

**§ 284.287**

**18 CFR Ch. I (4-1-04 Edition)**

(b) The pipeline must conduct its business to conform to the requirements set forth in §284.7(b)(2) and §284.9(b)(2) with respect to the equality of service by not giving shippers of gas sold by the pipeline any preference over shippers of gas sold by any other merchant in matters relating to part 284 transportation.

(c) The pipeline must comply with part 358 by considering its unbundled sales operating employees as an operational unit which is the functional equivalent of a marketing affiliate.

(d) The pipeline must comply with §250.16 of this chapter by considering its unbundled sales operating employees as an operational unit which is the functional equivalent of a marketing affiliate.

(e) A pipeline that provides unbundled sales service under §284.284 must have tariff provisions on file with the Commission indicating how the pipeline is complying with the standards of this section.

[Order 636, 57 FR 13318, Apr. 16, 1992, as amended by Order 566, 59 FR 32899, June 27, 1994; Order 581, 60 FR 53074, Oct. 11, 1995; Order 2004, 68 FR 69157, Dec. 11, 2003]

**§ 284.287 Implementation and effective date.**

(a) Prior to offering any sales service under this subpart J, a pipeline must file revised tariff sheets incorporating the provisions of this subpart J.

(b) A blanket certificate issued under §284.284 will be effective on the effective date (as approved by the Commission) of the tariff sheets implementing service under that certificate.

[Order 581, 60 FR 53074, Oct. 11, 1995]

**§ 284.288 Code of conduct for unbundled sales service.**

(a) A pipeline that provides unbundled natural gas sales service under §284.284 is prohibited from engaging in actions or transactions that are without a legitimate business purpose and that are intended to or foreseeably could manipulate market prices, market conditions, or market rules for natural gas. Prohibited actions and transactions include but are not limited to:

(1) Pre-arranged offsetting trades of the same product among the same parties, which involve no economic risk

and no net change in beneficial ownership (sometimes called “wash trades”); and

(2) collusion with another party for the purpose of manipulating market prices, market conditions, or market rules for natural gas.

(b) To the extent Seller engages in reporting of transactions to publishers of electricity or natural gas indices, Seller shall provide accurate and factual information, and not knowingly submit false or misleading information or omit material information to any such publisher, by reporting its transactions in a manner consistent with the procedures set forth in the *Policy Statement on Natural Gas and Electric Price Indices*, issued by the Commission in Docket No. PL03-3-000 and any clarifications thereto. Seller shall notify the Commission within 15 days of the effective date of this regulation of whether it engages in such reporting of its transactions and update the Commission within 15 days of any subsequent change to its transaction reporting status. In addition, Seller shall adhere to such other standards and requirements for price reporting as the Commission may order.

(c) A pipeline that provides unbundled natural gas sales service under §284.284 shall retain, for a period of three years, all data and information upon which it billed the prices it charged for natural gas it sold pursuant to its market based sales certificate or the prices it reported for use in price indices.

(d) Any violation of the preceding paragraphs may subject Seller to disgorgement of unjust profits from the date when the violation occurred. Seller may also be subject to suspension or revocation of its blanket certificate under §284.284 or other appropriate non-monetary remedies.

(e) Any person filing a complaint against a pipeline for violation of paragraphs (a) through (c) must do so no later than 90 days after the end of the calendar quarter in which the alleged violation occurred unless that person could not have known of the alleged violation, in which case the 90-day time limit will run from the discovery of the alleged violation. The Commission will act within 90 days from the

date it knew of an alleged violation of these code of conduct regulations or knew of the potentially manipulative character of an action or transaction. Commission action in this context means a Commission order or the initiation of a preliminary investigation by Commission Staff pursuant to 18 CFR section 1b. If the Commission does not act within this time period, the seller will not be exposed to potential liability regarding the subject action or transaction. Knowledge on the part of the Commission will take the form of a call to our Hotline alleging inappropriate behavior or communication with our enforcement Staff.

[Order 644, 68 FR 66336, Nov. 26, 2003]

### Subpart K—Transportation of Natural Gas on the Outer Continental Shelf by Interstate Natural Gas Pipelines on Behalf of Others

SOURCE: Order 509, 53 FR 50938, Dec. 19, 1988, unless otherwise noted.

#### § 284.301 Applicability.

This subpart implements section 5 of the Outer Continental Shelf Land Act (OCSLA) and applies to any jurisdictional interstate natural gas pipeline that holds a certificate under section 7 of the Natural Gas Act (NGA) authorizing the construction and operation of facilities on the Outer Continental Shelf (OCS).

#### § 284.302 Definitions.

For the purposes of this subpart, the term:

(a) *Outer Continental Shelf* (OCS) has the same meaning as found in section 2(a) of the OCSLA (43 U.S.C. 1331(a)); and

(b) *OCS pipeline* means an interstate natural gas pipeline that holds a certificate under section 7 of the NGA authorizing the construction and operation of facilities on the OCS, and includes all of the OCS pipeline's facilities that fall within the scope of the Commission's jurisdiction under section 7 of the NGA to the full extent that such facilities are used or necessary to transport natural gas on or across the OCS between:

(1) Any locations on the OCS (if the pipeline does not have an interconnection off the OCS), or

(2) The OCS and the first point of interconnection on the shoreward side of the OCS where the pipeline delivers or receives natural gas to or from either:

(i) A natural gas conditioning or processing facility, or

(ii) Another pipeline, or

(iii) A distributor or end user of natural gas.

[Order 509, 53 FR 50938, Dec. 19, 1988, as amended by Order 509-A, 54 FR 8313, Feb. 28, 1989]

#### § 284.303 OCS blanket certificates.

Every OCS pipeline [as that term is defined in §284.302(b)] is required to provide open-access, nondiscriminatory transportation service pursuant to a blanket transportation certificate issued under subpart G of this part.

[Order 559, 58 FR 52663, Oct. 12, 1993]

### Subpart L—Certain Sales for Resale by Non-interstate Pipelines

#### § 284.401 Definitions.

*Affiliated marketer.* For purposes of this subpart, an "affiliated marketer" is a person engaged in the "marketing" of natural gas that is an "affiliate" of an interstate pipeline as those terms are defined in §161.2 of this chapter.

[Order 547, 57 FR 57959, Dec. 8, 1992]

#### § 284.402 Blanket marketing certificates.

(a) *Authorization.* Any person who is not an interstate pipeline is granted a blanket certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the certificate holder to make sales for resale at negotiated rates in interstate commerce of any category of gas that is subject to the Commission's Natural Gas Act jurisdiction. A blanket certificate issued under Subpart L is a certificate of limited jurisdiction which will not subject the certificate holder to any other regulation under the Natural Gas Act jurisdiction of the Commission, other than that set forth in this Subpart L, by virtue of the transactions under this certificate.