AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Federal Energy Regulatory Commission (Commission) proposes to remove the incorporation by reference of the Wholesale Electric Quadrant (WEQ) WEQ-006 Time Error Correction Business Practice Standards as adopted by the North American Energy Standards Board (NAESB) in its WEQ Version 003.0 Businesses Practice Standards. The WEQ-006 Manual Time Error Correction Business Practice Standards previously defined the commercial based procedures to be used for reducing time error to keep the system’s time within acceptable limits of true time. NAESB’s latest version of its Business Practice Standards retires and eliminates its Manual Time Error Correction Business Practice Standards to correspond with the removal of the Time Error Correction requirements of the North American Electric Reliability Corporation (NERC), which was approved by the Commission in 2017. The Commission also proposes to incorporate by reference Standard WEQ-000 (Version 003.2), which eliminates the definitions of “Time Error” and “Time Error Correction” as well as making unrelated minor corrections.
DATES: Comments are due [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Comments, identified by Docket No. RM05-5-026, may be filed in the following ways:

- Electronic Filing through http://www.ferc.gov. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.

- Mail/Hand Delivery: Those unable to file electronically may mail or hand-deliver comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.

INSTRUCTIONS: For detailed instructions on submitting comments and additional information on the rulemaking process, see the Comment Procedures Section of this document.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:
In this Notice of Proposed Rulemaking (NOPR), the Federal Energy Regulatory Commission (Commission) proposes to remove its incorporation by reference of the Wholesale Electric Quadrant (WEQ) WEQ-006 Time Error Correction Business Practice Standards as adopted by the North American Energy Standards Board (NAESB) in its WEQ Version 003.0 Businesses Practice Standards.\(^1\) NAESB adopted the Manual Time

\(^1\) NAESB’s WEQ Version 003.1 and WEQ Version 003.2 Business Practice Standards are currently pending Commission review.
Error Correction Business Practice Standard to correspond with a similar reliability standard adopted by the North American Electric Reliability Corporation (NERC). These Time Error Correction standards defined the commercial methods used for reducing time error to keep the system’s time within acceptable limits of true time. NERC retired its Time Error Correction reliability standard (BAL-004-0) and the Commission approved that retirement in a letter order issued on January 18, 2017 in Docket No. RD17-1-000. To maintain parallel treatment with NERC’s reliability standards, NAESB, in Version 003.2 of its standards, retired and eliminated the standards contained in its WEQ-006 Manual Time Error Correction Business Practice Standards.  

I. **Background**

2. NAESB is a non-profit standards development organization that serves as an industry forum for the development of business practice standards and communication protocols for the wholesale and retail natural gas and electricity industry sectors. Since 1995, NAESB and its predecessor, the Gas Industry Standards Board (GISB), have been accredited members of the American National Standards Institute (ANSI), complying with ANSI’s requirements that its standards reflect a consensus of the affected industries.  

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2 NAESB notified the Commission that it had adopted Version 003.2 of its standards on December 7, 2018, in Docket No. RM05-5-000.

3 Prior to the establishment of NAESB in 2001, the Commission’s development of business practice standards for the wholesale electric industry was aided by two *ad hoc* industry working groups established during the rulemaking proceeding that resulted in issuance of Order No. 889 and the creation of the Open Access Same-Time Information System (OASIS), while GISB’s efforts involved the development of business practice standards for the wholesale natural gas industry. Once formally established, NAESB *(continued ...)*
3. NAESB supports three quadrants of the gas and electric industries – wholesale gas, wholesale electric, and retail markets quadrants.\(^4\) NAESB’s standards include business practices intended to standardize and streamline the transactional processes of the natural gas and electric industries, as well as communication protocols and related standards designed to improve the efficiency of communication within each industry. All participants in the gas and electric industries are eligible to join NAESB and participate in standards development.

