

requirements are necessary to meet the statutory provisions of the Energy Policy Act of 2005. These requirements conform to the Commission's plan for efficient information collection, communication and management within the energy industry. The Commission has assured itself, by means of internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

76. Interested persons may obtain information on the reporting requirements by contacting: Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426 [Attention: Michael Miller, Office of the Executive Director, Phone: (202) 502-8415, fax: (202) 273-0873, e-mail: [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov)]. Comments on the requirements of the proposed rule may also be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission], e-mail: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov). Please reference OMB Control No. 1902-0244 and the docket number of this proposed rulemaking in your submission.

#### V. Environmental Analysis

77. 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>86</sup> The actions proposed here fall within the categorical exclusion in the Commission's regulations for rules that are clarifying, corrective or procedural, for information gathering, analysis, and dissemination.<sup>87</sup> Accordingly, neither an environmental impact statement nor environmental assessment is required.

#### VI. Regulatory Flexibility Act Analysis

78. The Regulatory Flexibility Act of 1980 (RFA)<sup>88</sup> generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. Most of the entities, *i.e.*, reliability coordinators, transmission operators, and balancing authorities, to which the requirements of this rule would apply do not fall within the definition of small entities.<sup>89</sup> Moreover,

<sup>86</sup> Order No. 486, *Regulations Implementing the National Environmental Policy Act*, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. ¶ 30,783 (1987).

<sup>87</sup> 18 CFR 380.4(a)(5) (2009).

<sup>88</sup> 5 U.S.C. 601-12 (2006).

<sup>89</sup> The RFA definition of "small entity" refers to the definition provided in the Small Business Act (SBA), which defines a "small business concern" as

the proposed Reliability Standards reflect a continuation of existing training requirements for transmission operators and balancing authorities and are "new" only with respect to reliability coordinators.

79. As indicated above, based on available information regarding NERC's compliance registry, approximately seven entities will be responsible for compliance with proposed Reliability Standards PER-004-2 and PER-005-1 that were not already subject to the existing Reliability Standards comprising the same base training requirements as contained in the new Reliability Standards. The Commission does not consider this a substantial number. Further, few if any of the seven reliability coordinators are small entities. Based on the foregoing, the Commission certifies that this Rule will not have a significant impact on a substantial number of small entities. Accordingly, no regulatory flexibility analysis is required.

#### VII. Comment Procedures

80. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due August 23, 2010. Comments must refer to Docket No. RM09-25-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

81. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's Web site at <http://www.ferc.gov>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

82. Commenters that are not able to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE., Washington, DC 20426.

83. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document

a business that is independently owned and operated and that is not dominant in its field of operation. See 15 U.S.C. 632. According to the SBA, a small electric utility is defined as one that has a total electric output of less than four million MWh in the preceding year.

Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

#### VIII. Document Availability

84. 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 p.m. Eastern time) at 888 First Street, NE., Room 2A, Washington, DC 20426.

85. 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.

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

By direction of the Commission.

**Kimberly D. Bose,**  
*Secretary.*

[FR Doc. 2010-15148 Filed 6-22-10; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

#### 18 CFR Part 260

[Docket No. RM07-9-003]

#### Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines

June 17, 2010.

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

**ACTION:** Notice of Proposed Rulemaking.

**SUMMARY:** In this Notice of Proposed Rulemaking, the Federal Energy Regulatory Commission proposes to revise certain financial reporting forms required to be filed by natural gas companies (FERC Form Nos. 2, 2-A,

and 3–Q) to include functionalized fuel data on pages 521a through 521d of those forms, and to include on those forms the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement. We also propose to revise page 520 accordingly.

**DATES:** Comments are due August 23, 2010.

**ADDRESSES:** You may submit comments, identified by Docket No. RM07–9–003, by any of the following methods:

- *Agency Web Site:* <http://www.ferc.gov>. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.

- *Mail/Hand Delivery:* Commenters unable to file comments electronically must mail or hand deliver an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street, NE., Washington, DC 20426.

