the associated restructuring proceedings. The restructuring process is now complete; therefore this section is no longer necessary. Any pipeline who proposes to offer transportation service under subpart B or G of part 284 in the future will simply file to comply with the requirements of this part and Order No. 636.

Section 284.122 governs transportation by intrastate pipelines under Section 311(a)(2) of the NGPA. The Commission proposes to delete paragraph (e) of section 284.122, which sets a January 31, 1992 expiration date for the authorization provided under that section for certain transportation. This transitional provision is no longer required. Similarly, section 284.123, governing the rates and charges for this section 311 transportation service, contains in subparagraph (e)(2) a transitional filing requirement deadline of February 1, 1985 for certain preexisting transportation arrangements; thus, the Commission proposes to remove section 284.123(e)(2).

The Commission also proposes to remove sections 284.223(e) (Transitional rule for transportation arrangements) and 284.223(f) (governing the conversion of transportation service under NGPA section 311 to NGA section 7(c) blanket transportation service. Section 284.223 authorizes an interstate pipeline to transport gas under a section 7 blanket certificate of public convenience and necessity for any shipper for any end use by that shipper or any other person. Section 284.223(e) was established as a transitional provision to permit transportation arrangements authorized under section 157.209(a)(1), which commenced before October 9, 1985, to qualify as transportation under section 284.223. Section 157.209(a)(1) permitted section 7 certificate holders under section 157.201 to transport natural gas only on behalf of a high-priority end user for a high-priority end use. Section 157.209(a)(1) was replaced by section 284.223, and was removed from the regulations effective November 18, 1985.45 Accordingly, the transitional rule contained section 284.223(e) applicable to transportation under section 157.209 is obsolete, and no longer necessary. Similarly, section 284.223(f) is an interim measure that was designed to implement the addition of blanket transportation services. This section requires that all conversions be made prior to November 1, 1990. Consequently, sections 284.223(f) is also obsolete, and no longer necessary.

⁴⁵ See 50 FR 42408 (October 18, 1985).

Finally, section 284.402 of Subpart L, setting forth the authorization for blanket marketing certificates, provides in paragraph (c)(1) that the authorization for an "affiliated marketer" with respect to transactions involving affiliated pipelines becomes effective either when the affiliated pipeline receives its blanket sales certificate under Subpart J, a transportation-only affiliated pipeline's Order No. 636 compliance filing is approved, or when the Commission terminates the affiliated pipelines RS proceeding. The Commission proposes to delete the latter two conditions, since those occurrences have passed.

G. Other Revisions

The Commission proposes to delete most of Subpart D, governing certain sales under section 311 of the NGPA by intrastate pipelines. In Order No. 547,⁴⁶ the Commission granted any person who is not an interstate pipeline a blanket certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the certificate holder to make sales for resale at negotiated rates in interstate commerce of any category of gas that is subject to the Commission's Natural Gas Act jurisdiction. The certificate of limited jurisdiction does not subject the certificate holder to any other regulation under the Natural Gas Act by virtue of transactions under the certificate. Although the blanket certificate eliminates the need for Subpart D, the Commissison will retain the basic authorization and rate provisions under Subpart D in sections 284.141, 284.142, and 284.144 for those persons who may wish to make sales under the NGPA instead of the blanket certificate under the Natural Gas Act. However, in recognition that an intrastate pipeline can also sell natural gas in an unbundled transaction under the blanket certificate, at negotiated rates, the Commission proposes to retain a simplified version of section 284.144 governing rates and charges as part of the authorization provision set forth in section 284.142. The proposed rate rule within section 284.142, simplifies the current maximum sales rate rule to permit the gas commodity price negotiated in the contract, plus a fair and equitable transportation rate.

The Commission proposes to delete Subpart E in its entirety, governing the assignment by any intrastate pipeline to any interstate pipeline or local distribution company of its contractual right to receive surplus natural gas at any first sale, without prior Commission approval. The Natural Gas Wellhead Decontrol Act of 1989 amended the definition of "surplus natural gas" in section 312 of the NGPA to mean "any natural gas." Moreover, the only filings under Subpart E were made in 1979. Therefore, Subpart E is no longer necessary.

Further, in light of the proposed elimination of Subpart E, the Commission proposes to remove all references in section 284.224, governing certain transportation, sales and assignments by local distribution companies, to Subpart E, as well as to the word "assignments" in the section provisions and in the section heading. The Commission also proposes to remove the reference to assignment in section 284.3, which sets forth the NGA jurisdiction. In addition, the Commission proposes to delete the references in section 284.224(e)(5) to those reporting requirements that the Commission is proposing to delete in subparts C and D. The Commission is retaining the blanket certificate and rate election procedures in section 284.224 that allow local distribution companies served by an interstate pipeline or Hinshaw pipeline to engage in sales and transportation of natural gas to the same extent as intrastate pipelines are authorized to engage in such activities under subparts C and D.

The Commission proposes to remove sections 284.225 and 284.226 concerning the transportation of gas released under the good faith negotiation procedures. Order No. 567, ⁴⁷ issued July 28, 1994, in Docket No. RM94–18–000, removed the good faith negotiation procedures under Section 270.201 as a result of the repeal of maximum lawful ceiling prices under the NGPA.

The Commission proposes to remove section 284.222, regarding transportation by interstate pipelines on behalf of other interstate pipelines. Since the Commission deleted the prior notice requirement in Order No. 537,48 which applied to transportation by interstate pipelines on behalf of shippers other than interstate pipelines under section 284.223, but did not apply to transactions under section 284.222, there is no longer any reason to distinguish between transportation under sections 284.222 and 284.223. Thus, the Commission proposes to delete section 284.222, and apply section 284.223 to transportation by

^{46 61} FERC ¶ 61,281 (1992).

^{47 68} FERC ¶ 61,135 (1994).

 $^{^{48}}$ Revisions to Regulations Governing Transportation under Section 311 of the Natural Gas Policy Act of 1978 and Blanket Transportation Certificates, 56 FERC \P 61,415 (1991).