4. NAESB develops its standards under a consensus process so that the standards draw support from a wide range of industry members. NAESB’s procedures are designed to ensure that all persons choosing to participate can have input into the development of a standard, regardless of whether they are members of NAESB, and each standard NAESB adopts is supported by a consensus of the relevant industry segments. Standards that fail to gain consensus support are not adopted. NAESB’s consistent practice has been to submit a report to the Commission after it has made revisions to existing business practice standards or has developed and adopted new business practice standards. NAESB has submitted a report to the Commission to reserve specific standards in conjunction with the retirement of corresponding NERC standards. NAESB’s standards

\[^4\] The retail gas quadrant and the retail electric quadrant were combined into the retail markets quadrant. NAESB continues to refer to these working groups as “quadrants” even though there are now only three quadrants.
are voluntary standards, which become mandatory for public utilities upon incorporation by reference by the Commission.

II. Discussion

5. As discussed below, we propose to revise the Commission’s regulations at 18 CFR 38.1(b)) to remove the standard WEQ-006 governing the business practices for Time Error Correction. NAESB approved this removal on December 8, 2017. We also propose to incorporate corresponding modifications to WEQ-000, Abbreviations, Acronyms, and Definition of Terms Business Practice Standards, which were adopted by NAESB on that same date.

6. The WEQ-000 Abbreviations, Acronyms, and Definition of Terms standards define the terms used throughout the WEQ Business Practice Standards. Consistent with NAESB’s removal of Standard WEQ-006 from the WEQ Version 003.2 Business Practice Standards, NAESB also deleted the terms “Time Error” and “Time Error Correction” from the WEQ-000 standards as well as making other minor corrections to defined terms unrelated to time error correction.

7. The WEQ-006 Manual Time Error Correction Business Practice Standards defines the commercial based procedures to be used for reducing time error to within acceptable limits of true time. However, NERC and NAESB are both in agreement that it is now appropriate to retire these standards. NERC decided to retire the Reliability Standard BAL-004-0 (Time Error Correction), since the standard does not materially support reliability of the Bulk Power System and has been superseded by newer standards since
Order No. 693,\(^5\) rendering Reliability Standard BAL-004-0 redundant. NERC took the first step in accomplishing this by submitting for Commission approval a revision to Reliability Standards BAL-004-0 to retire the standard but reserves the title of the standard as a placeholder. The Commission approved this NERC action in a letter order issued in Docket No. RD17-1-000 on January 18, 2017. After the Commission’s approval of NERC’s retirement of Reliability Standards BAL-004-0, NAESB submitted a parallel revision to the WEQ Version 003.2 Business Practice Standards in which it retired and reserved all the standards contained in Standard WEQ-006, although NAESB retained the standard number WEQ-006 and the title “Manual Time Error Correction.”\(^6\) NAESB also made corresponding revisions to the definitions in Standard WEQ-000. Since NAESB has retired all of the standards governing Manual Time Error Correction, the Commission proposes to remove the NAESB standard WEQ-006 from its incorporation by reference, and to adopt NAESB’s revisions to its definitions to ensure consistency between the NERC and NAESB standards.

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\(^6\) NERC replaced the manual time error correction standard with a guideline for automatic time error correction that would manage continued adherence to a frequency approximating 60 Hertz (Hz) over long-term averages. NAESB did not receive a request to adopt, and has not adopted, any business practice standards to complement NERC’s automatic time error guideline.

*(continued ...)*
III. Implementation

8. We do not propose to require public utilities to make filings upon adoption of this proposal to implement the removal of WEQ-006 Manual Time Error Correction. We generally require public utilities to make compliance filings revising their tariffs to acknowledge their responsibility to comply with the revised standards or include a provision in their tariffs stating that they will comply with the latest version of the NAESB business practice standards as incorporated by reference by the Commission.7 Because we are only proposing to remove a single standard, we see no necessity for those utilities that make tariff filings to incorporate NAESB standards upon adoption of this proposal. Such filings can be made after the Commission addresses the remainder of the standards included in WEQ Version 003.2 of the standards.