**FOR FURTHER INFORMATION CONTACT:**

Brian Holmes (Technical Information), Office of Enforcement, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, Telephone: (202) 502–6008, E-mail: [brian.holmes@ferc.gov](mailto:brian.holmes@ferc.gov).

Robert Sheldon (Technical Information), Office of Energy Market Regulation, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, Telephone: (202) 502–8672, E-mail: [robert.sheldon@ferc.gov](mailto:robert.sheldon@ferc.gov).

Gary D. Cohen (Legal Information), Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, Telephone: (202) 502–8321, E-mail: [gary.cohen@ferc.gov](mailto:gary.cohen@ferc.gov).

**SUPPLEMENTARY INFORMATION:**

**Notice of Proposed Rulemaking**

1. In response to a court remand<sup>1</sup> of Order Nos. 710 and 710–A,<sup>2</sup> the Commission is granting a motion by the American Gas Association (AGA) requesting that the Commission issue a Notice of Proposed Rulemaking (Notice) proposing that the Commission revise FERC Form Nos. 2, 2–A, and 3–Q, to include functionalized fuel data on pages 521a through 521d of those forms, and to include on such forms the amount of fuel waived, discounted or reduced as part of a negotiated rate

agreement. We also propose to revise page 520 accordingly.

**I. Background**

2. In Order No. 710, the Commission revised its financial forms, statements, and reports for natural gas companies, contained in FERC Form Nos. 2, 2–A, and 3–Q to make the information reported in these forms more useful by updating them to reflect current market and cost information relevant to interstate natural gas pipelines and their customers.

3. Among the changes required by the Final Rule, the Commission adopted new schedules for Forms 2, 2–A, and 3–Q<sup>3</sup> and added page 520 (Gas Account–Natural Gas) to Form 3–Q<sup>4</sup> to report, in greater detail, the acquisition and disposition of shipper-supplied gas.<sup>5</sup> Order No. 710 requires pipelines to report: (1) The difference between the volume of gas received from shippers and the volume consumed in pipeline operations each month; (2) the disposition of any excess gas and the accounting recognition given to such disposition, including the basis of valuing the gas and the specific accounts charged or credited; and (3) the source of the gas used to meet any deficiency.<sup>6</sup> AGA expressed support for these additions to the forms, but argued that greater clarity could be achieved if the Commission “requires the information to be broken out by function (e.g., transportation, storage, gathering, etc.) and to include, by function, the amount of fuel that has been waived, discounted or reduced as part of a negotiated rate agreement.”<sup>7</sup>

4. In response to AGA’s arguments, the Commission found that the information that AGA requested to be broken out by function (e.g., transportation, storage, gathering, etc.) is available in Form 2 at page 520.<sup>8</sup> The Commission explained that on page 520 (Gas Account), pipelines are required to provide detailed information regarding gas received and delivered by the

<sup>3</sup> This new schedule reports: (1) the difference between the volume of gas received from shippers and the volume of gas consumed in pipeline operations each month; (2) the disposition of any excess and the accounting recognition given to such disposition, including the basis of valuing the gas and the specific accounts charged or credited; and (3) the source of gas used to meet any deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.

<sup>4</sup> Page 520 was added to provide more timely reporting of the quantity of natural gas received and delivered by the pipeline.

<sup>5</sup> Order No. 710, P 13.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* P 15.

<sup>8</sup> Order No. 710, P 16.

pipeline, identified by function and account number.<sup>9</sup>

5. On rehearing, AGA argued, among other matters, that the fuel data would be more useful if such data were broken out by different pipeline functions, including transportation, storage, gathering, and exploration/production, and should include, by function, the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.

