

and formulas. The issue has been raised as to whether a pipeline that prepares two separate files for a Statement, without links between such files (perhaps because the two files were prepared by different individuals) must, nonetheless, create such links for the filing.

AGD states that by separating a filing (e.g., Statements J and K) into multiple files, pipelines would minimize the usefulness of such information and deprive interested parties of the ability to engage in meaningful analysis. AGD requests clarification that pipelines cannot avoid the requirements of Order No. 582—in particular, the requirement that pipelines must submit rate filings in native spreadsheet format with links and formulas—by submitting the relevant information in separate files without links.

The Commission does not agree with AGD that the absence of such links will deprive interested parties of the ability to engage in meaningful analysis. Upon examination, a reviewer will be able to locate links between two or more spreadsheets whether or not the link is electronic. If there is no direct link between two spreadsheets showing progressive calculations, an explanation of the relationship between the two spreadsheets is required.<sup>11</sup> The reviewer's analysis will not be significantly compromised because two spreadsheets showing progressive calculations are not linked electronically.

A pipeline must support its rate adjustments with step-by-step mathematical calculations accompanied by narrative explanations sufficient to permit the Commission and interested parties to duplicate the company's calculations.<sup>12</sup> This may be done, in part, by placing links in the spreadsheets or it may be done other ways. AGD has provided insufficient reasons for limiting the pipelines' options when complying with the regulations.

If a pipeline creates a link in the preparation of its rate filing, that link may not be severed prior to submitting the rate filing to the Commission. The Commission strongly encourages the use of electronic links. However, the Commission clarifies that if there are no underlying links used to develop the spreadsheet, as in the example above, links need not be created for the filing.

#### *The Commission orders:*

<sup>11</sup> Section 154.201(b)(5) requires that "[w]here workpapers show progressive calculations, any discontinuity between one working paper and another must be explained."

<sup>12</sup> 18 CFR 154.201(b)(2).

The requests for clarification of Order No. 582, the final rule issued in this docket on September 28, 1995, are granted and denied as discussed in the text of this order.

By the Commission.  
Lois D. Cashell,  
*Secretary*.  
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## **Federal Energy Regulatory Commission**

### **18 CFR Part 346**

[Docket No. RM96-10-000; Order No. 588]

### **Oil Pipeline Cost-of-Service Filing Requirements**

Issued July 19, 1996.

**AGENCY:** Federal Energy Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Federal Energy Regulatory Commission (Commission) is amending Part 346 of its regulations to make the cost-of-service filing requirements of that Part applicable to the Trans-Alaska Pipeline System (TAPS) carriers and carriers delivering oil directly or indirectly to TAPS. These carriers were inadvertently excluded from the streamlined procedural rules in Part 346 required by the Energy Policy Act of 1992.

**EFFECTIVE DATE:** August 26, 1996.

**FOR FURTHER INFORMATION CONTACT:** Jacob Silverman, Office of the General Counsel Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, Telephone: (202) 208-2078.

**SUPPLEMENTARY INFORMATION:** In addition to publishing the full text of this document of the Federal Register, the Commission also provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 2-A, 888 First Street, NE., Washington, DC 20426.

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1/2 Select the option: [1] FedWorld

The Federal Energy Regulatory Commission (Commission) is revising Part 346 of its regulations to make the cost-of-service filing requirements of that Part applicable to the Trans-Alaska Pipeline System (TAPS) and carriers delivering oil directly or indirectly to TAPS. The revision is necessary to correct the inadvertent exclusion of these carriers from the procedural requirements of Part 346.

#### **I. Background**

The Commission issued Order No. 561<sup>1</sup> to comply with the Energy Policy Act of 1992 (Act of 1992),<sup>2</sup> which required the Commission to establish a simplified and generally applicable methodology for oil pipelines and to streamline its procedures relating to oil pipeline rates. The Act of 1992 excluded TAPS from its provisions for ratemaking purposes. Thus, Order No. 561 stated that TAPS and the other excluded pipelines would continue to be governed by their existing rate methodologies, but also would be subject to the Commission's new procedural rules. Thereafter, as a companion to Order No. 561, the Commission issued Order No. 571, establishing in Part 346 of its regulations cost-of-service filing requirements for oil pipelines.<sup>3</sup> These procedural requirements include all the information that is necessary to support a rate filing under the Opinion No. 154-

<sup>1</sup> Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992, Order No. 561, FERC Statutes & Regulations ¶ 30,985 (1993); Order on Rehearing, Order No. 561-A, FERC Statutes & Regulations ¶ 31,000 (1994).