IV. Notice of Use of Voluntary Consensus Standards

9. The retirement and reservation of the NAESB WEQ-006 Manual Time Error Correction Business Practice Standards was adopted by NAESB under NAESB’s consensus procedures.8 As the Commission found in Order No. 676, adoption of consensus standards is appropriate because the consensus process helps ensure the reasonableness of the standards by requiring that the standards draw support from a broad

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8 Under this process, to be approved a standard must receive a super-majority vote of 67 percent of the members of the WEQ's Executive Committee with support from at least 40 percent from each of the five industry segments - transmission, generation, marketer/brokers, distribution/load serving entities, and end users. For final approval, 67 percent of the WEQ's general membership must ratify the standards.
spectrum of all segments of the industry. Moreover, since the industry itself has to conduct business under these standards, the Commission's regulations should reflect those standards that have the widest possible support. In section 12(d) of the National Technology Transfer and Advancement Act of 1995, Congress affirmatively requires federal agencies to use technical standards developed by voluntary consensus standards organizations, like NAESB, as a means to carry out policy objectives or activities unless use of such standards would be inconsistent with applicable law or otherwise impractical.9

10. Office of Management and Budget Circular A-119 (section 11) (February 10, 1998) provides that Federal Agencies should publish a request for comment in a NOPR when the agency is seeking to issue or revise a regulation proposing to adopt a voluntary consensus standard or a government-unique standard. In this NOPR, the Commission is proposing to incorporate by reference NAESB’s revised WEQ-006 Manual Time Error Correction Business Practice Standards, which retire and “reserve” these standards.

V. Incorporation By Reference

11. The Office of the Federal Register requires agencies incorporating material by reference in final rules to discuss, in the preamble of the final rule, the ways that the materials it incorporates by reference are reasonably available to interested parties and how interested parties can obtain the materials.10 The regulations also require agencies to summarize, in the preamble of the final rule, the material it incorporates by reference.

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12. Prior to NAESB’s adoption of the WEQ Version 003.2 Business Practice Standards, earlier iterations of the NAESB WEQ-006 Manual Time Error Correction Business Practice Standards defined the commercial procedures to be used for reducing time error to keep the system’s time within acceptable limits of true time. However, in the latest version of this standard (the version of Standard WEQ-006 appearing in the WEQ Version 003.2 Business Practice Standards) NAESB has retired and eliminated these standards. And in this NOPR, we propose to incorporate by reference the version of these standards that retires and reserves Standard WEQ-006.

13. We also propose in this NOPR to incorporate by reference the revised WEQ-000 that deletes the definitions of the terms “Time Error” and “Time Error Correction” as well as making other minor corrections to defined terms unrelated to time error correction. The WEQ-000 Abbreviations, Acronyms, and Definition of Terms Business Practice Standards provide a single location for all abbreviations, acronyms, and defined terms referenced in the WEQ Business Practice Standards. These standards provide common nomenclature for terms within the wholesale electric industry, reducing confusion and opportunities for misinterpretation or misunderstandings among industry participants.

14. Our regulations provide that copies of the NAESB standards incorporated by reference may be obtained from the North American Energy Standards Board, 801 Travis Street, Suite 1675, Houston, TX 77002, Phone: (713) 356–0060. NAESB’s Web site is located at http://www.naesb.org/. Copies of the standards may be inspected at the
15. NAESB is a private consensus standards developer that develops voluntary wholesale and retail standards related to the energy industry. The procedures used by NAESB make its standards reasonably available to those affected by the Commission regulations, which generally is comprised of entities that have the means to acquire the information they need to effectively participate in Commission proceedings. NAESB provides a free electronic read-only version of the standards for a three business day period or, in the case of a regulatory comment period, through the end of the comment period. Participants can join NAESB, for an annual membership cost of $7,000, which entitles them to full participation in NAESB and enables them to obtain these standards at no additional cost. Non-members may obtain a complete set of Standards Manuals, 13

11 18 CFR 284.12.

12 As a private, consensus standards developer, NAESB needs the funds obtained from its membership fees and sales of its standards to finance the organization. The parties affected by these Commission regulations generally are highly sophisticated and have the means to acquire the information they need to effectively participate in Commission proceedings.


(continued ...)
Booklets, and Contracts on CD for $2,000 and the Individual Standards Manual or Booklets for each standard by email for $250 per manual or booklet. In addition, NAESB considers requests for waivers of the charges on a case by case basis based on need.