6. In Order No. 710–A, the Commission addressed the various requests for rehearing and clarification of Order No. 710, including AGA’s, and denied AGA’s request to add additional detail to the fuel costs reported at pages 521a and 521b on the basis that some of the information sought by AGA, *i.e.*, certain data broken out by function, are already available on page 520 of Form Nos. 2 and 2–A and because Order No. 710 also added page 520 to Form No. 3–Q.<sup>10</sup> The Commission found that, while the detail sought by AGA might provide additional clarity with respect to fuel costs, the Commission did not believe its exclusion would preclude the Commission’s or customers’ ability to assess the justness and reasonableness of pipeline rates.<sup>11</sup> The Commission also denied AGA’s request that pipelines provide information regarding the amount of fuel that a pipeline has waived, discounted or reduced as part of a negotiated rate agreement, deeming such information unnecessary and burdensome.<sup>12</sup> Chairman (then Commissioner) Wellinghoff issued a partial dissent arguing that AGA’s proposals should have been adopted.<sup>13</sup>

7. Subsequently, AGA filed a petition for review in the United States Court of Appeals for the District of Columbia Circuit arguing that the Commission erred by not addressing the concerns raised by Chairman Wellinghoff in his partial dissent to Order No. 710–A. The court agreed and remanded the matter back to the Commission for further proceedings.<sup>14</sup>

8. Following the court’s remand, AGA filed a motion requesting that the Commission issue a Notice proposing revisions to FERC Form Nos. 2, 2–A, and 3–Q, to add additional details as initially proposed by AGA in the rulemaking proceeding. Comments in support of AGA’s motion were filed by Kansas Corporation Commission and by

<sup>9</sup> *Id.*

<sup>10</sup> Order No. 710–A, P 9–11.

<sup>11</sup> *Id.* P 10.

<sup>12</sup> *Id.* P 11.

<sup>13</sup> *Id.* at 62,708–9.

<sup>14</sup> 593 F.3d at 21.

<sup>1</sup> *American Gas Association v. FERC*, 593 F.3d 14 (D.C. Cir. 2010).

<sup>2</sup> *Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines*, Order No. 710, FERC Stats. & Regs. ¶ 31,267 (2008), *order on reh’g and clarification*, Order No. 710–A, 123 FERC ¶ 61,278 (2008).

Independent Oil & Gas Association of West Virginia, Inc.

## II. Discussion

9. In this Notice, the Commission addresses the concerns raised by AGA in its motion. In Order No. 710–A, the Commission found that the detail sought by AGA might provide additional clarity with respect to fuel costs, but decided, nonetheless, not to require the reporting of this information, based on concerns over the burden associated with compliance with such a requirement.<sup>15</sup> The Commission also declined to accept AGA's proposal regarding reporting details about the amount of fuel that a pipeline has waived, discounted or reduced as part of a negotiated rate agreement, based on concerns that this information might not be significant and might not be readily available, as many pipelines do not periodically file to adjust fuel rates and may not keep records of this type of information.<sup>16</sup>

10. The court ruled that the Commission's earlier findings did not discuss AGA's argument that pages 520 and 521 of the forms work in tandem and unless the information provided on pages 521a and 521b is broken out by function, a shipper cannot match the revenues generated by the sale of excess fuel with the functionalized costs reported on page 520. Thus, our preliminary view is that the additional information proposed to be reported on pages 521a and 521b will allow the user to determine if there is a cross-subsidy, which is critical to assessing the justness and reasonableness of the pipeline's fuel rates.<sup>17</sup>

11. Moreover, as pointed out by AGA, while page 520 of the form provides certain fuel information by function, the information is not adequate to enable a form user to determine where on the pipeline system fuel costs are being incurred and how they are being allocated. As stated in the Final Rule, page 520 of Form Nos. 2 and 2–A provides fuel losses by function (unaccounted for gas is broken out by function at lines 30–34). AGA argues that additional detail regarding fuel costs is required for pages 521a and 521b to ensure that the Commission and pipeline customers have sufficient

information required to assess the justness and reasonableness of pipeline rates. We agree and therefore propose to require that the fuel information be disaggregated by function to provide greater clarity with regard to fuel costs. The Commission believes that the availability of this information, reported by function, is consistent with our goal in the Final Rule of having sufficient information to allow the Commission and pipeline customers to assess the impact on pipeline rates of rising fuel costs. Thus, our proposal in this Notice includes the level of detail suggested by AGA and as explained and shown below, we propose to require additional information to be reported on pages 521a and 521b of the forms.

