. The Final Rule will affect one existing data collection, FERC-592.

Respondents subject to the filing requirements of this Final Rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number.

*Title:* FERC-592, Marketing Affiliates of Interstate Pipelines.

*Action:* Proposed Data Collection, OMB Control No. 1902-0157.

*Respondents:* Interstate natural gas pipelines (Business or other for-profit, including small businesses).

*Frequency of Responses:* On Occasion.

*Necessity of Information:* The Final Rule revises the filing requirements contained in 18 CFR Part 161.3 for Standards of Conduct for interstate natural gas pipelines. The pipelines are being required to identify the names and addresses of their marketing affiliates on their web sites on the Internet. The new requirements are necessary for the Commission's oversight activities and for the public to be able to monitor pipeline-affiliate transactions. This additional information provides the Commission and the public with current information on marketing affiliates to make a determination that pipelines are in compliance with regulatory requirements.

The Commission received seven comments on its NOPR but none on its reporting or cost estimates. The Commission's responses to the comments are addressed in Part III of this Final Rule. The Commission is submitting a copy of this Final Rule to OMB for information purposes because the Final Rule is not significantly different from the NOPR.

Interested persons may obtain information on the reporting requirements by contacting the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426 [Attention: Michael Miller, Office of the Chief Information Officer, (202) 208-

1415 or send comments to the Office of Management and Budget, Office of Information and Regulatory Affairs (OIRA) (Attention: Desk Officer for the Federal Energy Regulatory Commission (202) 395-3087, fax: (202) 395-7285).]

#### VII. Effective Date and Congressional Notification

This Final Rule will take effect on September 11, 1998. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget, that this rule is not a "major rule" within the meaning of section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996.<sup>25</sup> The Commission will submit the rule to both houses of Congress and the Comptroller General prior to its publication in the **Federal Register**.

#### List of Subjects in 18 CFR Part 161

Natural gas, Reporting and recordkeeping requirements.

By the Commission.

**David P. Boergers,**  
*Acting Secretary.*

In consideration of the foregoing, the Commission amends Part 161, Chapter I, Title 18 of the *Code of Federal Regulations*, as set forth below.

#### PART 161—STANDARDS OF CONDUCT FOR INTERSTATE PIPELINES WITH MARKETING AFFILIATES

1. The authority citation for Part 161 continues to read as follows:

**Authority:** 15 U.S.C. 717-717w, 3301-3432; 42 U.S.C. 7101-7352.

2. In § 161.3, paragraph (l) is added to read as follows:

##### § 161.3 Standards of Conduct.

\* \* \* \* \*

(l) A pipeline must post the names and addresses of its marketing affiliates on its web site on the public Internet and update the information within three business days of any change. A pipeline must also state the date the information was last updated. Postings must conform with the requirements of § 284.10 of this chapter.

[FR Doc. 98-21573 Filed 8-11-98; 8:45 am]

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<sup>18</sup> For example, the Commission approved KO Transmission Company's use of a telephone recorded message instead of an EBB. KO Transmission Company, 74 FERC ¶ 61,101 at 61,311 (1996).

<sup>19</sup> 5 U.S.C. 601-612 (1996).

<sup>20</sup> Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), FERC Statutes and Regulations, Regulations Preambles 1986-1990 ¶ 30,783 (1987).

<sup>21</sup> 18 CFR 380.4 (1998).

<sup>22</sup> 18 CFR 380.4(a)(5) (1998).

<sup>23</sup> 18 CFR 380.4(a)(27) (1998).

<sup>24</sup> 5 CFR 1320.11 (1998).

<sup>25</sup> 5 U.S.C. 804(2).