

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 11, 2005

In Reply Refer To:
Transcontinental Gas Pipe Line Corporation
Docket No. RP05-480-000

Transcontinental Gas Pipe Line Corporation
P.O. Box 1396
Houston, TX 77251

Attention: Marg Camardello
Manager, Tariffs and Certificates

Reference: Order No. 587-S Compliance Filing

Dear Ms. Camardello:

1. On July 1, 2005 Transcontinental Gas Pipe Line Corporation (Transco) filed tariff sheets¹ to comply with Order No. 587-S.² Order No. 587-S incorporates Version 1.7 of the North American Energy Standards Board Wholesale Gas Quadrant's (NAESB) consensus standards; the standards to implement Order No. 2004³ ratified by NAESB on June 25, 2004 (2004 Annual Plan Item 2 FERC Order 2004); the standards to implement Order No. 2004-A ratified by NAESB on May 3, 2005 (2005 Annual Plan Item 8 FERC Order 2004); and the standards governing gas quality reporting ratified by NAESB on October 20, 2004 (Recommendation R03035A). Transco's tariff sheets comply with Order No. 587-S and are accepted effective as set forth in the Appendix to this order.

¹ See Appendix for a list of the tariff sheets.

² *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-S, FERC Stats. & Regs. ¶ 31,179 (2005).

³ *Standards of Conduct for Transmission Providers*, Order No. 2004, FERC Stats. & Regs. ¶ 31,155 (2003); *order on reh'g*, Order No. 2004-A, FERC Stats. & Regs. ¶ 31,161 (2004); *order on reh'g*, Order No. 2004-B, FERC Stats. & Regs. ¶ 31,166 (2004); *order on reh'g*, Order No. 2004-C, FERC Stats. & Regs. ¶ 31,172 (2004); *order on reh'g*, Order No. 2004-D, 110 FERC ¶ 61,320 (2005).

2. Transco requests an extension of time to implement the data elements in NAESB Version 1.7 for Standards 2.4.1, 2.4.2, 5.4.4, 5.4.6 through 5.4.12, 5.4.18 and 5.19, contending that it will implement the requested data elements within 90 days following receipt of a request by any of Transco's customers. Transco asserts that the expense to design and test the electronic data interchange technical changes associated with Version 1.7 of these Standards is not warranted until such time that a customer requests use of any of these Standards. Transco further requests an extension of time until October 1, 2005 to comply with NAESB 2.3.59 and 2.3.60, due to the complexity of the modifications required to modify its 1Line computer system in order to fully comply. Transco also requests an extension of time until November 1, 2005 to comply with NAESB Version 1.7 for Standards 1.4.3, 1.4.4 and 1.4.7 due to changes required to the 1Line computer system.

3. Public notice of the filing was issued on July 12, 2005. Interventions and protests were due on or before July 18, 2005. Pursuant to Rule 214, (18 C.F.R. § 385.214 (2005)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. KeySpan⁴ filed comments requesting that the Commission modify Transco's Order No. 587-S filing, as discussed below. On August 2, 2005, Transco filed an answer to KeySpan's comments. Transco states that the NAESB Standards required to be adopted by Order No. 587-S are procedural and/or administrative in nature, are not inconsistent with its existing tariff, and adoption by reference is consistent with Transco's previous NAESB filings. Transco requests that the Commission should promptly accept its Order No. 587-S compliance filing. The Commission accepts Transco's answer.

4. KeySpan contends that Transco has failed to implement NAESB Standards in a manner that will enable the shippers using the Transco system to determine from Transco's tariff their rights and obligations in certain critically important areas. KeySpan asserts that while Transco has specific provisions in its tariff governing capacity release and creditworthiness, the rights and obligations under those sections have been substantially altered by the NAESB Standards adopted in Order No. 587-S. Because Transco has adopted the NAESB Standards in its tariff by reference instead of adopting the NAESB Standards verbatim, KeySpan contends that to ensure that shippers know and understand their rights, particularly the right for a shipper to obtain a credit re-evaluation, it is necessary for Transco to explicitly include all the rights and obligations detailed in

⁴ The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York; KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island; and Boston Gas Company, Colonial Gas Company, EnergyNorth Natural Gas, Inc., and Essex Gas Company (collectively, KeySpan).

the NAESB Standards on creditworthiness at 0.3.3 through 0.3.10 and capacity release at 5.3.59 and 5.3.60 in the General Terms and Conditions (GT&C) of Transco's tariff.