12. Specifically, we propose to revise pages 521a and 521b to provide more detailed information about the information that previously has been reported on page 520, Gas Account—Natural Gas. However, the functional category for production/extraction/processing that we are here proposing to add to page 521a and 521b is additional information that has not previously been reported in page 520.

Consequently, we propose to add a line on page 520 for Gas of Others Received for Production/Extraction/Processing (Accounts 490 and 491) and another line for Gas of Others Delivered for Production/Extraction/Processing (Accounts 490 and 491). This provides a bridge between the production/extraction/processing function on pages 521a, 521b and 520. In addition, we propose to revise page 520, line 29 (current line 27) to read Other Deliveries and Gas Used for Other Operations. Again, this allows the reporting of gas used in operations with the detail reported in pages 521a and 521b.

13. Finally, we propose to revise the heading on page 520 for Gas Unaccounted For to read Gas Losses and Gas Unaccounted For. Additionally, as we are here proposing to have more detailed information on fuel costs (broken down by function) reported on pages 521a and 521b, we are removing (as duplicative) the prior requirement to report information on fuel costs in a more summary fashion on page 520.

14. AGA also requested the reporting of the amount of fuel by function that has been waived, discounted or reduced as part of a negotiated rate agreement. AGA argued that this information would enable pipeline customers to better determine if any inappropriate cross-subsidization is occurring. The Commission has a strict policy that existing shippers must not subsidize the negotiated rate program, and we agree that this additional information could

be useful in identifying potential violations of that policy.<sup>18</sup> Therefore, we propose that fuel costs and revenues associated with each type of rate structure (*i.e.*, negotiated, discounted, or recourse) be broken down by function to provide better information with which to assess the justness and reasonableness of a pipeline's fuel rates.

15. We also are revisiting the earlier finding that information regarding the amount of fuel that a pipeline has waived, discounted or reduced as part of a negotiated rate agreement, may not be readily available. AGA argued that some pipeline maintain this information by function in order to change a fuel rate either in a tracking mechanism or in a future section 4 rate filing, and that such information is readily accessible. After further consideration of these arguments we have decided to propose the more detailed reporting of this information, as suggested by AGA, and estimate that the burden associated with this proposal is related solely to inputting the data in the Form Nos. 2, 2–A, and 3–Q and with this additional information we now propose to find that, in light of the usefulness of this information, this small increase in filing burden is justified.

16. Thus, we propose in this Notice to revise the financial reporting forms required to be filed by natural gas companies (FERC Form Nos. 2, 2–A, and 3–Q) to include functionalized fuel data on pages 521a and 521b of those forms, and to include on such forms the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement. Specifically, we propose to revise pages 521a and 521b to include the following: (1) Expanding line 1 to separately reflect shipper supplied fuel by function, *i.e.*, production/extraction/process, gathering, transmission, distribution, and storage; (2) expanding lines 2, 3, and 4 to separately list the volumes for each of these functions; (3) expanding the listing of volumes to include discounted, negotiated and recourse rates; (4) expanding line 5 to separately list the volumes for each of these functions; (5) expanding the reporting of dollar amounts to include amounts collected under discounted, negotiated and recourse rates; (6) requiring the reporting of volumes of gas (in dekatherms) not collected where the request for that gas has been waived or reduced under discounted or negotiated rates; and (7) directing filers (if the

<sup>15</sup> Order No. 710–A, P 10.

<sup>16</sup> *Id.* P 11.

<sup>17</sup> We note that our proposal renumbers page 521 as 521a, renumbers page 521a as 521b, and adds two runover pages as 521c and 521d. The pages should line up with 521a on top of page 521b, with page 521c a continuation of page 521a and page 521d a continuation of page 521b. The references in this Notice to pages 521a and 521b assume the inclusion of pages 521c and 521d.

