

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

August 23, 2006

In Reply Refer To:  
Alliance Pipeline L.P.  
Docket No. RP06-443-000

Alliance Pipeline L.P.  
600, 605 5th Avenue, S.W.  
Calgary, Alberta, Canada

Attention: Jim Goldmann  
Vice President Transportation Services and Development, Alliance Pipeline  
Inc., Managing General Partner of Alliance Pipeline L.P.

Reference: A New Tariff Provision to Purchase and Sell Gas for Operational Purposes

Dear Mr. Goldmann:

1. On July 25, 2006, Alliance Pipeline L.P. (Alliance) filed tariff sheets<sup>1</sup> proposing a new section 43 of the General Terms and Conditions (GT&C) of its tariff to permit its transportation personnel to make sales and purchases of operational gas. We grant waiver of the Commission's 30-day notice requirement and a limited waiver of 18 C.F.R. § 284.286(c), in order to permit Alliance transportation personnel to make sales and purchases of operational gas, and we accept revised tariff sheets to become effective August 1, 2006, as proposed.

2. Alliance's instant filing adopts a new section 43 in the General Terms and Conditions of its tariff, authorizing it to make certain operational purchases and sales of natural gas. The proposed tariff provision sets forth conditions which Alliance states are consistent with recent Commission decisions approving tariff provisions governing

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<sup>1</sup> Third Revised Sheet No. 2 and Original Sheet No. 277E, to its FERC Gas Tariff, Original Volume No. 1.

operational purchases and sales.<sup>2</sup> Section 43.1 specifies the circumstances under which Alliance would perform an operational purchase and sale. Alliance also states that section 43.1 clarifies that operational sales will be unbundled from transportation and that any purchases or sales will have a lower transportation priority than firm service. Alliance states that the proposed section 43.2 sets forth posting and bidding procedures that would apply to operational purchases and sales. Furthermore, Alliance states that section 43.3 provides that it would file an annual report by May 1 of each year providing information regarding operational purchases and sales for the preceding calendar year.

3. Alliance requests a limited waiver of 18 C.F.R. § 284.286(c), in order to permit its transportation personnel to make sales of operational gas. Alliance states that it requests such a waiver due to the fact that it has a small staff of employees and separating the employees engaged in such limited sales would burden its operations. Alliance further states that such sales will be incidental to the primary services provided by Alliance. Alliance claims that in similar circumstances, the Commission has previously granted a waiver of section 284.286.<sup>3</sup>

4. Finally, Alliance requests that the Commission waive the notice requirements of section 154.207 and allow the attached revised tariff sheets to become effective as of August 1, 2006, so that Alliance can make certain operational purchases during the month of August, when gas prices are anticipated to be advantageous.

5. Public notice of Alliance's filing was issued on July 27, 2006. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214. No protests or adverse comments were filed.

6. Alliance proposes to purchase and sell gas to protect the operational integrity of its system. The Commission has allowed other pipelines to sell and purchase gas for operational purposes. Consistent with prior Commission rulings, we will allow Alliance to purchase and sell gas for operational reasons.

7. Alliance claims that its purchases or sales would be limited and incidental. Based on these representations, we find that it would be unduly burdensome to require Alliance to establish a separate marketing department. Thus, we will waive the requirements in

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<sup>2</sup> See *ANR Pipeline Co.*, 110 FERC ¶ 61,069 (2005) *order on reh'g and accepting compliance filing*, 111 FERC ¶ 61,290 (2005); *Dominion Transmission, Inc.*, 106 FERC ¶ 61,029 (2004).

<sup>3</sup> See, e.g., *Dominion Cove Point LNG, L.P.*, 104 FERC ¶ 61,218 (2003); *Dynegy Midstream Pipeline, Inc.*, 87 FERC ¶ 61,093 (1999).

section 284.286 so that Alliance can make the purchases or sales of gas described in the application.

8. Alliance also requests that the Commission waive the notice requirements of section 154.207 and allow the filed tariff sheets to become effective as of August 1, 2006, so that Alliance can make certain operational purchases during the month of August, when gas prices are anticipated to be advantageous. For good cause shown, we grant Alliance's waiver request of the Commission's notice requirements of section 154.207 to allow the filed tariff sheets to become effective as of August 1, 2006, as proposed.

By direction of the Commission.

Magalie R. Salas,  
Secretary.