

Commission of a cancellation of a filed tariff or part thereof, or a termination of the tariff by its own terms, when no new tariff or part thereof is to be filed in its place. The Commission proposes to simplify and clarify section 250.2 by stating that the notices of cancellation to be used when canceling an entire tariff or an entire rate schedule should be filed as a tariff sheet. Currently, the existing forms themselves include the header and footer information normally associated with a tariff sheet, which is unnecessary and confusing.

In addition, the Commission proposes to modify section 250.2 by eliminating the requirement that a specific form be used when providing notice of the cancellation of individual tariff sheets. Rather, section 250.2 will provide that when a single sheet is canceled, it should be reserved for future use. This does not represent a substantive change, but more accurately represents the current practice in canceling a tariff sheet, and will allow the sheet to conform better to the Commission's electronic tariff sheet filing requirements.

Section 250.3 specifies the form required under section 154.64 (proposed section 154.602) for notification to the Commission of a cancellation or termination of a contract, or executed service agreement. The Commission proposes to change the current instruction in the form to indicate the "name of purchaser or purchasers" to an instruction to indicate the "name of customer or customers." The use of "customer" rather than "purchaser" better reflects the shift in today's gas market from sales to transportation service.

The Commission proposes to modify the headings of sections 250.2, 250.3, and 250.4 (governing the form of the certificate of adoption required under existing section 154.65 (proposed section 154.603) to be used when the tariff or contracts of a natural gas company are to be adopted by a successor entity) to refer to the new section numbers of the regulations from which their authority stems, since the Commission proposes in the companion rulemaking to redesignate the referenced sections of Part 154. Thus, the reference in sections 250.2 and 250.3 to section 154.64 is changed to section 154.602, and the reference in section 250.4 to section 154.65 is changed to section 154.603. The Commission also proposes, in section 250.4, to modify the line indicating the date of the form of certificate of adoption by removing the year indicator of "194 —."

Many of the forms set forth in Part 250 relate to the filing requirements of natural gas producers and gatherers under Parts 154 and 157 of the Commission's regulations. Specifically, section 250.5 specifies the form of contract summary required to be filed under section 154.24(a) by independent producers applying for a certificate of public convenience and necessity under section 7 of the NGA for the transportation, or sale for resale, of natural gas in interstate commerce. Section 250.7 specifies the form of contract summary required to be filed under section 157.30(b) by independent producers seeking abandonment authorization. Section 250.8 specifies the form for the summary of contract information required by section 154.92(d) to be filed by independent producers seeking authority to provide natural gas service, previously authorized by the Commission, as a successor-in-interest. Section 250.9 specifies the form of notice required under section 154.97(a) to be filed by an independent producer when a rate schedule is proposed to be cancelled, or will terminate by its own terms, and no new schedule is to be filed in its place. Section 250.10 specifies the form required to be filed under section 157.40(b)(4) by independent producers applying for a small producer exemption from certain filing requirements. Section 250.14 specifies the form of the initial billing statement required under section 154.92 to be filed with the filing of a rate schedule by every independent producer, and the form required under section 154.94(f) to be used by an independent producer seeking a change in its rate schedule.

All of the above-referenced sections of Parts 154 and 157 have been removed from the Commission's regulations by Order No. 567, issued July 28, 1994, in Docket No. RM94-18-000.¹³ Order No. 567 deleted certain regulations related to natural gas producer rate regulation that were either obsolete or nonessential in light of the deregulation of wellhead gas prices under the Natural Gas Wellhead Decontrol Act of 1989,¹⁴ that finally occurred on January 1, 1993. Since the regulations requiring that independent producers make certain filings, and in specific forms, have been deleted, sections 250.5, 250.7, 250.8, 250.9, 250.10, and 250.14 of part 250, setting forth the actual forms, should also be deleted. Thus, the Commission is proposing to remove these sections.

The Commission also proposes to remove section 250.12, governing the

form of escrow agreements. This regulation was originally promulgated by Order No. 400, issued April 28, 1970, in Docket No. R-376. It is rarely used. In the instances in which companies are required to place funds in escrow, the Commission proposes to determine in the proceeding establishing the escrow requirement whether, and in what form, the escrow agreement should be filed with the Commission. However, the Commission will invite comments from parties who believe it would be useful to retain a form of escrow agreement, or suggestions as to how this regulation could be modified to become more useful, rather than eliminated.

Finally, the Commission proposes to change all references in Part 250 from the "FPC" and the "Federal Power Commission" to the "FERC," and to the "Federal Energy Regulatory Commission," respectively.

V. Part 260

The provisions of Part 260 require that pipelines file certain forms and reports with the Commission, such as the FERC Form Nos. 2, 2-A, 11, and 549-ST. As further discussed below, the Commission is proposing to modify the actual Form Nos. 2, 2-A, and 11, and various sections of Part 260. The proposed changes to Part 260 are simply designed to update these reporting requirements to reflect current regulatory practice, and to conform these prescriptive requirements to the changes to the other parts of the Commission's regulations proposed in this NOPR.

A. Revisions to Form No. 2

The Commission is proposing to revise Form No. 2 for a variety of reasons. First, it is desirable to update Form No. 2 by deleting unneeded schedules, or individual data elements, by clarifying and modernizing schedules and instructions, and by increasing the thresholds for the reporting of certain information. Second, it is vital to revise Form No. 2 to accurately present the restructured nature of the natural gas pipeline industry, which is primarily focused on the transportation of gas rather than the sale of gas. Only then will the Form No. 2 provide more useful and relevant information to the Commission and to pipeline customers for the assessment of pipeline operations. A sample copy of the proposed revised Form No. 2 is attached as Appendix A.

The specific changes the Commission proposes are:

¹³ 68 FERC ¶ 61,135 (1994).

¹⁴ Pub. L. No. 101-60; 103 Stat. 157 (1989).