<sup>2</sup> 42 U.S.C. 7172 note (West Supp. 1993).

<sup>3</sup> Cost-of-Service Reporting and Filing Requirements for Oil Pipelines, FERC Statutes & Regulations ¶ 31,006 (1994).

B methodology.<sup>4</sup> The existing provisions of Part 346, however, do not apply to TAPS or its feeder lines.<sup>5</sup>

It has always been the Commission's intent to exclude TAPS and its feeder lines only from the simplified ratemaking methodology adopted in Order No. 561, not from the streamlined procedural rules required by the Act of 1992. Accordingly, on April 29, 1996, the Commission issued a Notice of Proposed Rulemaking (NOPR) in this docket<sup>6</sup> to amend Part 346 to make it applicable to TAPS and its feeder lines.

The TAPS Carriers<sup>7</sup> were the only parties filing comments in response to the NOPR.

## II. Public Reporting Burden

The Commission estimates the public reporting burden for the collection of information under the final rule will remain unchanged for rate filings, since what the Commission is codifying as the information to be provided is that which the Commission's staff routinely has requested of oil pipelines for cost-of-service rate filings in the past. The information will be collected on FERC-550, "Oil Pipeline Rates: Tariff Filings."<sup>8</sup> This estimate includes the time for reviewing instructions, researching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The current annual reporting burden associated with this information collection requirement was described in Order No. 571 and included the burden attributable to all oil pipelines, including TAPS and its feeder lines, as follows: FERC-550: 5,350 hours, 535 responses, and 140 respondents.

Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, can be sent to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426 [Attention: Michael Miller, Information Services Division, (202) 208-1415]; and to the Office of Information and

Regulatory Affairs of OMB (Attention: Desk Officer for Federal Energy Regulatory Commission), FAX: (202) 395-5167.

## III. Discussion

As the NOPR explained, since TAPS was excluded from the ratemaking provisions of the Act of 1992, Order No. 561 specifically stated:<sup>9</sup> for ratemaking purposes, TAPS and those excluded pipelines [the TAPS feeder lines] will continue to be regulated under the ratemaking standards that are currently in effect. However, it is the Commission's judgment that such exclusion [of TAPS and its feeder lines from the provisions of the Energy Policy Act of 1992] was intended to apply only to the simplified and generally applicable rate methodology, not to the procedural rules that the Act of 1992 required the Commission to consider. Otherwise, the Commission would be required to enforce one set of procedural rules for TAPS and excluded pipelines, and another for all other pipelines under its jurisdiction under the ICA. This would not be consistent with Congress' intent for the Commission to streamline its procedures for oil pipelines.

As the NOPR pointed out, the Commission meant the procedural rules of Part 346 to apply to TAPS and its feeder lines. This is the interpretation that is consistent with the mandate of the Act of 1992 that the Commission streamline its procedures in order to avoid unnecessary regulatory costs and delay, and with the Commission's explicit desire to enforce one set of the procedural rules for all pipelines.

The revision adopted here will require the TAPS Carriers and the TAPS feeder carriers to comply with the cost-of-service filing requirements of Part 346 when they seek to establish rates under the Opinion No. 154-B methodology. As the NOPR explained, these requirements are no more than a codification of the information that these carriers now must provide routinely in response to the Commission staff's requests for information to support their cost-of-service rate filings. Thus, it should not create any additional burden for carriers making cost-of-service filings. Inclusion of cost-of-service supporting information with carriers' initial filings, rather than at a later time in the regulatory process, also will satisfy the requirement of the Act of 1992 to avoid unnecessary regulatory costs and delays.