<sup>18</sup> See *Alternative to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines; Regulations of Negotiated Transportation Services of Natural Gas Pipeline (Alternative Rate Policy Statement)*, 74 FERC ¶ 61,076, at 61,242 (1996), and *NorAm Gas Transmission Company*, 77 FERC ¶ 61,011 (1996).

pipeline does not use a particular function) to enter a zero for that field.

17. In comments to the notice of proposed rulemaking in this proceeding issued on September 20, 2007,<sup>19</sup> the Interstate Natural Gas Association of America commented that the Commission should revise the reporting requirement for pages 521a and 521b to have these data reported on a quarterly basis, rather than a monthly basis. While this suggestion is not part of the Commission's proposal in this Notice, we nonetheless invite comments on this suggestion and reserve decision, until the final rule, as to which of these

options will be adopted in our final rule.

**III. Information Collection Statement**

18. The following collections of information contained in this proposed rule have been submitted to the Office of Management and Budget for review under section 3507(d) of the Paperwork Reduction Act of 1995.<sup>20</sup> The Commission solicits comments on the Commission's need for this information, whether the information will have practical utility, the accuracy of the burden estimates, ways to enhance the quality, utility and clarity of the information to be collected or retained,

and any suggested methods for minimizing respondents' burden, including the use of automated information techniques.

*Estimated Annual Burden:*

19. The Commission estimates that on average it will take respondents five additional hours per collection to comply with the proposed requirements. Most of the additional information required to be reported is already compiled and maintained by the pipelines, and will not substantially increase the existing reporting burden. This proposal will increase the burden hours as follows:

Data collection form	Number of respondents	Change in the number of hours per respondent	Filings per year	Change in the total annual hours for this form
FERC Form 2 .....	84	5	1	420
FERC Form 2-A .....	44	5	1	220
FERC Form 3-Q .....	128	5	3	1,920
Totals .....				2,560

*Information Collection Costs:* The Commission seeks comments on the costs to comply with these requirements. As most of the proposed additional data are already maintained by the pipelines, the Commission estimates that the additional collection costs will not be overly burdensome.

*Title:* FERC Form No. 2, "Annual Report for Major Natural Gas Companies"; FERC Form No. 2-A, "Annual Report for Nonmajor Natural Gas Companies"; FERC Form No. 3-Q, "Quarterly Financial Report of Electric Utilities, Licensees, and Natural Gas Companies."

*Action:* Proposed information collection.

*OMB Control Nos.* 1902-0028 (Form No. 2); 1902-0030 (Form No. 2-A); and 1902-0205 (Form No. 3-Q).

*Respondents:* Businesses or other for profit.

*Frequency of responses:* Annually (Form No. 2 and 2-A) and quarterly (Form No. 3-Q).

20. *Necessity of the information:* The information maintained and collected under the requirements of part 260 is essential to the Commission's oversight duties. The data now reported in the forms does not provide sufficient information to the Commission and the public to permit an evaluation of the filers' jurisdictional rates. Since the triennial restatement of rates requirement was abolished and

pipelines are no longer required to submit this information, the need for current and relevant data is greater than in the past. The information collection proposed in the Notice of Proposed Rulemaking will increase the forms' usefulness to both the public and the Commission. Without this information, it is difficult for the Commission and the public to perform an assessment of pipeline costs, and thereby help to ensure that rates are just and reasonable. We do not believe that the additional burden created by the reporting of this information is significant, because the pipelines should already have this information readily available for their own use in developing separately stated fuel rates in their tariffs. In any event, we believe this additional information will allow the Commission and form users to better analyze pipeline fuel costs, an important component in assessing the justness and reasonableness of pipelines' rates.

21. *Internal Review:* The Commission has reviewed the proposed changes and has determined that the changes are necessary. These requirements conform to the Commission's need for efficient information collection, communication, and management within the energy industry. The Commission has assured itself, by means of internal review, that there is specific, objective support associated with the information requirements.

