
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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Docket No. RM96-1-026;
RM05-5-000

COMMISSION REVISES BUSINESS PRACTICES STANDARDS FOR PIPELINES; PROPOSES STANDARDS FOR ELECTRIC UTILITIES

The Federal Energy Regulatory Commission today approved revised standards governing business practices and electronic communications for interstate natural gas pipelines, and announced a notice of proposed rulemaking (NOPR) to adopt similar standards for electric utilities.

The final rule for gas pipelines addresses standards for gas quality reporting and creditworthiness criteria, among other things. The regulations adopt by reference the most recent version of standards developed by the Whole Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB), a consensus energy standards development group. The Commission found that since the industry itself has to conduct business under these standards, the Commission's regulations should reflect those standards that have the widest possible support.

The new regulations adopt the WGQ's Version 1.7 standards addressing creditworthiness. These regulations provide standard procedures for business practices such as pipeline requests for additional information from potential shippers for credit evaluation; acknowledging and responding to requests and receipt of information; notice regarding a shippers' creditworthiness and notice regarding contract termination due to credit-related issues; forms of communication; reevaluation of determinations that a service requester is not creditworthy; and awarding capacity release offers only after a service requester has been determined to meet the creditworthiness requirements applicable to all services.

The final rule further adopts the WGQ's proposed standards for gas quality reporting requirements. These standards will require pipelines to provide a link to their gas quality tariff provisions on their Informational Posting Web Sites, or a simple reference guide to such information.

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In addition, pipelines will be required to provide on its Informational Postings Web Site, in a downloadable format, daily average gas quality information for prior days, to the extent available for locations that are representative of mainline gas flow for the most recent three-month period.

Pipelines will be required to file tariff sheets reflecting the new standards by July 1, 2005, so that the standards may take effect September 1, 2005.

The first set of standards for business practices for electric utilities, developed through consensus by the Wholesale Electric Quadrant (WEQ) of NAESB, is the subject of today's NOPR (Docket No. RM05-5-000).

The proposed business standards developed by NAESB would include Open Access Same Time Information System (OASIS) Business Practice Standards, and OASIS Standards and Communications Protocols. The standards would also include an OASIS Data Dictionary. The NOPR proposes to adopt these standards, with the exception of those that duplicate the Commission's regulations. The Commission proposes to incorporate procedures to address the redirect of transmission service (unless there is a conflict with provisions of the utility's pro forma tariff), multiple submissions of identical transmission requests/queuing issues, OASIS posting requirements under the Commission's Large Generator Interconnection Rule (Order No. 2003), and maintenance of the OASIS standards.

The Commission further proposes to incorporate by reference the WEQ business practice standards designed to complement the North American Electric Reliability Council's Version 0 Reliability Standards, including Coordinate Interchange, ACE Equation Special Cases, Manual Time Error Correction and Inadvertent Interchange Payback.

As is required with the standards for gas pipelines, the Commission proposes that each electric utility's open access transmission tariff include the applicable WEQ standards. For standards that do not require implementing tariff revisions, the Commission proposes to permit the utility to incorporate the WEQ standard by reference in its tariff.

Comments on the NOPR must reference Docket No. RM05-5-000 and must be submitted within 45 days from the date of the NOPR's publication in the Federal Register. Comments may be mailed to the Federal Energy Regulatory Commission; Office of the Secretary, 888 First Street, N.E., Washington, DC 20426 or filed electronically via the eFiling link on the Commission's website at www.ferc.gov.