VI. Information Collection Statement

16. The collection of information contained in this proposed rule is subject to review by the Office of Management and Budget (OMB) under section 3507(d) of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507(d). OMB’s regulations require approval of certain information collection requirements imposed by agency rules. Upon approval of a collection(s) of information, OMB will assign an OMB control number and an expiration date. Respondents subject to the filing requirements of this rule will not be penalized for failing to respond to the collection of information unless the collection of information displays a valid OMB control number.

17. The Commission solicits comments on the Commission's need for this information, whether the information will have practical utility, the accuracy of the provided burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing respondents’ burden, including the use of automated information techniques. We propose that the

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16 44 U.S.C. 3507(d).

17 5 CFR 1320.11.
requirement to make compliance tariff filings (included in FERC-516) for the WEQ-006 Business Practice Standards be deferred until final action is taken by the Commission on the entirety of the WEQ Version 003.2 Business Practice Standards for those who continue to opt to specify a specific version of the standards in their tariffs. Therefore, changes to the burden and cost of the FERC-516 (Electric Rate Schedules and Tariff Filings, OMB Control No. 1902-0096) are not being proposed at this time.

18. The following estimates for burden and cost\(^{18}\) are based on the projected savings due to the retirement and reservation of the WEQ-006 Manual Time Error Correction Business Practice Standards, as adopted by NAESB and proposed to be incorporated by reference in this NOPR.

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\(^{18}\) The Commission staff estimates that industry is similarly situated in terms of hourly cost (for wages plus benefits). Based on the Commission’s FY (Fiscal Year) 2018 average cost (for wages plus benefits), $79.00/hour is used.

(continued ...)
<table>
<thead>
<tr>
<th>No. of Respondents (1)</th>
<th>Annual No. of Responses Per Respondent (2)</th>
<th>Total No. of Responses (1)*(2)=(3)</th>
<th>Average Burden (Hrs.) &amp; Cost ($) Per Response (4)</th>
<th>Total Annual Burden Hrs. &amp; Total Annual Cost ($) (3)*(4)=(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FERC-717 (^{20, 21}) (retirement of WEQ-006 Time Error Correction Standard)</td>
<td>170</td>
<td>1</td>
<td>170</td>
<td>1 hr.; $79 (reduction)</td>
</tr>
</tbody>
</table>

**Title:** FERC-717, Open Access Same Time Information System and Standards for Business Practices and Communication Protocols for Public Utilities.

**Action:** Proposed revision (reduction) to an existing collection.

**OMB Control No.:** 1902-0173

**Respondents:** Business or other for profit

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\(^{19}\) As noted above, changes to the FERC-516 are not proposed at this time.

\(^{20}\) FERC-717 (OMB Control No. 1902-0173) identifies the information collection associated with Standards for Business Practices and Communication Protocols for Public Utilities. We estimate that the proposed retirement in this docket of WEQ-006 will reduce burden for each respondent by 1 hour.

\(^{21}\) This burden for FERC-717 was originally included in Order 676-H. At that time, we had an estimate of 132 respondents. Due to normal industry fluctuation (e.g., companies merging or splitting, going into or leaving the industry), the number of respondents is now 170.

In Order 676-H (issued 9/18/2014), the estimated average hourly wage (plus benefits) was $72.67. For the calculations here, we are using today’s estimated hourly cost of $79.00/hour, as noted above.
Frequency of Responses: One-time implementation (business procedures, capital/start-up).

19. **Necessity of the Information:** This proposed rule, if implemented would update the Commission’s current business practice and communication standards to retire and remove Standard WEQ-006 on Manual Time Error Correction to be consistent with NERC’s retirement of the corresponding reliability standard for Time Error Correction. In addition, we are also proposing to incorporate by reference the revised Standard WEQ-000 (Version 003.2) that deletes the definitions of “Time Error” and “Time Error Correction”, as well as making unrelated minor corrections to the standard.

20. **Internal Review:** The Commission has reviewed the revised business practice standards and has made a preliminary determination that the proposed revisions that we propose here to incorporate by reference are both necessary and useful. In addition, the Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimate associated with the information requirements.

