

Agenda Date: March 12, 2003
Item Number: C1

Docket: TO-030288

Subject: Consider a Rulemaking Procedure to Establish a New Chapter Applicable to the Economic Regulation of Hazardous Liquid Pipeline Companies Regulated as Common Carriers by the Commission

Staff: Fred Ottavelli, Rulemaking Lead
Sharyn Bate, Regulatory Analyst
Karen Caillé, Administrative Law Judge
Kim Dobyns, Regulatory Analyst
Greg Trautman, Assistant Attorney General

Recommendation:

Direct the Secretary to file a Preproposal Statement of Inquiry (CR-101) in Docket TO-030288 to consider establishing a new chapter applicable to the economic regulation of hazardous liquid pipeline companies regulated as common carriers by the Commission.

Background:

There is currently no chapter of rules that addresses economic regulation of hazardous liquid pipeline companies. Such rules would facilitate the Commission in carrying out its statutory powers and duties, and to respond promptly to rapidly changing regulatory, operational, economic, and consumer issues.

To that end, Staff proposes that the Commission explore this topic, which is expected to result in consideration of rules that (among other potential subjects):

- Require financial transaction reports twenty days prior to the transfer of cash, credit, or pecuniary interest when certain thresholds have been exceeded.
- Require an annual subsidiary transaction report summarizing all transactions that occurred between the company and its subsidiaries during the preceding year.
- Require an annual affiliated interest transaction report.
- Clarify accounting system requirements.

- Set out retention and preservation of records requirements.
- Establish consumer rules.

Conclusion:

Staff recommends that the Commission direct the Secretary to file a Preproposal Statement of Inquiry (CR-101) in Docket TO-030288.