In their comments, the TAPS Carriers state that they do not oppose the proposed revision to the extent it simply seeks to make the cost-of-service filing requirements consistent as between

excluded and non-excluded oil pipelines. However, they seek to clarify that nothing in the proposed revision is intended to undermine or supplant the Commission-approved settlements already in place for TAPS, and certain TAPS feeder pipelines, including the TAPS Settlement Agreement. Thus, the TAPS Carriers seek assurance that, consistent with the Commission's discussion in Order Nos. 561 and 561-A, excluded pipelines, such as TAPS, can continue to file tariffs that are within the ceilings imposed by existing settlements without requiring a separate Opinion No. 154-B submission.

The TAPS Carriers state that there is a possible ambiguity in the proposed language in the NOPR that might require TAPS Carriers that make filings under an existing settlement methodology, such as the TAPS Settlement methodology, to also include the Opinion No. 154-B schedules specified in section 346.2. The TAPS Carriers assert that no meaningful purpose would be served by such filings, since the TAPS Settlement Agreement already imposes cost-based ceilings on the TAPS rates. The TAPS Carriers have proposed language that removes that ambiguity by making clear that the filing requirement under a Commission-approved settlement remains the same.

In response to the TAPS Carriers' concern, the Commission will include language in the revised regulations to make it clear that the TAPS Carriers and the TAPS feeder carriers need file the Opinion No. 154-B schedules specified in section 346.2 only if they make filings to establish or change rates under the Opinion No. 154-B methodology, and not when they file pursuant to a Commission-approved settlement.

## IV. Environmental Analysis

The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.<sup>10</sup> The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.<sup>11</sup> The action proposed here is procedural in nature and therefore falls within the categorical exclusions provided in the Commission's regulations.<sup>12</sup> Therefore, neither an environmental impact statement nor an environmental

<sup>4</sup> Williams Pipeline Company, 31 FERC ¶ 61,377 (1985).

<sup>5</sup> See, Milne Point Pipeline Company, 75 FERC ¶ 61,050 (1996).

<sup>6</sup> Oil Pipeline Cost-of-Service Filing Requirements, FERC Statutes & Regulations ¶ 32,518, 61 FR 19878 (May 3, 1996).

<sup>7</sup> The TAPS Carriers, each of which owns an undivided joint interest in the Trans Alaska Pipeline System (TAPS), are: Amerada Hess Pipeline Corporation, ARCO Transportation Alaska, Inc., BP Pipelines (Alaska) Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Phillips Alaska Pipeline Corporation and Unocal Pipeline Company.

<sup>8</sup> FERC-550 is the designation covering oil pipeline tariff filings made to the Commission.

<sup>9</sup> FERC Statutes & Regulations ¶ 30,985 at 30,961.

<sup>10</sup> Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), FERC Statutes & Regulations (Regulations Preambles 1986-1990) ¶ 30,783 (1987).

<sup>11</sup> 18 CFR 380.4.

<sup>12</sup> See, 18 CFR 380.4(a)(2)(ii).

assessment is necessary, and neither will be prepared in this rulemaking.

#### V. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act<sup>13</sup> generally requires the Commission to describe the impact that a proposed rule would have on small entities or to certify that the rule will not have a significant economic impact on a substantial number of small entities. An analysis is not required if a proposed rule will not have such an impact.<sup>14</sup>

Pursuant to section 605(b), the Commission certifies that the proposed rules and amendments, if promulgated, will not have a significant adverse economic impact on a substantial number of small entities.

#### VI. Information Collection Requirements

Office of Management and Budget (OMB) regulations require OMB to approve certain information collection requirements imposed by an agency.<sup>15</sup> The information collection requirements in the final rule are contained in FERC-550 "Oil Pipeline Rates: Tariff filing" (1902-0089).

The Commission's Office of Pipeline Regulation uses the data collected in these information requirements filings to investigate the rates charged by oil pipeline companies subject to its jurisdiction, to determine the reasonableness of rates, and when appropriate, prescribe just and reasonable rates.

The final rule will not change the reporting requirements of FERC-550. This rule therefore is not subject to OMB review. The Commission is submitting a copy of the proposed rule to OMB for information purposes. Interested persons may obtain information on these reporting requirements by contacting the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426 [Attention: Michael Miller, Information Services Division, (202) 208-1415]. Comments on the requirements of this rule can be sent to the Office of Information and Regulatory Affairs of OMB [Attention: Desk Officer for the Federal Energy Regulatory Commission].