21. Interested persons may obtain information on the reporting requirements by contacting the Federal Energy Regulatory Commission, Office of the Executive Director, 888 First Street, NE, Washington, DC 20426 [Attn: Ellen Brown, e-mail: DataClearance@ferc.gov, phone: (202) 502-8663, fax: (202) 273-0873].

22. Comments concerning the information collection proposed for revision in this NOPR and the associated burden estimate should be sent to the Commission in this docket, and by e-mail to the Office of Management and Budget, Office of Information and Regulatory Affairs [Attention: Desk Officer for the Federal Energy Regulatory
Commission]. For security reasons, comments should be sent by e-mail to OMB at the following e-mail address: oira_submission@omb.eop.gov. Please refer to OMB Control No. 1902-0173 in your submittal to OMB.

VII. Environmental Analysis

23. 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.\textsuperscript{22} The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.\textsuperscript{23} The actions proposed here fall within categorical exclusions in the Commission’s regulations for rules that are clarifying, corrective, or procedural, for information gathering, analysis, and dissemination, and for sales, exchange, and transportation of electric power that requires no construction of facilities.\textsuperscript{24} Therefore, an environmental assessment is unnecessary and has not been prepared in this NOPR.

VIII. Regulatory Flexibility Act Certification

24. The Regulatory Flexibility Act of 1980 (RFA)\textsuperscript{25} generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial number of small entities. The RFA does not mandate any particular outcome in a

\textsuperscript{22} Regulations Implementing the National Environmental Policy Act of 1969, Order No. 486, FERC Stats. & Regs. ¶ 30,783 (1987).

\textsuperscript{23} 18 CFR 380.4.


\textsuperscript{25} 5 U.S.C. 601-612.
rulemaking. It only requires consideration of alternatives that are less burdensome to small entities and an agency explanation of why alternatives were rejected.

25. The Small Business Administration (SBA) size standards for electric utilities is based on the number of employees, including affiliates. Under SBA’s standards, some transmission owners will fall under the following category and associated size threshold: electric bulk power transmission and control, at 500 employees.\(^{26}\)

26. The Commission estimates that 5 of the 170 respondents (or 3%) are small. The Commission estimates that the impact on each entity (large and small) is a proposed reduction or savings of $79.00 (or one hour).

27. Based on the above, the Commission certifies that implementation of the proposed Business Practice Standards will not have a significant impact on a substantial number of small entities. Accordingly, no initial regulatory flexibility analysis is required.

IX. Comment Procedures

28. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Comments must refer to Docket No. RM05-5-026 and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

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\(^{26}\) 13 CFR 121.201, Sector 22 (Utilities), NAICS code 221121 (Electric Bulk Power Transmission and Control).
29. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's web site at http://www.ferc.gov. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

30. Commenters that are not able to file comments electronically must send an original of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE, Washington, DC 20426.

31. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

X. Document Availability

32. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through the Commission's Home Page (http://www.ferc.gov) and in the Commission's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426.

33. From the Commission's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and
Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

34. User assistance is available for eLibrary and the Commission’s website during normal business hours from the Commission’s Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. E-mail the Public Reference Room at public.referenceroom@ferc.gov.

List of subjects in 18 CFR Part 2 - General policy and interpretations.

Administrative practice and procedures, electric utilities, natural gas, pipelines, reporting and recordkeeping requirements


Conflicts of interest, Electric power plants, Electric utilities, Reporting and recordkeeping requirements

By direction of the Commission.

Kimberly D. Bose,
Secretary.
In consideration of the foregoing, the Commission proposes to amend Part 38, Chapter I, Title 18, Code of Federal Regulations, as follows:

PART 38 – STANDARDS FOR PUBLIC UTILITY BUSINESS OPERATIONS AND COMMUNICATIONS

1. The authority citation for Part 38 continues to read as follows:


2. Amend § 38.1, by revising paragraph (b)(1) and removing and reserving paragraph (b)(7). The revision reads as follows:

   (b) * * * * *

   (1) WEQ-000, Abbreviations, Acronyms, and Definition of Terms

   (Version 003.2, Dec. 8, 2017);

   * * * * *

   (7) [Reserved]

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