Form No. 552 Frequently Asked Questions

Staff will periodically update the FAQs as additional questions and answers are available for posting. Check the FERC website at http://www.ferc.gov/docs-filing/eforms.asp#552 for the latest version.

1. **What is meant by "could contribute to a price index"?**

   The Commission finds that volumes reportable on Form No. 552 should include volumes that utilize next-day or next-month price indices, volumes that are reported to any price index publisher, and any volumes that **could be reported** to an index publisher even if the respondent has chosen not to report to a publisher. By "could be reported to an index publisher," we mean bilateral, arms-length, fixed price, physical natural gas transactions between non-affiliated companies at all trading locations. Transactions that do not occur at a specific location currently designated by an index developer as a reporting location are nonetheless reportable on Form No. 552. (Order No. 704-A, paragraph 13)

2. **Must a Canadian company holding a blanket certificate under either sections 284.284 or 284.402 but which has made no natural gas purchases or sales for calendar year 2008, submit Form No. 552?**

   Yes. The language in Order 704 states that holders of blanket certificates are required to file Form No. 552 regardless of whether their sales or purchases exceeded the de minimis threshold (though they will not need to provide volumetric data if the volumes are de minimis). Also, the first paragraph under "Who Must File" in the form's instructions indicates that all blanket certificate holders must file the form. (Order No. 704, paragraph 58)

3. **Is there a way to note on Form No. 552 that data provided are incomplete or missing?**

   Form No. 552 does not currently have a feature that would allow this type of notation. Staff notes that the Commission adopted a one-year safe harbor, covering transactions occurring in calendar year 2008 and reported on Form No. 552 on May 1, 2009. The Commission stated that it does not intend to penalize respondents for errors in reporting on Form No. 552 provided that respondents use reasonable efforts to comply with the regulations regarding and instructions for Form No. 552. The Commission emphasized that it expects respondents submitting Form No. 552 in 2009 to do so in good faith and on a timely basis. (Order No. 704-A, paragraphs 59-67) During the safe harbor period, respondents may informally inform staff to the extent they are providing data that is incomplete or missing. However, once the safe harbor period has expired respondents should seek waiver from the Commission of the filing requirements prior to filing incomplete or missing data.

In addition, upon discovering missing data, the filing entity should promptly refile a corrected Form No. 552 by selecting the "Resubmission" feature.

4. Must individual subsidiaries of a Respondent submit information on Form No. 552?

A Respondent may aggregate volumes for its affiliates into a single form. If this method of reporting is chosen, then all affiliates that must report are required to aggregate their volumes with the Respondent's and all affiliates must be identified. Alternately, each affiliate of a Respondent (including subsidiaries) may submit Form No. 552 as an individual Respondent if the affiliate's reportable volumes either exceed the de minimis threshold or if it holds a blanket certificate. An affiliate that separately files Form No. 552 solely because it has a blanket certificate must complete only pages 1-3 of the form.

5. Are affiliates allowed to aggregate their reporting information under corporate parent?

Yes. Companies have the ability to report under a corporate parent; however, they are required to list the subsidiaries reported under that corporate parent on Page 3 "Schedule of Reporting Companies", just as they are for other affiliates. (Order No. 704, paragraph 60(c))

6. Are fixed price trades done in 2008 for January 2009 reportable?

Yes, monthly January 2009 fixed priced transactions done during the December 2008 bid week for physical obligations are reported in Form No. 552 to be filed by May 1, 2009.

7. If an end-user filing Form No. 552 purchases natural gas at retail must they report the purchase of the natural gas?

Yes, unless the transaction neither uses an index nor could contribute to the formation of an index. One example of a transaction that cannot contribute to the formation of an index is a transaction in which a local distribution company is the seller, the transaction bundles commodity and transportation costs, the purchaser is a retail end-user, and the transaction is priced at a retail tariff rate.

8. **If a public joint action agency separately purchases and then resells natural gas to its members as separate, independent transactions, are both of those transactions reportable?**

   Yes, both transactions are reportable.

9. **If a company holds an energy management agreement (EMA) and sells and purchases physical natural gas on behalf of other companies, is it required to file Form No. 552?**

   Where a company does not take title to natural gas in a transaction it is neither a buyer nor seller and, therefore, need not report the transaction. However, if under the EMA the company takes title to the natural gas it should report volumes that can contribute to an index, reference an index, or use an index.

10. **Can an asset manager file Form No. 552 on behalf of another company?**

    Provided a responsible corporate officer (of the buyer/seller respondent) signs the form, an asset manager may complete and file the form on behalf of an entity for which it manages assets (Form No. 552 - General Information section). Under these circumstances the asset manager must follow the aggregation rules outlined in the Commission's orders (e.g., an asset manager cannot aggregate volumes for all of its customers). (Order No. 704, paragraphs 97-98)

11. **If a parent company chooses to aggregate volumes for reporting on Form No. 552, must it list affiliates that do not have blanket certificates and who also have no reportable volumes?**

    No.

12. **Is a fixed price contract (that can not contribute to an index, reference an index, or use an index) but has a GDD knockout provision – that is the contract can be canceled for a period of time based on daily index prices – is this reportable?**

    Under these circumstances because the fixed price contract can not contribute to an index, reference an index, or use an index the fixed price portion of the contract is not reportable. The GDD knockout provision in and of itself does not make this contract reportable. In fact, if the GDD knockout provision is triggered then there is no sale or purchase and, therefore, no volumes to report.

13. **Are "Exchange for Physical" transactions included in Form No. 552?**

Exchange for Physical transactions are those transactions that involve an exchange of a futures contract and a related equivalent but opposite physical obligation. As defined by CME/NYMEX rule 868.12, exchange-traded natural gas futures contracts are not reportable because the physical obligation is strictly related to the futures contract, the physical obligation's price cannot contribute to an index, and the physical obligation does not use an index for its price.

14. How are prepays reported in Form No. 552?

A fixed price prepay that cannot contribute to a daily or a monthly index is not reportable. A prepay that uses an index is reportable in the year of delivery.

15. Does a Local Distribution Company (LDC) that buys natural gas for consumption by its own generation units report those volumes in Form No. 552?

Yes, unless the transaction neither uses an index nor could contribute to the formation of an index. (Order No. 704-A, paragraph 30)