

FEDERAL ENERGY REGULATORY COMMISSION
Office of Enforcement
Washington, DC 20426

February 16, 2011

**TO NATURAL GAS COMPANIES
FILING FERC FORM NOS. 2 AND 3-Q**

Enclosed are instructions and other pertinent information for use in preparation and submission of FERC Form No. 2, Annual Report for Major Natural Gas Companies (FERC Form No. 2) for the reporting year ending December 31, 2010 and FERC Form No. 3-Q, Quarterly Financial Report of Electric Utilities, Licensees and Natural Gas Companies (FERC Form No. 3-Q) for the 2011 reporting year.

HIGHLIGHTS

- The deadline for filing the 2010 FERC Form No. 2 is **April 18, 2011**.
- The filing dates for the 3-Q are as follows:
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| 2011 Quarterly Period | Filing Dates for Majors | Filing Dates for Non-Majors |
|------------------------------|--------------------------------|------------------------------------|
| 01/01/2011–03/31/2011 | May 31, 2011 | June 9, 2011 |
| 04/01/2011–06/30/2011 | August 29, 2011 | September 8, 2011 |
| 07/01/2011–09/30/2011 | November 29, 2011 | December 9, 2011 |

- The Office of Enforcement's Market Oversight Branch 1 has responsibility for administering FERC Form No. 2 and FERC Form No. 3-Q as well as for answering questions concerning reporting and filing requirements.
- All software technical questions regarding submission and access to FERC Form No. 2 and FERC Form No. 3-Q data should be directed to FERC Online Support staff.
- The Commission will release the 2011 Form Nos. 2/ 3-Q software in April 2011.

WHO MUST SUBMIT FERC FORM NO. 2

Each natural gas company, as defined by the Natural Gas Act (15 U.S.C. 717, *et seq.*) which is a major company (a natural gas company whose combined gas transported or stored for a fee exceed 50 million Dth in each of the three previous calendar years) must prepare and file with the Commission (18 C.F.R. §

260.1(b) (2010)). Newly established companies must use projected data to determine whether FERC Form No. 2 must be filed. (18 C.F.R. § 260.1(b) (3))

WHEN AND HOW TO SUBMIT FERC FORM NO. 2 AND FERC FORM NO. 3-Q

Companies filing FERC Form No. 2 must file electronically by April 18, 2011. The FERC Form No. 3-Q filing deadlines are listed above. The electronic submission must be created by using the FERC Form No. 2 submission software provided free of charge by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-2/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet. Paper copies are not accepted.

HELP WITH FERC FORM NO. 2 SUBMISSION SOFTWARE AND ELECTRONIC FILING

All questions about how to install or use the software should be referred to FERC Online Support toll free at 1-866-208-3676, locally at 202-502-6652 (or 202-502-8659 for TTY), or email ferconlinesupport@ferc.gov. Companies filing for the first time must first register by sending an email to ferconlinesupport@ferc.gov containing the following information: company name, company address, point-of-contact name, email address and phone number.

After receiving this information, FERC Online Support will provide the requestor with instructions on how to set up the software application and an access number to permit electronic filing via the form submission software. The point-of-contact list will be used to disseminate any future information on the software. Once a company has been assigned an access number, it does not need to obtain a new one for subsequent annual or quarterly filings unless there is a change in the entity such as a merger.

RESUBMISSIONS OF FERC FORM NO. 2 OR FERC FORM NO. 3-Q FILINGS

Resubmit any revised FERC Form Nos. 2 or 3-Q data via the Internet using the forms submission software only. Revised schedules should be noted in the remarks section of the List of Schedules. Explain the reason for the resubmission in a footnote to any revised data fields.

CPA CERTIFICATION STATEMENT FILING GUIDANCE

The Commission's regulations require a Report of Certification, generally referred to as the CPA Certification Statement, to be filed by May 18 of the following calendar year. However, natural gas companies previously classified as Class C or D prior to January 1, 1984, do not have to file a CPA Certification Statement (18 C.F.R. § 158.11 (2010)).

The CPA Certification Statement must be filed with the Secretary of the Commission at the address below:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

As an alternative to filing a hard copy, companies are encouraged to file their CPA Certification Statement using eFiling. Instructions on how to use the eFiling system are on the Commission's website at: <http://www.ferc.gov/docs-filing/efiling/user-guide.pdf>. When asked for a docket number, enter ZZ11 and then select the first option "CPA Certification." For further assistance using the eFiling system please contact the eFiling Help Desk at 202-502-8258 or send your question to efiling@ferc.gov.

CHANGES TO FERC FORM NO. 2

On January 20th, 2011 the Commission issued Order No. 710-B, Revisions to Forms, Statements, and Reporting Requirements for Natural Gas Pipelines, which revised the information, reported on pages number 520 and 521 a-b. The effective date of this change is July 1, 2011. The new data requirements in the FERC Form No. 3-Q must first be reported in Q3 2011. Page 521 has been expanded to include functionalized fuel data and the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement. For consistency, the page 520 was also revised. The revisions are designed to enhance the forms' usefulness by providing greater transparency as to fuel data. Revisions to pages 520 and 521 will be incorporated in the form software in the first quarter 2011. However, respondents need only fill out the portion required prior to 2011 in Q1 and Q2.

Clarification of the term "Year to Date" in regard to Quarterly Forms

The chart below clarifies what is meant by year to date data:

| Quarter | Months Included for Year-to-Date Information |
|----------------|---|
| Q1 | January 1 - March 31 |
| Q2 | January 1 - June 30 |
| Q3 | January 1 - September 30 |

**QUESTIONS CONCERNING FILING AND REPORTING
REQUIREMENTS FOR FERC FORM NO. 2, FERC NO. 3-Q, OR CPA
CERTIFICATION STATEMENT**

All questions regarding filing and reporting requirements and for FERC Form No. 2, FERC Form No. 3-Q, or CPA Certification Statement should be directed to the Office of Enforcement's Market Oversight Branch 1. Please contact Michelle Reaux at 202-502-6497 or Brian Holmes at 202-502-6008 or send questions to form2@ferc.gov.

Sincerely,

Thomas Rieley
Chief,
Market Oversight Branch 1