



June 10, 2004

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Quarterly Financial Reporting and Revisions to
the Annual Reports, Dockets No. RM03-8-000, 001

Dear Secretary Salas:

The Edison Electric Institute (EEI) and the Interstate Natural Gas Association of America (INGAA) are filing the enclosed motion for an extension of the deadlines for submitting the first two quarterly financial reports required by the Commission's final rule in the above-referenced proceeding. If you have any questions regarding this motion, please contact either of us at the phone numbers listed below, or EEI staff David Stringfellow at (202) 508-5494 or Henri Bartholomot at (202) 508-5622.

Sincerely,

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Enclosure

cc: John Delaware, Deputy Executive Director and Chief Accountant
Mark Klose, Accounting Project Manager

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Quarterly Financial Reporting and Revisions to the Annual Reports))))	Dockets No. RM03-8-000, 001
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**MOTION OF THE EDISON ELECTRIC INSTITUTE
FOR AN EXTENSION OF THE DEADLINE
FOR FILING QUARTERLY FINANCIAL REPORTS
REQUIRED BY ORDERS NO. 646 AND 646-A**

The Edison Electric Institute (EEI) and the Interstate Natural Gas Association of America (INGAA) are filing this motion pursuant to the Federal Energy Regulatory Commission (FERC or the Commission)'s Rule 212, 18 C.F.R. § 385.212. EEI and INGAA respectfully request that the Commission grant an extension of time for companies to file the quarterly financial reports required by Commission Orders No. 646 and 646-A, which were issued on February 11 and June 2, 2004 in the above referenced dockets.

The software needed to file the new quarterly financial reports is not expected to be released for general use until June 30, 2004. That will leave major electric and gas companies only nine days from the current July 9, 2004 deadline set in Order No. 646 for the first quarterly reports to familiarize themselves with the software, prepare the electronic copies of the first quarterly reports, have the reports internally reviewed and approved, and file the reports.

EEI and INGAA fully support careful preparation and testing of the software, to avoid later problems in applying it. However, nine days is simply too little time for companies to complete and file reports using the software, especially given other reporting requirements and activities that companies face in this same time frame. We will elaborate on these concerns and offer a proposed solution in the remainder of this motion.

EEI and INGAA Have a Direct Interest in This Matter

EEI is the association of the nation's shareholder-owned electric utility companies and industry affiliates and associates worldwide. Its U.S. members serve more than 90 percent of the customers of the shareholder-owned segment of the industry and nearly 70 percent of all consumers of electricity in the United States, generating almost 70 percent of the country's electricity.

INGAA is the association of the nation's interstate natural gas pipelines. It represents virtually all of the major interstate natural gas transmission companies operating in the United States and inter-provincial pipelines operating in Canada as well as natural gas companies in Mexico. Its U.S. members account for over 90 percent of all natural gas transported and sold in interstate commerce.

Together, EEI and INGAA members comprise primary groups of companies responsible for completing the new FERC quarterly financial reports. Both associations and a number of our members filed comments on the Commission's proposed rule in this docket, seeking to make the new filing requirements as clear and reasonable as possible. Our members would be directly and significantly affected by the lack of time between when the Commission's new filing software is expected to be available and the current

deadline for filing the quarterly reports. Therefore, EEI and INGAA have a direct interest in this matter.

The Current Filing Deadlines Will Not Give Companies Adequate Time

In Orders No. 646 and 646-A, the Commission instituted a new requirement that jurisdictional electric companies, hydropower licensees, natural gas companies, and oil pipeline companies file supplemental quarterly financial reports on new FERC Forms 3-Q and 6-Q. The new quarterly reports are intended to update the annual financial reports filed by those companies using FERC Forms 1, 1-F, 2, 2-A, and 6.

In Order No. 646, the Commission set the deadlines for filing the quarterly reports in year 2004 as follows: (1) For major electric utilities, hydropower licensees, and natural gas companies, (a) the first quarter report covering the period January 1 through March 31, 2004 is due July 9, 2004, (b) the second quarter report covering April 1 through June 30, 2004 is due September 8, 2004, and (c) the third quarter report covering July 1 through September 30, 2004 is due December 9, 2004; (2) For non-major electric and gas utilities and licensees, and for oil pipelines, the respective deadlines are July 23, September 22, and December 23, 2004.

