

List of Subjects in 14 CFR Part 105

Parachuting, Air traffic control.

The Proposal

In consideration of the foregoing, it is proposed to amend Part 105 of the Federal Aviation Regulations as follows:

PART 105—(AMENDED)

1. The authority citation for Part 105 is revised to read as follows:

Authority: 49 U.S.C. 1348, 1354, and 1421; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983).

2. By revising the title of § 105.21 to read as follows:

§ 105.21 Jumps into or within positive control areas and terminal control areas.

3. In § 105.21, paragraph (a) is revised to read as follows:

§ 105.21 Jumps into or within positive control areas and terminal control areas.

(a) No person may make a parachute jump, and no pilot in command of an aircraft may allow a parachute jump to be made from that aircraft, in or into a positive control area or terminal control area without, or in violation of, an authorization issued under this section.

4. In § 105.25, paragraph (a)(4) is revised to read as follows:

§ 105.25 Information required, and notice of cancellation or postponement of jump.

(a) . . .

(4) The altitudes above mean sea level at which jumping will take place.

Issued in Washington, DC, on November 18, 1985.

John R. Ryan,

Director, Air Traffic Operations Service.

[FR Doc. 85-30541 Filed 12-26-1985; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory
Commission

18 CFR Part 271

[Docket No. RM85-3-000]

**Ceiling Prices; Old Gas Pricing
Structure**

Issued December 20, 1985.

AGENCY: Federal Energy Regulatory
Commission, DOE.

ACTION: Notice of procedural schedule.

SUMMARY: The Federal Energy
Regulatory Commission (Commission) is
establishing the schedule for public

comment on a Notice of Proposed Rulemaking issued by the Department of Energy under section 403 of the Department of Energy Organization Act, 42 U.S.C. 4273 (1982), for action by the Commission, 50 FR 48540 (Nov. 25, 1985). Under the Secretary's proposed rule, the Commission would exercise its authority: (1) Under sections 104 and 106 of the Natural Gas Policy Act of 1978 (NGPA), to establish just and reasonable prices for "flowing" old gas, and (2) under section 107 of the NGPA, to establish incentive prices for certain categories of old gas. Under the proposal, the Commission would act to eliminate vintaging and replace the current myriad of old gas ceiling prices with a single ceiling price (the ceiling price for post-1974 gas). In addition, the Commission would establish incentive prices for certain categories of old gas, in order to increase significantly the production of old gas and to encourage long-term investment in natural gas exploration, development, and production.

DATES: Written comments must be received by the Commission by February 25, 1985. A public conference on the rule will be announced at a later date.

ADDRESSES: All filings should refer to Docket No. RM85-3-000, and should be addressed to: Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT: Kenneth F. Plumb, Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, (202) 357-8400.

SUPPLEMENTARY INFORMATION:**I. Introduction**

The Federal Energy Protection Regulatory Commission (Commission) is establishing a procedural schedule for addressing the Notice of Proposed Rulemaking issued by the Secretary of Energy under section 403 of the Department of Energy (DOE) Organization Act, 42 U.S.C. 4273 (1982), for action by the Commission, 50 FR 48540 (Nov. 25, 1985). The Commission also requests specific comments on the interrelationship between this proposal and the Commission's ongoing proceeding in Docket No. RM85-1-000 (Part D) regarding billing of purchased gas costs, 50 FR 24130 (June 7, 1985) and 50 FR 42372 (Oct. 18, 1985).

II. Background

On May 30, 1985, the Commission issued a Notice of Proposed Rulemaking

(NOPR) in Docket No. RM85-1-000 (Parts A-D). Final action was taken on Parts A-C in the Commission's Order No. 436, on October 9, 1985, 50 FR 42372 (Oct. 18, 1985), *reh'g*, issued December 12, 1985. In a separate document, the Commission requested supplemental comments on Part D of the proposal. Part D proposed a new requirement that gas supplies subject to the maximum lawful prices of sections 104, 106(a), and 109 of Natural Gas Policy Act of 1978 (NGPA), 15 U.S.C. 3314, 3316(a), and 3319 (1982), be billed separately from all other gas supplies.

On November 18, 1985, the Secretary of Energy proposed, under section 403 of the DOE Organization Act, that the Commission exercise its authority:

1. Under sections 104 and 106 of the NGPA, to establish just and reasonable prices for "flowing" old gas; and
2. Under section 107 of the NGPA, to establish incentive prices for certain categories of old gas.

Under the Secretary's proposal, the Commission would also act to eliminate vintaging and replace the different old gas ceiling prices with a single ceiling price. According to the Secretary, adoption of its proposal would establish incentive prices for certain categories of old gas, in order to increase significantly the production of old gas and to encourage long-term investment in natural gas exploration, development, and production.

Persons interested in the Secretary's proposals are directed to the Federal Register of November 25, 1985, 50 FR 48540.

III. Request for Specific Comments

Although the Commission is interested in receiving comments generally on the Secretary's proposal, the Commission is particularly interested in obtaining information on the following:

A. Please comment on the Commission's legal authority to adopt the Secretary's proposal, including the legal authority to establish new just and reasonable rates for NGPA sections 104 and 106(a) gas and to eliminate vintaging. Assuming the Commission has the legal authority, what type of record support must the Commission have to adopt such a proposal.

