

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

July 13, 2007

In Reply Refer To:
Natural Gas Pipeline Company of
America
Docket No. RP07-492-000

Natural Gas Pipeline Company of America
747 East 22nd Street
Lombard, IL 60148

Attention: Maria K. Pavlou
Assistant General Counsel

Reference: Petition for Waivers

Ladies and Gentlemen:

1. On June 15, 2007, Natural Gas Pipeline Company of America (Natural) filed a Petition for Temporary Waiver of Tariff Provisions and Request for Expedited Action to waive certain zone limitation provisions set forth in section 5 of its General Terms and Conditions (GT&C), and certain discount and transactional posting requirements set forth in the Commission's regulations. Natural requests the waivers to mitigate the effects of a system maintenance project it plans to undertake from July 17, 2007, through September 12, 2007,¹ that may result in capacity constraints on part of its system.

2. In support of its petition, Natural states that, as part of its system maintenance program, it scheduled hydrostatic testing of a portion of its Amarillo Mainline No. 3 (Amarillo Mainline). As a result, Natural will remove from service an approximately 50-mile pipeline valve section of Segment No. 14 of its Amarillo Mainline, extending from the east side of the Mississippi River to Compressor Station No. 110 in Henry County, Illinois. According to Natural, the hydrostatic testing project will reduce available capacity through the affected area during the outage period.

¹ Natural states that this outage period is estimated and may be adjusted based on Natural's evaluation of the project once work begins.

3. Natural states that, during the outage period, it will initially schedule primary firm and secondary in-path firm transports to a minimum of 84 percent of the maximum daily quantity (MDQ) for each contract with primary or secondary in-path rights for Segment No. 14. This will include firm contracts used to inject Nominated Storage Service or Delivered Firm Storage Service (DSS) volumes at any storage point on the Amarillo Mainline. Natural also states that it will initially schedule nominated DSS storage withdrawals to a minimum of 84 percent of the Amarillo Leg Withdrawal Quantity (WQ) and that 100 percent of the Gulf Coast Mainline WQ will still be available. Natural will initially allocate no-notice DSS up to 84 percent of the Amarillo Leg WQ, as well. Further, Natural does not anticipate scheduling any interruptible transportation or out-of-path secondary firm transportation volumes through the affected area during the outage period. Natural states that it will predicate its actual scheduled quantities during the outage on shippers using all of their firm primary and in-path secondary rights in the affected area, and adds that actual scheduled quantities may increase if capacity is available.

4. To mitigate the capacity constraints during the outage period, Natural plans to undertake certain measures to assist affected shippers in getting their contractual quantities. For one, Natural proposes to offer discounts to shippers that have firm transportation contracts on its Amarillo Mainline but transport on its Gulf Coast Mainline using opposite leg rights under its tariff. The discounts are the lower of: (a) the daily equivalent of the shipper's current contract rate; or, (b) 4 cents per Dth/day plus all other applicable charges, including commodity, fuel, and gas lost and unaccounted for. Natural states it will offer these discounts under its existing discount authority, and will limit the discounts to the duration of the outage period. In addition to discounts, Natural also proposes to provide shippers with additional zone limitations flexibility to provide more alternative shipping choices.

5. To implement these mitigation measures, Natural first requests that the Commission waive, on a limited basis, the receipt zone limitations for opposite leg rights found in sections 5.5(a)(2)(i)-(iii) of its GT&C. Natural's system generally consists of two parallel mainlines – the Amarillo Mainline and the Gulf Coast Mainline. Under its current tariff, a shipper with a firm transportation contract on the Amarillo Mainline has opposite leg rights on the Gulf Coast Mainline, but only for certain receipt zones that correspond to its path on the Amarillo Mainline. Natural requests this waiver so that affected shippers with firm rights on the Amarillo Mainline would have opposite leg rights for receipts in *all* zones on the Gulf Coast Mainline, and not just the corresponding zones. Natural states that providing shippers with more alternative transportation path options would increase their operational flexibility during the capacity constraints.

6. Additionally, Natural seeks partial, limited waivers of the transactional and discount posting requirements of 18 C.F.R. §§ 284.13(b) and 358.5(d) of the Commission's regulations. Section 284.13(b) delineates transactional information a

pipeline must post on its Internet website for each firm and interruptible contract. Section 358.5(d) requires a pipeline to post on its Internet website certain transactional data for any discount it offers a shipper, contemporaneous with the time that the offer is contractually binding. The discount that Natural plans to offer to qualified shippers is a generally applicable discount for firm service. Natural states that currently, when it posts a generally-applicable discount for interruptible service, it also makes postings for each individual shipper. Natural claims, however, that its computer systems do not have the ability to notify individual shippers when it makes a generally-applicable discount available for firm service. Accordingly, it would have to do so manually, which Natural asserts would cause a considerable administrative burden. Natural adds that, except for a similar limited time in 2006, it has never posted a generic discount affecting a class of firm contracts. Accordingly, Natural requests a waiver of sections 358.5(d) and 284.13(b) because it will not be able to make individual postings contemporaneously with the effectiveness of each discount contract. Natural states that it will post transactional data for all required individual shipper discounts within ten days after the outage period concludes. Natural claims that if the Commission grants the waiver, it will make individual transactional postings for each contract eligible for the discount. Natural argues that since it has already posted the generally-applicable discounts via an Internet website posting on June 14, 2007, the market is fully aware of the availability of the discounts and no shipper will be disadvantaged.

7. Natural requests that the Commission grant the waivers discussed herein by July 13, 2007, so that Natural's shippers can plan their nominations for the remainder of the month of July 2007, through September 12, 2007, in advance of the capacity reduction. Further, Natural states that it will notify the Commission when the outage period ends and the requested waivers are no longer necessary.

8. The Commission noticed Natural's filing on June 20, 2007, allowing for protests as provided by section 154.210 of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2006), 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 this proceeding or place additional burdens on existing parties. No party filed a protest or adverse comments.

9. For good cause shown, we grant Natural's request to waive sections 5.5(a)(2)(i) – (iii) of its GT&C and §§ 358.5(d) and 284.13(b) of the Commission's regulations. Granting these waivers will benefit shippers by providing them with additional system flexibility to mitigate any impacts of system constraints during Natural's outage period. The waiver of zone limitation provisions for opposite leg rights will assist shippers by providing alternative transportation paths to serve their markets and to offset any capacity reductions on a portion of Natural's Segment No. 14. Waiving the posting requirements will not harm other shippers or the market in general, since Natural has already provided adequate transparency by posting the discounts on its interactive website and by

specifying the specific discount rates it plans to offer qualified shippers. Further, granting these waivers is consistent with Commission action in Docket Nos. RP06-318-000² and RP06-402-000,³ where the Commission granted Natural similar waivers during other system capacity constraint situations. Therefore, the Commission grants Natural's waiver requests, as proposed.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties

J. Curtis Moffatt, Esq.
Paul Korman, Esq.
Van Ness Feldman, P.C.
1050 Thomas Jefferson Street, N.W., 7th Floor
Washington, D.C. 20007-3877

² *Natural Gas Pipeline Co. of America*, 115 FERC ¶ 61,151 (2006).

³ *Natural Gas Pipeline Co. of America* 116 FERC ¶ 61,082 (2006).