22. Interested persons may obtain information on the reporting requirements by contacting: Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director, phone (202) 502-8663, fax: (202) 273-0873, e-mail: [DataClearance@ferc.gov](mailto:DataClearance@ferc.gov).] For submitting comments concerning the collections of information and the associated burden estimates, please send your comments to the contact listed above and to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone: (202) 395-4638, fax: (202) 395-7285]. Due to security concerns, comments should be sent electronically to the following e-mail address: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov). Please refer to OMB Control Nos. 1902-0028 (FERC Form No. 2), 1902-0030 (FERC Form No. 2-A), and 1902-0205 (FERC Form No. 3-Q), and the docket number of this proposed rulemaking in your submission.

**IV. Environmental Analysis**

23. 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

<sup>19</sup> Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines, Notice of

Proposed Rulemaking, FERC Stats. & Regs. ¶ 32,623 (2007).

<sup>20</sup> 44 U.S.C. 3507(d).

environment.<sup>21</sup> No environmental consideration is necessary for the promulgation of a rule that addresses information gathering, analysis, and dissemination,<sup>22</sup> and, also, addresses accounting.<sup>23</sup> No environmental consideration is raised by the promulgation of a rule that is procedural or does not substantially change the effect if adopted, and thus, this rulemaking falls within these exclusions.<sup>24</sup> This proposed rule, if finalized, involves information gathering, analysis, and dissemination. Consequently, neither an Environmental Impact Statement nor an Environmental Assessment is required.

#### V. Regulatory Flexibility Act

24. The Regulatory Flexibility Act of 1980 (RFA)<sup>25</sup> generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities.<sup>26</sup> Under the industry standards used for purposes of the RFA, a natural gas company qualifies as a “small entity” if it has annual revenues of less than \$7 million. Most companies regulated by the Commission do not fall within the RFA’s definition of a small entity.<sup>27</sup> Thus, most interstate natural gas companies to which the rules proposed herein, if finalized, would apply, do not fall within the RFA’s definition of small entities. In fact, our most recent information shows that only six natural gas companies not affiliated with a large natural gas company fall

<sup>21</sup> *Regulations Implementing the National Environmental Policy Act*, 52 FR 47897 (Dec. 17, 1987), Order No. 486, FERC Stats. & Regs., Regulations Preambles 1986–1990 ¶ 30,783 (1987).

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

<sup>23</sup> See 18 CFR 380.4(a)(16).

<sup>24</sup> See 18 CFR 380.4(a)(2)(ii).

<sup>25</sup> 5 U.S.C. 601–612.

<sup>26</sup> *Id.*

<sup>27</sup> 5 U.S.C. 601(3).

within the definition of a small entity. (These six entities constitute 4.7% of the 128 total companies.) Consequently, the rules proposed herein, if finalized, will not have a significant economic effect on a substantial number of small entities.

#### VI. Comment Procedures

25. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due August 23, 2010. Comments must refer to Docket No. RM07–9–003, and must include the commenter’s name, the organization they represent, if applicable, and their address in their comments.

26. The Commission encourages comments to be filed electronically via the eFiling link on the Commission’s Web site at <http://www.ferc.gov>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

27. Commenters that are not able to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street, NE., Washington, DC 20426.

28. All comments will be placed in the Commission’s public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

#### VII. Document Availability

29. 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 p.m. Eastern time) at 888 First Street, NE., Room 2A, Washington, DC 20426.

30. 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.

31. User assistance is available for eLibrary and the FERC’s Web site during normal business hours from FERC Online Support at 202–502–6652 (toll free at 1–866–208–3676) or e-mail at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. E-mail the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

#### List of Subjects in 18 CFR Part 260

Natural gas, Reporting and recordkeeping requirements.

By direction of the Commission.

