



## NORTH AMERICAN ENERGY STANDARDS BOARD

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March 23, 2012  
Filed Electronically

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E., Room 1A  
Washington, D.C. 20585

RE: Standards for Business Practices of Interstate Natural Gas Pipelines (Docket No. RM96-1-037)

Dear Ms. Bose:

The North American Energy Standards Board (NAESB) herewith submits these comments regarding the Notice of Proposed Rulemaking Docket No. RM96-1-037, in which the Federal Energy Regulatory Commission (Commission) is proposing to amend its regulations at 18 CFR 284.12 to incorporate by reference Version 2.0 of the NAESB Wholesale Gas Quadrant (“WGQ”) standards. These comments are submitted voluntarily.

Communications concerning these comments can be directed to:

Mr. Jonathan Booe  
Deputy Director  
North American Energy Standards Board  
801 Travis Street, Houston, Texas 77002  
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The report is being filed electronically in Adobe Acrobat® Portable Document Format (.pdf). All of the documents are also available on the NAESB web site ([www.naesb.org](http://www.naesb.org)). Should you have need of the filing in editable format, we can provide it in Microsoft® Word® 2010.

Respectfully submitted,

*Jonathan Booe*

Mr. Jonathan Booe  
Deputy Director, North American Energy Standards Board



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cc: Chairman Jon Wellinghoff, Federal Energy Regulatory Commission  
Commissioner Philip D. Moeller, Federal Energy Regulatory Commission  
Commissioner John R. Norris, Federal Energy Regulatory Commission  
Commissioner Cheryl A. LaFleur, Federal Energy Regulatory Commission

Mr. Michael C. McLaughlin, Office Director, Office of Energy Market Regulations, Federal Energy Regulatory Commission  
Mr. Michael Bardee, General Counsel of the Commission, Federal Energy Regulatory Commission

Mr. Michael Goldenberg, Senior Attorney, Office of General Counsel, Federal Energy Regulatory Commission  
Ms. Jamie Simler, Director, Office of Energy Policy and Innovation  
Mr. Mason Emmett, Associate Director, Office of Energy Policy and Innovation

Mr. Michael Desselle, Chairman and CEO, NAESB Board of Directors  
Ms. Valerie Crockett, WGQ Vice Chair, NAESB Board of Directors  
Mr. James Buccigross, Chair, WGQ Executive Committee  
Ms. Rae McQuade, President, NAESB  
Mr. William P. Boswell, General Counsel, NAESB

**UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION**

**Standards for Business Practices** )  
**Of Interstate Natural Gas Pipelines** )

**Docket No. RM96-1-037**

**COMMENTS OF THE NORTH AMERICAN ENERGY STANDARDS BOARD**

The North American Energy Standards Board (“NAESB”) is voluntarily submitting these comments with regard to the Notice of Proposed Rulemaking Docket No. RM96-1-037 (NOPR)<sup>1</sup>, in which the Federal Energy Regulatory Commission (Commission) is proposing to amend its regulations at 18 CFR 284.12 to incorporate by reference Version 2.0 of the NAESB Wholesale Gas Quadrant (“WGQ”) standards.

On March 14, our office received two minor corrections, MC12005 and MC12006<sup>2</sup>, to address issues raised in the FERC Notice of Proposed Rulemaking, Docket No. RM96-1-037, for NAESB WGQ Standard Nos. 0.3.19 and 0.3.21:

- 0.3.19 Operationally Available Capacity (OAC), Operating Capacity (OPC) and Total Scheduled Quantity (TSQ) are associated information and should be reported at the same level. Transportation Service Providers should report OAC, OPC and TSQ at, at least one of, point, segment or zone level.
- 0.3.21 The Total Scheduled Quantity and the Operationally Available Capacity information should be updated by the Transportation Service Provider to reflect scheduling changes and be reported promptly following the scheduling deadline associated with the timely and evening nominations cycles.

