

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 6, 2006

In Reply Refer To:
CenterPoint Energy - Mississippi River
Transmission Corporation
Docket No. RP06-267-000

CenterPoint Energy - Mississippi River Transmission Corporation
P.O. Box 21734
Shreveport, LA 71151-1734

Attention: Lawrence O. Thomas, Director
Rate and Regulatory

Reference: Revise Forms of Service Agreement and Housekeeping Changes

Dear Mr. Thomas:

1. On March 7, 2006, CenterPoint Energy - Mississippi River Transmission Corporation (MRT) filed revised tariff sheets listed on the Appendix to revise its Forms of Service Agreements and make certain housekeeping changes to various tariff sheets, *i.e.*, typographical errors and removal of obsolete references. In its transmittal letter, MRT requests the revised tariff sheets become effective April 7, 2006.¹ For the reasons discussed below, we accept the tariff sheets listed on the Appendix, effective April 7, 2006, subject to MRT filing revised tariff sheets within 15 days of the date this order issues.

2. Notice of MRT's filing was published in the *Federal Register*.² Interventions and protests were due as provided in 18 C.F.R. § 385.210 (2005) of the Commission's regulations. 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. No party filed a protest or adverse comment.

¹ MRT's proposed tariff sheets show an effective date of April 10, 2006.

² 71 Fed. Reg. 13821 (2006).

3. MRT proposes to modify its Forms of Service Agreements for (1) Rate Schedules FTS, SCT, and ITS; and, (2) Rate Schedules FSS and ISS. In its transmittal letter, MRT states that its proposed revisions are intended to permit MRT to consent to requests by a shipper to assign its rights and obligations under a firm service agreement to an affiliate outside of the capacity release provisions of MRT's tariff. Specifically, MRT proposes to revise its forms of service agreements to include the following language:

Additionally, Customer may request that MRT consent to Customer's assignment of this Agreement, in whole, to an entity affiliated with Customer. MRT will consent to such assignment, subject to the assignee's satisfaction of the criteria in Section 5.4(k), General Terms and Conditions, unless there is a reasonable basis to withhold MRT's consent.

4. MRT explains that its proposal is intended to accommodate its customers which from time to time undergo internal reorganization and reassign functions to other companies within the same corporate family. MRT submits that this type of assignment is not inconsistent with the Commission's capacity release mechanism because the assignment merely reflects the internal reorganization of the customers and does not change the ultimate control of the capacity. MRT states that the Commission has approved similar provisions in another pipeline's form of service agreement.³

5. The Commission finds that MRT's proposed change to its forms of service agreement is overly broad and would permit the assignment of capacity in a manner that would not be consistent with the Commission's capacity release mechanism. As currently drafted, the proposed tariff language would permit a shipper to assign its capacity to an affiliate, without going through the capacity release program. The proposed language does not limit the assignment of capacity to situations associated with internal organization within the same corporate family, the circumstance MRT asserts its proposal is intended to address. Instead the above tariff language would permit MRT's shipper to request the assignment to an affiliated company under any circumstance. This would improperly exempt all transfers of capacity from one affiliate to another from the capacity release program.

6. Further, the tariff language accepted by the Commission's June 1, 2005 Letter Order in *Gulfstream* was much more limited than the provision MRT proposes here. The Commission's June 1, 2005 Letter Order noted that *Gulfstream's* provision was intended to recognize that if and when the regulatory authorizations for the direct generation of

³ *Gulfstream Natural Gas System, L.L.C.*, 111 FERC ¶ 61,330 (2005) (*Gulfstream*) (June 1, 2005 Letter Order); and an unpublished Director's Letter Order issued September 7, 2005, in Docket No. RP02-361-051.

electricity have been granted and an electric utility served directly by Gulfstream reorganizes itself internally, certain functions, which originally were all performed by the distribution function of the utility, may be assigned to other companies within the same corporate family. Gulfstream's tariff language was more specific than MRT's proposed tariff language. Gulfstream's tariff language provides that the consent of assignment was subject to necessary regulatory authorizations for the direct generation of electricity and the assignment had to be to a wholly owned affiliate.

7. Therefore, we will accept the proposed tariff sheets effective April 7, 2006, subject to MRT filing revised tariff sheets within 15 days of the date this order issues, to include tariff language that permits assignments of capacity to an affiliate only in the situation where, after the shipper obtains the capacity, a corporate reorganization results in a transfer of the function for which the capacity was obtained to another company within the same corporate family.

By direction of the Commission.

Magalie R. Salas,
Secretary.

cc: All Parties

APPENDIX

**CenterPoint Energy - Mississippi River Transmission Corporation
FERC Gas Tariff, Third Revised Volume No. 1.**

Tariff Sheets Accepted Effective April 7, 2006

Second Revised Sheet No. 139A

Sixth Revised Sheet No. 263

Fourth Revised Sheet No. 265

Fourth Revised Sheet No. 267

Fourth Revised Sheet No. 291

Sixth Revised Sheet No. 292

Third Revised Sheet No. 293