(1) In determining just and reasonable rates for NGPA sections 104 and 106(a) gas and in eliminating vintaging, to what extent may the Commission rely on non-cost-based factors such as market factors.

(2)(a) the cost-based methodologies used in the past by the Commission to establish just and reasonable rates were

developed in the context of different market needs, different competitive conditions and a different regulatory framework than those which exist today. The Commission requests comments on the legal and practical effects of using prior methodologies for making contemporary determinations of just and reasonable rates for NGPA sections 104 and 106(a) gas.

(b) The Commission also requests suggestions for any other methodologies for determining just and reasonable rates not only for contemporary market needs and conditions but also future conditions.

(3) Can the Commission find that a new just and reasonable rate for NGPA sections 104 and 106(a) gas is not automatically triggered by existing indefinite price escalator clauses in interstate gas contracts?

B. The Commission is particularly interested in obtaining information relating to the interrelationship as a matter of law, policy, and technical operation between the block billing proposal and the Secretary's proposal. For example, the following issues require complete examination:

(1) Are the proposals mutually-exclusive, or inconsistent as a matter of law, policy, economics or technical operation? That is, does adoption of one preclude or impair adoption of the other?

(2) Can the proposals be adopted concurrently, or merged, as a matter of law, policy, and technical operation?

C. Several of the comments filed on the block billing proposal, including but not limited to those filed by the Antitrust Division of the U.S. Department of Justice, recommend that the Commission consider, as an alternative to block billing, proposals that raise the maximum lawful price for old gas. Consequently, the Commission also seeks (1) general comment on any such alternative proposals, such as those included in the block billing comments; and (2) specific comment from a legal, policy, economic, or technical perspective on the merits of any such proposal as compared with the Secretary's proposal.

D. The Secretary bases his proposal, in part, on the "old gas supply response" and the "benefits of higher old gas ceiling prices."¹ The Commission seeks specific comment on the analysis in the Secretary's proposal on the old gas supply response, including (1) premature abandonment, (2) new infill wells and

(3) production enhancement; and on the benefits of higher old gas ceiling prices, including (a) stable average prices, (b) immediate economic benefits, and (c) old gas production increases and reduced imports. Also, provide comments on the effect of the proposal on long-term supplies.

Please provide the Commission with information on the possible practical economic and market impacts of the Secretary's proposal in specific and of raising NGPA sections 104 and 106(a) gas prices in general. In particular, the Commission would like commenters to identify the effects of this type of action on each segment of the market, including producers, both independent and integrated, pipelines and gas consumers.

The comments should provide, wherever appropriate and possible, quantitative as well as qualitative analyses of the legal, policy, economic and technical issues raised in the Secretary's proposal.

IV. Regulatory Flexibility Act Statement

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601-612 (1982), requires certain statements, descriptions, and analyses of rules that will have a "significant economic impact on a substantial number of small entities." 5 U.S.C. 603(a). The Commission is not required to make an RFA analysis if it certifies that a rule will not have a "significant economic impact on a substantial number of small entities." 5 U.S.C. 605(b).

The RFA requires the Commission to analyze only the impacts on small entities that would be subject to this rule. There are approximately 10,000 natural gas producers in the United States, many of which would probably be classified as small entities under the appropriate RFA definition. This rule, if promulgated, may affect many of these entities by increasing the ability of these producers to sell their gas. If adopted, the rule also would raise the maximum lawful prices of gas under NGPA sections 104, 106(a), and 109; and would establish incentive prices for certain gas under NGPA section 107.

The Commission believes that the increased ability to sell gas and the increase in the maximum lawful prices will have a positive impact on these small producers. Since the impact on these small entities is expected to be beneficial, the Commission does not believe that the economic impact will be "significant" within the meaning of the RFA.

Pursuant to section 605(b), the

Commission accordingly certified that this rule, if promulgated, will not have a "significant economic impact on a substantial number of small entities."

V. Paperwork Reduction Act

The information collection provisions in this notice of proposed rulemaking are being submitted to the Office of Management and Budget (OMB) for its approval under the Paperwork Reduction Act² and OMB's regulations.³ Interested persons can obtain information on the information collection provisions by contacting the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426 (Attention: Ellen Brown (202) 357-8272). Comments on the information collection provisions can be sent to the Office of Information and Regulatory Affairs of OMB, New Executive Office Building, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

VI. Comment Procedures

The Commission invites interested persons to submit comments, data, views, and other information concerning the matter set out in this notice. The original and 14 copies of such comments must be received by the Commission before 5:00 p.m., February 25, 1985. Comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, and should refer to Docket No. RM86-3-000.

All written comments will be placed in the Commission's public files, and will be available for public inspection in the Commission's Division of Public Information, Room 1000, Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, during regular business hours.

The Commission will provide an opportunity for the oral presentation of data, views, and arguments on the Secretary's Notice. That public conference will be announced at a later date.

By direction of the Commission,
Kenneth F. Plumb,
Secretary.
[FR Doc. 85-30621 Filed 12-28-85; 8:45 am]
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² 44 U.S.C. 3501-3520 (1982).

³ 5 CFR 1320.13 (1985).

¹ See 50 FR 48543-48544 (Nov. 25, 1985).