#### VII. Effective Date

This final rule will be effective August 26, 1996. The Commission has determined, with the concurrence of the Administrator of the Office of

Information and Regulatory Affairs of OMB, that this rule is not a "major rule" as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996.

#### List of Subjects in 18 CFR Part 346

Pipelines, Reporting and recordkeeping requirements.

By the Commission.

Lois D. Cashell,  
*Secretary.*

In consideration of the foregoing, Part 346, Chapter I, Title 18, Code of Federal Regulations, is amended, as set forth below.

#### PART 346—OIL PIPELINE COST-OF-SERVICE FILING REQUIREMENTS

1. The authority citation for Part 346 continues to read as follows:

Authority: 42 U.S.C. 7101-7352; 49 U.S.C. 60502; 49 App. U.S.C. 1-85.

2. Section 346.1 introductory text is revised to read as follows:

##### **§ 346.1 Content of filing for cost-of-service rates.**

A carrier that seeks to establish rates pursuant to § 342.2(a) of this chapter, or a carrier that seeks to change rates pursuant to § 342.4(a) of this chapter, or a carrier described in § 342.0(b) that seeks to establish or change rates by filing cost, revenue, and throughput data supporting such rates, other than pursuant to a Commission-approved settlement, must file:

\* \* \* \* \*

3. Section 346.2 introductory text is revised to read as follows:

##### **§ 346.2 Material in support of initial rates or change in rates.**

A carrier that files for rates pursuant to § 342.2(a) or § 342.4(a) of this chapter, or a carrier described in § 342.0(b) that files to establish or change rates by filing cost, revenue, and throughput data supporting such rates, other than pursuant to a Commission-approved settlement, must file the following statements, schedules, and supporting workpapers. The statement, schedules, and workpapers must be based upon an appropriate test period.

\* \* \* \* \*

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BILLING CODE 6717-01-P

## DEPARTMENT OF JUSTICE

### Parole Commission

#### 28 CFR Part 2

#### Paroling, Recommitting, and Supervising Federal Prisoners: Transfer Treaty Cases

**AGENCY:** United States Parole Commission, Justice.

**ACTION:** Final rule.

**SUMMARY:** The U.S. Parole Commission is amending its regulations on transfer treaty cases by reducing the number of hearing examiners required to conduct a hearing for a prisoner transferred to the United States pursuant to treaty. The number is reduced from two hearing examiners to one hearing examiner. The recommended decision of the hearing examiner shall be reviewed by the executive hearing examiner, and the Commission will not act upon the case until a panel recommendation consisting of two concurring examiner votes is obtained. This change will not otherwise affect the procedures followed at a special transferee hearing. This procedural rule is necessary for the Commission to operate within the substantially reduced Congressional appropriation anticipated for Fiscal Year 1997.

**EFFECTIVE DATE:** August 26, 1996.

**FOR FURTHER INFORMATION CONTACT:** Pamela A. Posch, Office of General Counsel, 5550 Friendship Blvd, Chevy Chase, Maryland 20815, Telephone (301) 492-5959.

**SUPPLEMENTARY INFORMATION:** This is a procedural rule change affecting only those prisoners who are transferred to the United States, pursuant to treaty, to serve a sentence imposed in the transferring country. For a prisoner who is serving a foreign sentence for a crime that was committed on or after November 1, 1987, the Parole Commission is obliged to conduct a special transferee hearing upon his return to the United States, and to determine a period of imprisonment and a period of supervised release, within the framework of the foreign sentence, according to the rules and guidelines of the U.S. Sentencing Commission. See 18 U.S.C. 4106A (1988).

Until now, the regulation governing such cases, 28 CFR 2.62, has required that special transferee hearings be conducted by panels of two hearing examiners. In all other hearings conducted by the Commission (including parole and parole revocation hearings for domestic prisoners) hearings are conducted by a single

<sup>13</sup> 5 U.S.C. 601-612.

<sup>14</sup> 5 U.S.C. 605(b).

<sup>15</sup> 5 CFR 1320.11.