The NAESB WGQ Standard Nos. 0.3.19 and 0.3.21 in Version 2.0 were not proposed to be incorporated by reference by the Commission as the standards appear to be inconsistent with the Commission’s posting regulations, as noted in paragraph nos. 19, 20 and 21 of the NOPR. The suggested minor corrections MC12005 and MC12006 were drafted to meet the Commission’s posting requirements and submitted to the NAESB office. In response to the submittals, the WGQ Executive Committee (EC) is currently voting on the minor corrections to be applied to Version 2.0 – which requires a simple majority vote. The ballot is due on March 27. If the minor corrections are approved by the WGQ EC and successfully complete the minor correction procedure (attached) leading to the application of the minor corrections, a filing will be made with the Commission indicating that corrections have been applied to Version 2.0 in early May.

We appreciate the opportunity to provide these comments to the Commission. If there are any questions or additional information is required, do not hesitate to contact the NAESB office (713-356-0060, [naesb@naesb.org](mailto:naesb@naesb.org)).

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<sup>1</sup> The FERC Notice of Proposed Rulemaking Docket No. RM96-1-037 can be accessed from <http://www.gpo.gov/fdsys/pkg/FR-2012-02-22/html/2012-4041.htm>.

<sup>2</sup> The minor corrections MC12005 and MC12006 can be accessed from the NAESB web site ([www.naesb.org](http://www.naesb.org)) or directly from the following links: [http://www.naesb.org/pdf4/wgq\\_mc12005.doc](http://www.naesb.org/pdf4/wgq_mc12005.doc) and [http://www.naesb.org/pdf4/wgq\\_mc12006.doc](http://www.naesb.org/pdf4/wgq_mc12006.doc).

Excerpt from the NAESB Operating Procedures detailing the procedures to be followed for minor clarifications and corrections to existing NAESB WEQ Business Practice Standards:

**Procedures for Minor Corrections as excerpted from the NAESB Operating Procedures**

D. Minor Clarifications and Corrections to Standards

Minor clarifications and corrections to existing standards include: (a) clarifications or corrections made by a regulatory agency to standards that are of a jurisdictional nature, or by the American National Standards Institute or its successor; (b) clarifications or corrections to the format, appearance, or descriptions of standards in standards documentation; (c) clarifications or corrections to add code values to tables; and (d) clarifications and corrections that do not materially change a standard.

Any request for a minor clarification or correction to an existing standard should be submitted in writing to the executive director. This request shall include a description of the minor clarification or correction and the reason the clarification or correction should be implemented.

1. Processing of Requests

The executive director shall promptly notify the EC and any appropriate subcommittee(s) of the receipt of the request. The members of the applicable quadrant's EC shall promptly determine whether the request meets the definition of a minor clarification or correction. Through the decision of the vice chair of the applicable quadrant, this determination may be delegated to one of the quadrant's subcommittees, with the concurrence of the subcommittee chair, in which case the subcommittee shall make a prompt decision.

If the request is determined to meet the definition of minor clarification or correction, the applicable quadrant's EC, with input from any subcommittee(s) to which the request has been forwarded, shall act on the request within one month of its receipt. A meeting to discuss the request is not required; the decision may be made by notational vote. A simple majority of the votes received shall determine the outcome. The members of the applicable quadrant's EC shall be given at least three working days to consider and vote on the request.

2. Public Notice

The results of the vote on the request for a minor clarification or correction shall be posted on the NAESB website and the members of the applicable quadrant shall be notified of the request by e-mail. If the request has been approved by the applicable quadrant's EC, the notification shall include a brief description of the request, the contact name and number of the requester so that further information can be obtained, and the proposed effective date of the clarification or correction. The proposed effective date of the minor clarification or correction shall normally be one month from the date of the public notice.

Any interested party shall have an opportunity to comment on the request, and the comments shall be posted on the NAESB website. The comment period is two weeks.

3. Final Disposition of Approved Requests

If no comments are received on an approved request, the standard shall be clarified or corrected as specified in the approved request on the effective date proposed. If comments are received, they shall be forwarded to the members of the applicable quadrant's EC for consideration. Each comment requires a public written response from the applicable quadrant's EC. The applicable quadrant's EC shall determine whether changes are necessary as a result of the comments.

Members of the applicable quadrant's EC shall be given three working days to consider the comments and determine the outcome, which shall be decided by a simple majority of the votes received. A meeting to discuss the request is not required; the decision may be made by notational vote. The standard shall be clarified or corrected in accordance with the outcome of the vote, effective with the completion of voting, and notice thereof shall be posted on the NAESB website.