However, on its website, the Commission has indicated that the Form 3-Q software needed to file the quarterly reports is not likely to be available until June 30, 2004, in part because the Commission needs time to “beta test” the software and address concerns that may arise through the testing process before the software is released. This anticipated release date leaves only 9 days before the first quarterly report is due on July 9, 2004 – far too little time. It also will put companies in a bind trying to complete various FERC and SEC financial filings that are now due within the next several months.

EEI and INGAA fully support the Commission taking adequate time to get the Form 3-Q software “right” before releasing it and requiring companies to use it. The software needs to be well tested by the Commission working with a sample of respondents to identify problems with its design or use, and those problems need to be resolved, before companies in general are required to use the software.

But once the software is available, companies will need adequate time to use the software and to file their first quarterly reports. Company staff need time to familiarize themselves with the new software and to learn how to use it in filing the quarterly reports, and they may uncover additional problems or have questions that they will need to discuss with Commission staff. In addition, companies may need time to conform their data collection software and data bases to capture the information in a form compatible with the Commission’s new software. Also, companies will need time to prepare the electronic reports, to have them internally reviewed and approved by contributors, managers, and Chief Financial Officers, and to submit them using the new software.

Furthermore, this is a busy time frame for companies. Companies face a shortened August 9, 2004 deadline to file their next Securities and Exchange Commission (SEC) quarterly financial reports while meeting new requirements imposed by the Sarbanes-Oxley Act of 2002, P.L. 107-204, and the companies face other federal and state filing requirements. In addition, companies are busy testing their accounting system controls for certification, as also required by Sarbanes-Oxley. So giving companies too little time to complete the FERC quarterly reports will cause a significant hardship.

Relief Requested

Therefore, EEI and INGAA respectfully request that the Commission grant an extension of time for companies to file the quarterly financial reports required by Order No. 646. We encourage the Commission to set the following new deadlines: (a) for the first quarter 2004 report, September 10, 2004; and (b) for the second quarter 2004 report, October 8, 2004. This would ensure that the two reports are adequately spaced apart from one another and from the SEC August 9 quarterly report, in keeping with the Commission's original schedule as set out in Order No. 646, while giving companies adequate time to incorporate and use the new Form 3-Q software.

In Order No. 646, the Commission was careful to space the deadlines for the new FERC quarterly reports about 30 days apart from one another and from the deadlines for the SEC quarterly reports. Using the schedule set out in Order No. 646, for the year 2004, the first quarter FERC report would be due July 9, the SEC quarterly report August 9, and the second quarter FERC report September 8 – each a month apart. Starting next year and into the future, the FERC quarterly reports are due within 60 days after the end of each quarter, and the SEC reports are due within 35 days of the end of the quarter – again about a month apart.

If the new Form 3-Q software is released as anticipated by June 30, companies will need at least 30 to 45 days to process the first quarterly reports. But setting the deadline at the beginning or middle of August would put it right on top of the August 9 deadline for the SEC report. That is why we are suggesting a bit longer delay, to September 10. Also, setting the deadline at September 10 would give the Commission a bit more breathing room in preparing, testing, and de-bugging the Form 3-Q software.

At a minimum, EEI and INGAA encourage the Commission to extend the filing deadlines for the first and second quarter 2004 FERC reports to August 23 and September 23. That would at least space the first FERC report two weeks away from the SEC August 9 deadline and would put the two FERC reports a month apart. Again, we would prefer the slightly longer deadlines suggested at the beginning of this section, namely September 10 and October 8. But if the Commission does not want to go that far, we would ask for these alternative dates as a fallback.

Contact Information

If you have any questions regarding this motion, please contact either of us at the following phone numbers, or EEI staff David Stringfellow at (202) 508-5494 or Henri Bartholomot at (202) 508-5622.

Respectfully submitted,

- signature -

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