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February 27, 2008

Rae McQuade, Executive Director  
North American Energy Standards Board  
1301 Fannin Street, Suite 2350  
Houston, Texas 77002

Re: NAESB Proposed Standard for "e-tariff"

Dear Ms. McQuade:

The Association of Oil Pipe Lines ("AOPL") is submitting these comments in response to the proposed North American Energy Standards Board ("NAESB") "e-tariff" standards, definitions, and implementation guide (together, "Proposed Standard"), adopted by the NAESB e-tariff subcommittee on January 25, 2008 in Colorado Springs, Colorado. We are submitting these comments to convey our thoughts about the Proposed Standard and to note some of the issues that have not been addressed by NAESB and need to be addressed by the Federal Energy Regulatory Commission ("FERC" or the "Commission"). The proposed standard has been circulated to industry for comments as Request No. 2007 Wholesale Electric Quadrant ("WEQ") Annual Plan Item 5 and 2007 Wholesale Gas Quadrant ("WGQ") Annual Plan Item 8.

We understand that NAESB has submitted the proposed standard to the WEQ and WGQ Executive Committees for their review, with a recommendation to approve the documents. If approved by the Executive Committees, then NAESB plans to submit the proposed standard to the overall NAESB membership for its review and approval. Finally, if NAESB does adopt the Proposed Standard, it is our understanding that the FERC plans to reflect the Proposed Standard in a notice of proposed rulemaking ("NOPR") that will also address a number of areas not covered in the Proposed Standard.

AOPL Interest and Involvement in the NAESB and FERC Proceedings on e-tariff

The Association of Oil Pipelines ("AOPL") is a trade association representing 50 oil pipeline companies that transport approximately 85% of the crude oil and petroleum

products moved in the United States by pipeline. AOPL's member companies regularly file tariffs with the FERC and will be directly impacted by proposals of the Commission regarding electronic tariff filings under FERC Docket No. RM01-5-000.

AOPL has been supportive of the Commission's efforts to streamline the process for filing tariffs and has agreed with the Commission's goal of converting the filing and management of tariffs from the current paper-based process to an electronic process. AOPL and its member companies have submitted comments to FERC in this electronic tariff filing proceeding.

NAESB held its inaugural meeting on e-tariff standards development on February 1, 2007. AOPL participated in that and subsequent meetings. NAESB held the meetings to enable "the electric, gas and oil industries to meet in order to begin the process of helping develop an e-tariff program that would allow tariff and rate schedule revisions to FERC to include sufficient metadata to permit these filings to be loaded into a database." AOPL has submitted comments during the NAESB process. However, AOPL's role in the NAESB process has been limited to that of a commenter and observer, since oil pipelines are not represented in NAESB or in the voting process of the WGQ/WEQ.

#### It Appears That Proposed Standard Provides a Workable Solution

It appears that NAESB's Proposed Standard addresses many of AOPL's concerns about electronic tariff filing. The Proposed Standard accommodates the filing of tariffs and their related documents in a portable document format ("PDF"). Also, the metadata that is proposed for collection appears reasonable. Additionally, the Proposed Standard provides a framework that should enable oil pipeline company business practices to remain intact when transitioning to the electronic system.

From the perspective of the oil pipeline industry, it appears that a workable solution is at hand that will provide the Commission with the tools it needs to manage its filing and review process. This solution will also produce a database of tariffs that could be searched and accessed. We believe that the efficient and effective solutions are in sight, as long as the Commission recognizes and provides for differences in industry commercial practices as it designs the final details of the system.

AOPL commends the NAESB e-tariff subcommittee and FERC staff for their substantial time and effort in completing the Proposed Standard over the past year.

#### Concerns and Topics Which Remain to be Addressed

1. We appreciate the work done by the NAESB e-tariff subcommittee; however, it must be recognized that that charter of the subcommittee was limited mainly to identifying a technical method for providing FERC "metadata" needed for electronic tariff filing.

Therefore, it is important to recognize that if NAESB adopts the Proposed Standard, substantial work by FERC and the various industries remains in developing further regulations and guidance for electronic tariff filing to be workable.

2. AOPL and its members want to ensure that even though NAESB has been involved in developing a Proposed Standard for electronic filing of tariffs, FERC will be the only entity with control over the filing of these FERC jurisdictional documents. We understand that NAESB may adopt the Proposed Standard, and that FERC may rely on the Proposed Standard in its NOPR. However, for oil pipelines, it is essential that any future FERC regulations are implemented without the need for an ongoing role for NAESB. This is especially important since oil pipelines are not part of NAESB.

3. Substantial technical work remains to ensure that the electronic tariff filing system is both effective and efficient. The Commission's electronic tariff filing system must fully utilize the expediency offered by electronic filing, but must do so in a way that does not unnecessarily burden regulated oil pipelines. Indeed, any proposal that would increase the burden and expense of filing tariffs and tariff changes would not be considered a success.

4. The Proposed Standard would require files to be compiled into an ".xml" package with fields of "metadata" accompanying both each file and the complete filing. It seems inevitable that new software, that is yet to be developed or tested, will be necessary to meet the Proposed Standard. The Commission will need to ensure that adequate time is made available for the development and testing of such software.

5. The substantial differences in the oil pipeline industry and tariffs compared to gas and electric will need to be recognized in the development of new software. Oil pipeline tariffs are fundamentally different, in terms of both structure and substance, from natural gas and electric tariffs. While oil pipeline tariffs tend to be shorter and in many ways substantively less complex than natural gas or electric tariffs, each oil pipeline has multiple tariffs. In general, an oil pipeline company may have one tariff that specifies terms and conditions that apply to all or a logically related group of its services, together with several tariffs governing shipments of particular commodities or types of commodities over particular systems with complex tables showing the rates for services from each origin to each destination.

6. The Proposed Standard would require each oil pipeline company either to develop or purchase software to manage and file its jurisdictional documents under the Proposed Standard, or to hire a third-party to manage and submit the filings. The software that will be necessary to implement the Proposed Standard will have to be developed specifically for oil pipelines, and will take both a significant amount of time and coordination with the various oil pipeline companies.

## Conclusion

NAESB's Proposed Standard appears to provide a workable solution and a good framework for FERC's way forward. AOPL appreciates the opportunity to be involved in the NAESB process and to submit these comments. We request that our comments be brought to the attention of the Executive Committees and FERC as the Proposed Standard is considered further. If you have any questions, please contact me or Adrienne Cook (202-292-4508, [acook@aopl.org](mailto:acook@aopl.org) ).

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel R. Mihalik". The signature is cursive and somewhat stylized.

Daniel R. Mihalik

202-292-4502

[dmihalik@aopl.org](mailto:dmihalik@aopl.org)