

may be appropriate. Further, FERC Form No. 2 does not provide test period data.

41. *Statement J, Comparison and Reconciliation of Estimated Revenues With Cost-of-service.* Statement J replaces current Statement K. Statement J will provide the same type of comparison as the current schedule, except that Schedule J specifically requires that Schedule G-2 must be compared to Statement I. Statement J also requires that surcharges be reflected and recognizes that they are not derived from the cost-of-service, but are jurisdictional revenues. Also, discounting adjustments are provided in this statement.

42. *Schedule J-1, Summary of Billing Determinants.* Schedule J-1 will help correlate the volumes in Schedule G to the volumes used to develop rates.

ANR and CIG state that this schedule seeks the same information as Schedule G-3, but on a summary level, therefore, the requirements of Schedule G-3 should also apply to Schedule J-1 so that the supporting calculations are provided with the summary. Williston states that this schedule duplicates existing information in Schedule G and should be deleted. The Commission disagrees. Schedule G-3 provides detailed information for each proposed adjustment to actual base period billing determinants while the information in Schedule J-1 is summarized for rate design purposes. Each schedule is retained because each serves a different purpose.

Columbia states that the requirement to include surcharges as part of the revenues in Schedule G needlessly complicates the reconciliation process. Columbia advocates ignoring surcharges of limited duration or those subject to intermittent changes.

The Commission recognizes that surcharges are not part of the cost-of-service; however, surcharge information enables the Commission and parties to verify whether discounts are attributed to base rates or surcharges consistent with § 154.109.

AGD states that requirements should be supplemented to facilitate reconciliation calculations. AGD recommends requiring the pipeline to include a summary by rate schedule and by zone of billing determinant adjustments provided in Statement G. The Commission disagrees. As stated above, all reconciliations to billing determinants in the design of rates, including discounting adjustments, must take place in Statement J, not Statement G.

43. *Schedule J-2, Derivation of Rates.* Schedule J-2 replaces current Schedule

K-1. Schedule J-2 more clearly specifies what information is required and requires that costs and billing determinants be cross-referenced.

44. *Schedule J-2(iii).* Schedule J-2(iii) requires the same information as current Schedule K-2.

Pacific Northwest Commenters states that the Commission should expand the requirements to include a full narrative of the method used and step-by-step calculations for each rate component of each rate. The Commission notes that such narratives are already required by Schedule G-3 and § 154.201(b)(2).

Columbia seeks clarification that the rate component referenced relates to a reservation/usage distinction and not a distinction based on the individual components of the cost-of-service. Columbia's interpretation is correct.

NI-Gas suggests that pipelines be required to include schedules with Statement I that specify the impact of each proposed change in functionalization, classification, allocation or rate design. NI-Gas also suggests that the explanation of changes in rate derivation required by Schedule J-2 provide the impact on shippers of each change. Such impacts and explanations are not required under the current regulations and would be too burdensome as a generally applicable requirement. Section 154.201 (b)(2) requires a pipeline to support rate changes with step-by-step calculations and a written narrative to allow the parties to duplicate the pipeline's calculations. Section 154.313, Statements I and J, set out guidelines on how a pipeline should present its rate case. These requirements should provide sufficient information for a party to compute the impact of each change. Moreover, as the need arises, additional information may be provided through discovery at a hearing.

The Industrial Groups state that this schedule should incorporate the Schedule K-2 requirements verbatim. The Commission did not adopt this suggestion because such requirements are found in § 154.201(b)(2) and so, no change is necessary.

45. *Statement P.* AGD, APGA, Consumers Power, Brooklyn Union, IPAA, JMC, Michigan, Pacific Northwest Commenters, Columbia Distribution, LDC Caucus, NDG, SoCal, and UDC support the initial filing of Statement P as part of the pipeline's rate filing. Many of these commenters note that Statement P is the key element in understanding a pipeline's rate filing. The availability of a properly prepared Statement P will help the pipeline's customers identify the real issues presented by the rate filing in time for the issues to be raised

in initial interventions and pleadings. In addition, by requiring that Statement P be filed with the rate case, the number of protests should be reduced, since intervenors will only have to file protests when warranted, rather than protectively. IPAA states that filing Statement P with the rate case will allow for more expeditious processing of rate cases and will shorten the time period during which shippers can be held hostage to unjust and unreasonable rates collected subject to refund. The LDC Caucus notes that many state Public Utility Commissions (PUCs) require Local Distribution Companies (LDCs) to file testimony concurrently with their rate cases. Finally, Brooklyn Union notes in support of the proposed Statement P requirement, that the Commission's regulations require electric utilities to file testimony with rate increase filings.

ANR/CIG, INGAA, NGT and Panhandle suggest, as an alternative, that a two-phase filing of Statement P be considered. In Phase I, pipelines would file testimony with the rate case concerning the rate case issues for which refunds are not a remedy. In Phase II, 15 or 30 days later, the pipeline would file remaining testimony on the "boiler plate" issues of cost-of-service, billing-determinants levels, rate base, etc.

Columbia questions whether filing Statement P with the rate case filing has any significant benefit or purpose. Columbia supports maintaining the old rule (15-day lag) with respect to cost-of-service and rate testimony, but would not object to the new rule with respect to issues where rate refunds are not an adequate remedy.

KNI contends that the extra 15 days presently allowed for filing Statement P provides time to develop more comprehensive and detailed testimony than would otherwise be produced if Statement P had to be submitted concurrently with all other schedules. KNI contends that more "polished" testimony is likely to reduce discovery requests.

MRT submits that requiring testimony to be filed concurrently with a rate case would create an enormous and unnecessary burden on pipelines. If, however, the Commission requires Statement P to be filed concurrently, then MRT proposes that the Commission take additional actions to reduce the burden. MRT requests that the Commission amend § 154.304(a)(1) to lengthen the time from the last day of the base period to the filing date from 4 months to 5 months. Alternatively, MRT requests that pipelines not be required to file all schedules and