

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeem G. Kelly.

Gas Research Institute	Docket No. RP97-391-004
Interstate Natural Gas Association of America	Docket No. RP06-51-000
Viking Gas Transmission Company	Docket No. RP05-676-000
Midwestern Gas Transmission Company	Docket No. RP05-677-000
CenterPoint Energy – Mississippi River Transmission Corporation	Docket No. RP05-681-000

ORDER ON PETITION FOR WAIVER

(Issued November 21, 2005)

1. On October 7, 2005, Interstate Natural Gas Association of America (INGAA), on behalf of its natural gas pipeline company members listed below,<sup>1</sup> requested the

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<sup>1</sup> Algonquin Gas Transmission Corporation, ANR Pipeline Company, Boundary Gas, Inc., Colorado Interstate Gas Company, Columbia Gas Transmission, Columbia Gulf Transmission, Dominion Transmission, Inc., East Tennessee Natural Gas, El Paso Natural Gas Company, Equitrans, Inc., Florida Gas Transmission, Granite State Gas Transmission, Great Lakes Gas Transmission Limited Partnership, Kinder Morgan Interstate Gas Transmission, LLC, KN Wettenburg, Kentucky West Virginia Gas, Kern River Gas Transmission, Koch Gateway Pipeline, Mojave Pipeline Company, National Fuel Gas Supply, Natural Gas Pipeline Company, NorAm Gas Transmission, Northern Natural Gas Company, Northwest Pipeline Corporation, Pacific Gas Transmission, Panhandle Eastern Pipe Line Company, Questar Pipeline Company, Southern Natural Gas Corporation, Tennessee Gas Pipeline Company, Texas Eastern Transmission, Texas Gas Transmission, Transcontinental Gas Pipe Line, Transwestern Pipeline, Trunkline Gas, Viking Gas Transmission, Williams Natural Gas, Williston Basin Interstate Pipeline, and Wyoming Interstate Pipeline.

Commission waive Article II, section 1.1 of Gas Research Institute's (GRI) settlement, with supporting pipelines, that obligates the pipelines to pass through certain GRI refunds. Instead of distributing refunds to pipeline customers, INGAA requests that the Commission authorize the pipelines to donate the money to certain charitable organizations.<sup>2</sup>

### **Background**

2. On July 1, 2005, GRI filed a "True Up and Accounting Report" to comply with the settlement approved in *Gas Research Institute*, 83 FERC ¶ 61,093, *order on reh'g*, 83 FERC ¶ 61,331 (1998) (1998 Settlement). In that filing, GRI requested relief from its obligation under the 1998 Settlement to refund over-collected amounts to its member pipelines. Two customer groups who were parties to the Settlement, Process Gas Consumers and the Georgia Industrial Group (collectively, the Industrials), protested and urged the Commission to direct GRI to adhere to the 1998 Settlement's provisions regarding GRI's refund obligation.

3. On August 23, 2005, the Commission accepted GRI's July report, but denied GRI's request for relief from its refund obligation. The Commission directed GRI to refund approximately \$47,000 to 42 pipelines for further distribution to their customers, and to file a refund report with the Commission by September 29, 2005.<sup>3</sup>

4. Article II, section 1.1 of the 1998 Settlement provides, *inter alia*, that "pipelines will refund the amount received from GRI within 60 days of receipt from GRI in proportion to GRI surcharges paid by customers over the relevant period."<sup>4</sup> In compliance with the Commission's August 2005 Order, GRI distributed the refunds to INGAA pipeline members. INGAA submits, however, that it is administratively impractical for the pipelines to comply with the requirement to disburse the refunds to customers in proportion to the GRI surcharges actually paid. INGAA states that from the perspective of the individual pipelines, the GRI refunds are very small. INGAA points out that the largest pipeline share is \$6,161.69, and that many are much lower.<sup>5</sup> INGAA

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<sup>2</sup> Viking Gas Transmission Company, Midwestern Gas Transmission Company, and CenterPoint Energy - Mississippi River Gas Transmission Company each filed individual motions in Docket Nos. RP05-676-000, RP05-677-000, and RP05-681-000, seeking essentially the same relief. INGAA states that Iroquois Gas Transmission arranged an alternative crediting method that was agreed to by its customers.

<sup>3</sup> *Gas Research Institute*, 112 FERC ¶ 61,212 (2005) (August 2005 Order).

<sup>4</sup> *See* 83 FERC ¶ 61,093 at 61,454 (1998).

<sup>5</sup> *See* GRI's Refund Report in Docket No. RP97-391-004.

adds that another practical problem is that the refunds are to flow through to customers who paid the GRI surcharge over a seven-year period going back to 1998, but that many of those entities may not even be customers today, and that finding them may be difficult and too costly in view of the amounts involved. INGAA further argues that in many cases, the administrative costs of disbursing the refund to the customers in precise shares based on individual GRI payments will exceed the actual GRI refunds.

5. For these reasons, INGAA requests that, in lieu of disbursement of the GRI refunds to customers, the Commission authorize pipelines to donate the money to the American Red Cross, the Low Income Energy Assistance Program, or the Salvation Army, in support of victims of Hurricanes Katrina and Rita. INGAA submits that upon making the donation, participating pipelines would file a copy of their cover or transmittal letter to the charity in this docket. INGAA emphasizes that such an alternative disbursement avoids the administrative costs of calculating and disbursing small amounts to individual customers. INGAA states that moreover, this disposition promotes worthy charitable goals. Finally, INGAA argues that in these circumstances, good cause exists to grant a waiver of the provision of the 1998 Settlement regarding pipelines' obligation to disburse the \$47,000 in GRI revenue over-collections to customers.

### **Notice and Interventions**

6. Public notices of INGAA's petition and the pipelines' motions were issued with opportunity for interventions, comments, and protests. No one filed a protest or adverse comments to the petition or motions. The Industrials filed comments in the *Midwestern Gas Transmission Company* and *Viking Gas Transmission Company* proceedings in support of their petitions for waiver, and INGAA states that the Industrials likewise support its petition for waiver.

### **Discussion**

7. The Commission finds that INGAA's and the pipelines' waiver requests are justified and in the interest of its pipeline members for the reasons given above. The Commission also concludes that in these circumstances, donations to be made from the refund amounts should be limited to the Low Income Energy Assistance Program. Therefore, subject to the refund amounts being donated only to the Low Income Energy Assistance Program, the Commission grants the requested waiver of Article II, section 1.1 of the 1998 Settlement for all pipelines on whose behalf a petition was made, subject to the conditions contained in the petition respecting disbursing any refunds each company receives from GRI, and as conditioned herein. In lieu of each pipeline company reporting individually to the Commission, the Commission directs that all pipelines make their reports to INGAA of the disbursement of refunds, and that INGAA compile and submit to the Commission a single report once such disbursements are made.

The Commission orders:

(A) INGAA's petition and the pipelines' motions for waiver of Article II section, 1.1 of the 1998 Settlement are granted as discussed in the body of this order.

(B) INGAA's pipeline members and the pipeline movants must report their disbursements to INGAA, and INGAA shall submit top the Commission a report of all disbursements made.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.