5. KeySpan further asserts that since NAESB Standard 4.3.90 requires Transco to provide important gas quality information to its shippers, Transco should be required to specifically reference in section 3 of its tariff, quality of gas,⁵ the information it is providing pursuant to Standard 4.3.90 on its website. KeySpan contends that since Standard 4.3.90 requires Transco to provide important gas quality information to its shippers, a reference to the availability of the information required by Standard 4.3.90 in the "Quality" provisions of Transco's tariff would significantly increase the likelihood that all of Transco's shippers would be aware of the availability of current gas quality information. To ensure that shippers are aware of the gas quality on the Transco system, KeySpan urges the Commission to require Transco to include references in section 3 of the GT&C of Transco's tariff to the gas quality information provided on Transco's website pursuant to Standard 4.3.90.

6. In requiring pipelines to adopt the NAESB Standards, the Commission allowed the pipelines the option of either adopting the standard by reference or verbatim in its tariff.⁶ The Commission has only required two NAESB Standards, the timeline for nomination cycles at Standard 1.3.2 and the timeline for capacity release at Standard 5.3.2 be incorporated verbatim in pipeline tariffs. For all other NAESB Standards, pipelines are provided with the option of adopting the standard verbatim or adopting the NAESB Standard by reference. The creditworthiness and capacity release NAESB Standards which KeySpan requests be adopted verbatim in Transco's tariff do not rise to the same level of importance as the NAESB nomination Standards identified above. Accordingly, we will not require Transco to revise its tariff to incorporate the creditworthiness and capacity release standards verbatim.⁷

7. We also will not require Transco to specify in section 3 of its GT&C that additional gas quality information is available on Transco's website. NAESB Standard 4.2.23, which Transco has incorporated by reference, requires web site posting, so, as discussed above, further reference in the tariff is not needed. A number of Commission regulations and other NAESB Standards require posting of information on pipeline websites without disclosure of that posting in the pipeline's tariff, and there seems little need for further

⁵ Gas quality information is set forth in section 3, Quality, of the GT&C of Transco's tariff. See, First Revised Sheet No. 252.

⁶ *Iroquois Gas Transmission System, L.P.*, 78 FERC ¶ 61,141 at 61,562 (1996).

⁷ During the rulemaking process on Order No. 587-S, no party requested that the NAESB creditworthiness Standards at 0.3.3 through 0.3.10 or the capacity release Standards 5.3.59 and 5.3.60 be incorporated verbatim in the various pipeline tariffs.

disclosure here.⁸ Moreover, in order to conduct business with pipelines, shippers such as KeySpan need to be aware of how a pipeline conducts its operations and where that information is located. A shipper turns to both a pipeline's tariff and website in order to understand the process in submitting requests for service, obtaining information on the pipeline's operations and any constraints on the pipeline's system. As a Transco customer, KeySpan and other shippers who request service on the Transco system are aware of Transco's website and the information available on that website.

8. Transco's requests for an extension of time to implement various NAESB Standards are granted and the tariff sheets listed in the Appendix are accepted effective as proposed. KeySpan's request that Transco be required to modify its Order No. 587-S filing is denied as discussed above.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.

⁸ For example, Transco has adopted by reference the NASEB transactional reporting requirements at Standard 5.4.21 and informational postings at Standard 4.3.23.

Appendix

Transcontinental Gas Pipe Line Corporation
Third Revised Volume No 1 to FERC Gas Tariff

Tariff Sheets Effective September 1, 2005

Eleventh Revised Sheet No. 349
Second Revised Sheet No. 349A

Tariff Sheets Effective October 1, 2005

Seventh Revised Sheet No. 276
First Revised Sheet No. 276A
Second Revised Sheet No. 276B
Original Sheet No. 276C
Original Sheet No. 276D
Original Sheet No. 276E
Original Sheet No. 276F

Tariff Sheet Effective November 1, 2005

Twelfth Revised Sheet No. 349