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

*Deputy Secretary.*

**Note:** The following revised schedules will not be published in the Code of Federal Regulations.

**BILLING CODE 6717–01–P**

**Revised Schedules for FERC Form Nos. 2, 2-A and 3-Q**

Name of Respondent		This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of Year/Qtr
<b>Gas Account – Natural Gas</b>				
<p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</p> <p>6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.</p> <p>7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing: (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline; (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline; and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.</p> <p>8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.</p> <p>9. Indicate in a footnote: (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year; (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year; and (3) contract storage quantities.</p> <p>10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.</p>				
Line No.	Item  (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only (d)
1	Name of System:			
2	<b>GAS RECEIVED</b>			
3	Gas Purchases (Accounts 800-805)			
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Accounts 490 and 491)			
9	Exchange Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)			
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)			
16	<b>Total Receipts (Total of lines 3 thru 15)</b>			
17	<b>GAS DELIVERED</b>			
18	Gas Sales (Accounts 480-484)			
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301		
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Accounts 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509		
29	Other Deliveries and Gas Used for Other Operations			
30	<b>Total Deliveries (Total of lines 18 thru 29)</b>			
31	<b>GAS LOSSES AND GAS UNACCOUNTED FOR</b>			
32	Gas Losses and Gas Unaccounted For			
33	<b>TOTALS</b>			
34	<b>Total Deliveries, Gas Losses &amp; Unaccounted For (Total of lines 30 and 32)</b>			

FERC FORM NO. 2 (REVISED 12-10)  
 FERC FORM NO. 2-A (REVISED 12-10)  
 FERC FORM NO. 3-Q (REVISED 12-10)

Name of Respondent	This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of Year/Qtr
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**Shipper Supplied Gas for the Current Quarter**

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 21 and 29 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-20 and 23-28. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 21 and 29 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-20 and 23-28. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 31-35 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 38 through 49 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 52 through 63 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).

Line No.	Item (a)	Month 1 Discounted Rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	<b>Shipper Supplied Gas (Lines 13 and 1, Page 520)</b>				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	<b>Total Shipper Supplied Gas</b>				
8	<b>Less Gas Used For Compressor Station Fuel (Line 28, Page 520)</b>				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	<b>Total gas used in compressors</b>				
15	<b>Less Gas Used For Other Deliveries And Gas Used For Other Operations (Line 29, Page 520) (footnote)</b>				
16	Gathering				
16	Production/Extraction/Processing				
17	Transmission				
18	Distribution				
19	Storage				
20	Other Deliveries (specify) (footnote details)				
21	<b>Total Gas Used For Other Deliveries And Gas Used For Other Operations</b>				
22	<b>Less Gas Lost And Unaccounted For (Line 32, Page 520)</b>				
23	Gathering				
24	Production/Extraction/Processing				
25	Transmission				
26	Distribution				
27	Storage				
28	Other Losses (specify) (footnote details)				
29	<b>Total Gas Lost And Unaccounted For</b>				

FERC FORM NO. 2 (REVISED 12-10)  
 FERC FORM NO. 2-A (REVISED 12-10)  
 FERC FORM NO. 3-Q (REVISED 12-10)

Name of Respondent		This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>Year/Qtr</u>
<b>Shipper Supplied Gas for the Current Quarter (Continued)</b>					
Line No.	Item (a)	Month 1 Discounted Rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
30	<b>Net Excess Or (Deficiency)</b>				
31	Gathering				
32	Production/Extraction				
33	Transmission				
34	Distribution				
35	Storage				
36	<b>Total Net Excess Or (Deficiency)</b>				
<b>Disposition Of Excess Gas:</b>					
37	<b>Disposition Of Excess Gas:</b>				
38	Gas sold to others				
39	Gas used to meet imbalances				
40	Gas added to system gas				
41	Gas returned to shippers				
42	Other (list)				
43					
44					
45					
46					
47					
48					
49					
50	<b>Total Disposition Of Excess Gas</b>				
<b>Gas Acquired To Meet Deficiency:</b>					
51	<b>Gas Acquired To Meet Deficiency:</b>				
52	System gas				
53	Purchased gas				
54	Other (list)				
55					
56					
57					
58					
59					
60					
61					
62					
63					
64	<b>Total Gas Acquired To Meet Deficiency</b>				





