November 22, 2024

Federal Energy Regulatory Commission Action on WGQ Version 4.0 Standards

Dear Members of the Wholesale Gas Quadrant,

Today, November 22, 2024, the Federal Energy Regulatory Commission (FERC or Commission) issued FERC Order No. 587-AA, *Standards for Business Practices of Interstate Natural Gas Pipelines*, in Docket No. RM96-1-043 (Order).[[1]](#footnote-2) Consistent with the Commission’s Notice of Proposed Rulemaking[[2]](#footnote-3) and Notice of Minor Correction,[[3]](#footnote-4) the Order amends the Commission’s regulations to incorporate by reference Version 4.0 of the NAESB WGQ Business Practice Standards, with certain enumerated exceptions. Per the Order, interstate natural gas pipelines are required to make compliance filings by February 3, 2025, with those filings to be made effective August 1, 2025. The Order will become effective sixty days after publication in the Federal Register.

Developed between August 2020 and September 2023, WGQ Version 4.0 includes the consolidation of existing cybersecurity standards into the new WGQ Cybersecurity Related Standards Manual, which the Commission notes should make easier and faster its processes for revising the WGQ cybersecurity-related standards incorporated by reference into regulation. Additionally, WGQ Version 4.0 includes revisions to enhance cybersecurity protections for the wholesale gas market, including modifications to support the use of multi-factor authentication and provide new guidance encouraging the practice of whitelisting. This version also contains modifications to the technical underpinnings of the WGQ Additional Standards, Capacity Release Related Standards, Flowing Gas Related Standards, and Invoicing Related Standards to streamline various reporting processes of transportation service providers and to provide greater clarity in the communication of invoices and contract information for capacity release transactions. Finally, WGQ Version 4.0 includes two new addendums to the NAESB Base Contract for the Sale and Purchase of Natural Gas to support transactions for certified gas and renewable natural gas. Consistent with past practices, the Commission declined to adopt the WGQ Contracts Related Standards, as these are not required for use by industry, and the WGQ / WEQ eTariff Related Standards, which serve as the basis for the Commission’s own standards and protocols for electronic tariff filings.

As stated by the Commission in the Order, WGQ Version 4.0 will promote greater efficiency and reliability of the natural gas industry’s operations and strengthen cybersecurity protections. I thank all who contributed to this major industry effort by volunteering their time and resources, especially NAESB members. Over the past three decades, your support of NAESB has been integral to the development of the WGQ Business Practice Standards as the mature body of standards it is today and demonstrates the industry’s commitment to a more competitive and efficient wholesale natural gas market.

With Best Regards,

Michael Desselle, Chairman and CEO, North American Energy Standards Board

cc: Mr. Paul Smith, Vice Chairman, North American Energy Standards Board

Ms. Rae McQuade, President, North American Energy Standards Board

 Mr. William P. Boswell, General Counsel, North American Energy Standards Board

 Mr. Jonathan Booe, Executive Vice President & COO, North American Energy Standards Board

1. FERC Order No. 587-AA, *Standards for Business Practices of Interstate Natural Gas Pipelines*, was issued on September 19, 2024 in Docket No. RM96-1-043. The order can be accessed through the following hyperlink: <https://naesb.org/pdf4/FERC112224_final_rule_order587AA.docx> [↑](#footnote-ref-2)
2. The Notice of Proposed Rulemaking regarding Version 4.0 of the WGQ Business Practice Standards was issued on March 21, 2024 in Docket No. RM96-1-043. The NOPR can be accessed through the following hyperlink: <https://naesb.org/pdf4/ferc032124_nopr_naesb_wgq_v4.0_rm96-1-043.docx> [↑](#footnote-ref-3)
3. The FERC Notice of Minor Correction to NAESB WGQ Version 4.0 was issued on May 21, 2024 in Docket No. RM96-1-043. The notice can be accessed through the following hyperlink: <https://naesb.org/pdf4/ferc052124_notice_of_minor_correction_WGQ_Version4.0.docx> [↑](#footnote-ref-4)