

123 FERC ¶ 61,218  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 29, 2008

In Reply Refer To:  
CenterPoint Energy Gas  
Transmission Company  
Docket No. RP08-358-000

CenterPoint Energy Gas Transmission Company  
P.O. Box 21734  
Shreveport, LA 71151

Attention: Lawrence O. Thomas, Director, Rate & Regulatory

Reference: Revisions to Rate Schedule PHS and Pooling Tariff Provisions

Ladies and Gentlemen:

1. On May 1, 2008, CenterPoint Energy Gas Transmission Company (CEGT) filed revised tariff sheets<sup>1</sup> to expand the flexibility of its pooling service under Rate Schedule PS by allowing unlimited Pool Transfers within the same Pooling Area at no charge and to enhance the wheeling options it provides under Rate Schedule PHS. The revised tariff sheets are accepted to be effective on June 1, 2008, subject to further revisions discussed below.

2. Public notice of CEGT's filing was issued on May 6, 2008. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. §154.210 (2007). Pursuant to Rule 214 of the Commission's Rules of Practices and Procedure, 18 C.F.R. §385.214 (2007), all timely motions to intervene and any motions to intervene out-of-time filed before the issuance 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 adverse comments or protests were filed.

3. CEGT is filing to include a firm wheeling option under its Rate Schedule PHS. CEGT currently offers wheeling service on an interruptible basis at its Perryville Hub

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<sup>1</sup> See appendix for a listing of the revised tariff sheets.

under Rate Schedule PHS; however, it states that planned interconnections with new pipeline projects will significantly increase natural gas volumes flowing through CEGT's Perryville Hub. CEGT anticipates that a firm wheeling service will be valuable to shippers as it will provide the ability to obtain firm receipt and delivery point capacity and have flexible market access through numerous pipelines connected to CEGT's Perryville Hub.

4. CEGT proposes to use its current maximum interruptible wheeling rate to develop the maximum firm wheeling rate. CEGT is proposing a maximum firm reservation rate of \$0.9277 per Dth.<sup>2</sup> CEGT also proposes to remove the charge for lost and unaccounted for gas (LUFG) on all wheeling transactions, both firm and interruptible. CEGT states that based on its own experience over the past five years there is no correlation between wheeling transactions and LUFG in the Perryville Hub facilities. CEGT states that LUFG in the Perryville Hub is a result of the physical movement of gas and that wheeling transactions, on the other hand, are effectuated by displacement or backhaul and are, in essence, paper transactions. However, CEGT states that they will continue to assess the Delhi Fuel Use for those wheeling transactions that require use of CEGT's Delhi Compressor.

5. While the Commission has approved rates that exempt shippers from fuel use charges on the basis that the service provided does not require compression fuel, the Commission has required pipelines to charge all shippers at least the LUFG component of the fuel charge, even in cases where no fuel use component is charged.<sup>3</sup> In *MRT*, the Commission rejected the pipeline's proposal to exempt shippers from charges for LUFG in certain transactions that did not require compression. The Commission found that a pipeline may exempt a customer from a LUFG charge only by showing that no gas is lost or unaccounted for in connection with service to that customer. However, by the very nature of lost and unaccounted for gas, it is virtually impossible to detect with any certainty which customers account for the quantities of lost and unaccounted for gas.<sup>4</sup> Additionally, the Commission found that similar to fuel use charges, the charge for LUFG was a variable cost, and so it could not be discounted. Therefore, CEGT is

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<sup>2</sup> The firm rate is derived by multiplying the maximum interruptible wheeling rate of \$0.0305 by 30.41667.

<sup>3</sup> *Ozark Gas Transmission, L.L.C.*, 122 FERC ¶ 61,295 (2008); *E. Tenn. Natural Gas, LLC*, 110 FERC ¶ 61,060 (2005) (citing *Mississippi River Transmission Corp.*, 98 FERC ¶ 61,119 (2002) (*MRT*)); *Columbia Gas Transmission Corp.*, 101 FERC ¶ 61,378 (2002).

<sup>4</sup> *MRT*, 98 FERC at 61,353.

required to charge its LUGF rate for all wheeling transactions and to revise those tariff sheets that had eliminated the LUGF rate for wheeling transactions.

6. The Commission accepts the tariff sheets listed in the appendix to be effective June 1, 2008, subject to CEGT filing revised tariff sheets, within 15 days of the date of this order, consistent with the discussion in this order.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

cc: All Parties  
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**Appendix**

**CenterPoint Energy Gas Transmission Company  
FERC Gas Tariff, Sixth Revised Volume No. 1**

***Tariff Sheets Effective June 1, 2008, Subject to Conditions***

Thirteenth Revised Sheet No. 32  
Second Revised Sheet No. 264  
Original Sheet No. 264A  
Second Revised Sheet No. 266  
Original Sheet No. 266A  
Second Revised Sheet No. 267  
First Revised Sheet No. 268  
Original Sheet No. 268A  
Second Revised Sheet No. 269  
Second Revised Sheet No. 270  
Third Revised Sheet No. 271  
First Revised Sheet No. 273  
Original Sheet No. 273A  
First Revised Sheet No. 274  
First Revised Sheet No. 309  
Third Revised Sheet No. 321  
First Revised Sheet No. 330  
Fourth Revised Sheet No. 332  
First Revised Sheet No. 373  
First Revised Sheet No. 376  
First Revised Sheet No. 377  
First Revised Sheet No. 396  
First Revised Sheet No. 398  
First Revised Sheet No. 399  
First Revised Sheet No. 401  
First Revised Sheet No. 402  
First Revised Sheet No. 447  
First Revised Sheet No. 564  
Fourth Revised Sheet No. 601  
Third Revised Sheet No. 602  
Fourth Revised Sheet No. 603  
First Revised Sheet No. 603A  
Third Revised Sheet No. 728  
Third Revised Sheet No. 729

First Revised Sheet No. 729A  
First Revised Sheet No. 729B  
Third Revised Sheet No. 730  
Second Revised Sheet No. 731  
Second Revised Sheet No. 732  
Second Revised Sheet No. 735  
First Revised Sheet No. 735A  
Third Revised Sheet No. 742  
First Revised Sheet No. 742A  
Third Revised Sheet No. 743  
Second Revised Sheet No. 744  
First Revised Sheet No. 745  
First Revised Sheet No. 746  
First Revised Sheet No. 747  
First Revised Sheet No. 790