

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission****18 CFR Part 284**

[Docket Nos. RM94-10-000, RM96-7-000, RM96-14-003, RM98-11-000]

Termination of Rulemaking Proceedings

Issued February 9, 2000.

AGENCY: Federal Energy Regulatory Commission, DOE.**ACTION:** Proposed rulemaking; termination of rulemaking proceedings.**SUMMARY:** The Federal Energy Regulatory Commission has determined that it will take no further action in Docket Nos. RM94-10-000, RM96-7-000, RM96-14-003, and RM98-11-000, and, therefore, the dockets are closed.**DATES:** These dockets are terminated upon issuance of the order.**SUPPLEMENTARY INFORMATION:**

	Docket No.
Secondary Market Transactions on Interstate Natural Gas Pipelines	RM96-14-003
Rate Design for Interstate Natural Gas Pipelines	RM98-11-000
Regulation of Negotiated Transportation Services of Natural Gas Pipelines	RM96-7-000
Petition of United Distribution Companies for Rulemaking Regarding the Secondary Market	RM94-10-000
Transwestern Pipeline Company Pacific Gas and Electric Company Southern California Gas Company	RP96-352-002
Columbia Gas Transmission Company	RP96-356-001
Columbia Gulf Transmission Corporation	RP96-355-001
Mountaineer Gas Company	RP96-372-001
Central Hudson Gas & Electric Corp	RP96-371-001
Orange and Rockland Utilities, Inc	RP96-382-001
Transcontinental Gas Pipe Line Company	RP96-360-001
Brooklyn Union Gas Company	RP96-369-001
Washington Gas Light Company	RP96-368-001
National Fuel Gas Distribution Company	RP96-353-001
Kern River Gas Transmission Company	RP96-370-001
Boston Gas Company	RP96-373-001
Arizona Public Service Company	RP96-379-001

Order Terminating Proceedings

This order terminates the above-captioned proceedings. The matters at issue in these proceedings have been resolved by the Final Rule issued contemporaneously with this order by the Commission in Regulation of Short-Term Natural Gas Transportation Services, Docket No. RM98-10-000, and Regulation of Interstate Natural Gas Transportation Services, Docket No. RM98-12-000.

In Secondary Market Transactions on Interstate Natural Gas Pipelines, Docket No. RM96-14-000, the Commission proposed changes to its capacity release policies, and proposed to institute a pilot program to permit shippers releasing capacity and pipelines selling interruptible capacity to sell at rates above the pipeline's maximum tariff if they could demonstrate that they did not have market power in the secondary market. Applications to participate in the pilot program were filed by a number of pipelines and LDCs. Specifically, Transwestern Pipeline Co., Pacific Gas and Electric Co., and Southern California Gas Co. filed a joint application to participate in the pilot program in Docket No. RP96-14-000, Columbia Gas Transmission Co. filed an application in Docket No. RP96-356-

000, Columbia Gulf Transmission Corp. filed an application in Docket No. RP96-355-000, Mountaineer Gas Co. filed an application in Docket No. RP96-372-000, Central Hudson Gas & Electric Corp. filed an application in Docket No. RP96-371-000, Orange and Rockland Utilities, Inc. filed an application in Docket No. RP96-382-000, Transcontinental Gas Pipe Line Co. filed an application in Docket No. RP96-360-000, Brooklyn Union Gas Co. filed an application in Docket No. RP96-369-000, Washington Gas Light Co. filed an application in Docket No. RP96-368-000, National Fuel Gas Distribution Co. filed an application in Docket No. RP96-353-000, Kern River Gas Transmission Co. filed an application in Docket No. RP96-370-000, Boston Gas Co. filed an application in Docket No. RP96-373-000, and Arizona Public Service Co. filed an application in Docket No. RP96-379-000. The Commission accepted some of the applications and rejected others,¹ but subsequently terminated the pilot program.² Requests for rehearing of the Commission's decision to terminate the

pilot program, as well as requests for rehearing of the Commission's rulings in the individual application proceedings are pending. The Commission's decision in the Final Rule to remove the price cap on short-term transactions in the secondary market makes the issue raised in these requests for rehearing moot, and the Commission therefore terminates the proceedings.

In Petition of United Distribution Companies, Docket No. RM94-10-000, the petitioner requested that the Commission facilitate use of the secondary market by authorizing the holders of firm capacity to market their capacity directly to all interested persons. In the Final Rule, the Commission has taken action to facilitate capacity release transactions, including removal of the price cap and improving competition and efficiency across the pipeline grid. The Commission has determined that the actions taken in the Final Rule are the appropriate modifications to the capacity release mechanism, and will not make any other changes to the capacity release process at this time. Therefore, the proceeding in Docket No. RM94-10-000 is terminated.

In Petition of Public Service Commission of the State of New York

¹ 77 FERC ¶ 61,183 (1996).

² Transwestern Pipeline Company, 78 FERC ¶ 61,200 (1997).

for Rulemaking Regarding Rate Design, Docket No. RM98-11-000, the petitioner asked the Commission to reconsider use of the SFV rate design methodology. In the Final Rule the Commission discusses the objections to use of the SFV rate design, but concludes that it will not order a generic change in rate design and will continue its current approach of considering requests to use different rate designs in individual cases. This disposes of the issue raised in Docket No. RM98-11-000, and the proceeding is therefore terminated.

In Regulation of Negotiated Transportation Services of Natural Gas Pipelines, Docket No. RM96-7-000, the Commission considered the appropriateness of negotiated terms and conditions of service. The Commission received comments on this issue in the Docket No. RM98-10-000 proceeding, and determines in the Final Rule that in light of significant unresolved questions concerning the need for and effects of negotiated terms and conditions, the Commission will not provide pipelines with authority for pre-approval of negotiated terms and conditions at this time. This resolves the issue raised in Docket No. RM96-7-000, and Docket

No. RM96-7-000 is therefore terminated.

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During normal business hours, documents can also be viewed and/or printed in FERC's Public Reference Room, where RIMS, CIPS, and the FERC Website are available. User assistance is also available.

The Commission orders: The proceedings in the above-captioned dockets are terminated.

By the Commission.

David P. Boergers,

Secretary.

[FR Doc. 00-3596 Filed 2-24-00; 8:45 am]

BILLING CODE 6717-01-P