

*General Information—Pages i and ii*

The Commission proposes to require Form No. 2 to be filed by each major interstate natural gas company having combined gas transported or stored for a fee exceeding 50 million dekatherms (Dth) in each of the three previous calendar years. This will replace the present requirement that Form No. 2 must be filed by major companies which are those having combined gas sold for resale and gas transported or stored for a fee exceeding 50 million Mcf at 14.70 psia (60°F) in each of the three previous calendar years. The proposed elimination of “gas sold for resale” reflects the current nature of the pipeline industry where pipelines are primarily transporters of gas and make sales for resale on an unbundled basis in the supply area. The proposed replacement of Mcf with Dth reflects the current measurement of gas by heat content rather than by volume.

The Commission also proposes to eliminate the words “is a Regulatory Support Requirement (18 CFR 260.1)” in the first sentence of page i as not needed and to revise the last sentence in Instruction 1, to eliminate the reference to the Energy Information Administration’s statistical publication (Financial Statistics of Interstate Natural Gas Pipeline Companies), to delete the words, “as classified in the Commission’s Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (18 CFR 201),” from the first sentence in Instruction II, and to add the words, “which meets the filing requirements of 18 CFR 260.1” after the word company in that sentence.

The Commission proposes to revise Instruction III(a) to add the present requirement for filing on an electronic medium. The Commission further proposes to change Instruction III(c) to replace the present Certified Public Accountant (CPA) certification statement with a flexible format that will enable the respondent’s CPA firm to prepare its certification statement in accordance with current standards of reporting and still attest as to the conformity of listed FERC Form No. 2 schedules with the Commission’s Uniform System of Accounts and the Chief Accountant’s published accounting releases.

In addition, the Commission proposes that the letter or report required by Instruction III(c) for the CPA certification be submitted with each copy as well as with the original submission and be submitted with that submission rather than alternatively

within 30 days after the filing date for Form No. 2.

*General Instructions—Page iii*

The Commission proposes to replace Mcf with Dth in General Instruction II on page (ii) and “14.73 psia and a temperature base of 60°F” with “in Btu and Dth,” in General Instruction XII on page (iii). The Commission also proposes to delete General Instruction V with respect to the means of completing the report as outdated and unnecessary.

*Definitions—Page iv*

The Commission proposes to define dekatherm as a unit of heating value equivalent to 10 therms or 1,000,000 Btu.<sup>15</sup>

*Excepts From the Law—Page iv*

The Commission proposes to correct the quoted language of the Natural Gas Act.

*List of Schedules (Natural Gas Company)—Pages 2–4*

The Commission proposes to revise the list of schedules to conform with the changes proposed to the schedules by this NOPR.

*Control Over Respondent—Page 102*

The Commission proposes to revise the instructions and provide a format for information required with respect to entities controlling the respondent natural gas company to provide better reporting of the vertical integration of the respondent and its parents.

The Commission is proposing to delete referencing the SEC 10-K Report Form because most respondents are included in consolidated reports and do not prepare separate 10-K reports.

*Corporations Controlled By Respondent—Page 103*

The Commission proposes to delete instruction 4, which permits referencing the SEC 10-K Report Form filing for the reason stated above. The Commission also proposes to add a new instruction 4 and new column (b) for designation of the type of control held by the respondent.

*Definitions—Page 103*

The Commission proposes to delete column (d) entitled “Footnote Ref.”

*Officers—Page 104*

The Commission proposes to delete this page because it is not needed for Commission regulatory purposes.

*Directors—Page 105*

The Commission proposes to delete this page because it is no longer needed for Commission regulatory purposes.

*Security Holders and Voting Powers (Continued)—Page 107*

The Commission proposes to delete this continuation page because it is not needed with electronic reporting since supplemental pages can be added if more space is needed.

*Important Changes During the Year—Page 108*

The Commission proposes to delete item 12, which allows the respondent to substitute notes from the annual report to stockholders for required data because most respondents are included in consolidated reports and do not prepare separate annual reports.

*Important Changes During the Year—Page 109*

The Commission proposes to delete this continuation page because it is not needed with electronic reporting.

*Comparative Balance Sheet (Assets and Other Debits)—Page 110*

The Commission proposes to modify column (c) by deleting “Balance at Beginning of Year” and inserting “Balance at End of Current Year (in dollars)” and to modify column (d) by deleting “Balance at End of Year (in dollars)” and inserting “Balance at End of Previous Year (in dollars).” The Commission also proposes to delete “Gas Stored Underground Noncurrent (117)” at Line 12 and replace it with four new accounts—Gas Stored—Base Gas (117.1), System Balancing Gas (117.2), Gas Stored in Reservoirs and Pipelines—Noncurrent (117.3), and Gas Owed to System Gas (117.4). The Commission discussed the proposed new accounts above.

*Comparative Balance Sheet (Assets and Other Debits) (Continued)—Page 111*

The Commission proposes to modify column (c) by deleting “Balance at Beginning of Year” and inserting “Balance at End of Current Year (in dollars)” and to modify column (d) by deleting “Balance at End of Year” and inserting “Balance at End of Previous Year (in dollars).”

*Comparative Balance Sheet (Liabilities and Other Credits)—Page 112*

The Commission proposes to modify column (c) by deleting “Balance at Beginning of Year” and inserting “Balance at End of Current Year (in dollars)” and to Modify Column (d) by deleting “Balance at End of Year” and

<sup>15</sup> Btu refers to British Thermal Unit—the quantity of heat required to raise the temperature of one pound of water by one degree Fahrenheit.