

124 FERC ¶ 61,237  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

September 12, 2008

In Reply Refer To:  
Texas Gas Transmission, LLC  
Docket Nos. RP08-392-000  
RP08-392-001

Texas Gas Transmission, LLC  
9 Greenway Plaza, Suite 2800  
Houston, TX 77046

Attention: J. Kyle Stephens  
Vice President, Regulatory Affairs and Rates

Reference: FERC Gas Tariff, Third Revised Volume No. 1

Dear Mr. Stephens:

1. On May 30, 2008, as amended on June 17, 2008, Texas Gas Transmission, LLC (Texas Gas) filed a new, reorganized version of Volume No. 1 of its FERC Gas Tariff (Reorganized Tariff). The Reorganized Tariff<sup>1</sup> is accepted effective September 15, 2008, subject to the conditions discussed below.

2. Texas Gas states the Reorganized Tariff is the first step in creating a simpler more user-friendly tariff. Overall, the Reorganized Tariff (1) includes a single table of contents that contains all tariff content; (2) modifies section headings to clearly identify each section's primary topic; (3) transfers sections with need-to-know information to the beginning of the general terms and conditions (GT&C); and (4) reorganizes business processes based upon their sequential progression.

3. The Reorganized Tariff was simplified by (1) including only the provisions specific to the actual service being provided in the rate schedules; (2) grouping similar rate schedules together; (3) transferring provisions of general applicability from the rate schedules to the GT&C; (4) consolidating redundant provisions to a single location; and (5) consolidating and/or renaming certain defined terms, as well as alphabetizing all defined terms.

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<sup>1</sup> FERC Gas Tariff, Third Revised Volume No. 1.

4. Public notice of the filing was issued on June 3, 2008. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>2</sup> Joint comments were filed by the Western Tennessee Municipal Group, Jackson Energy Authority, City of Jackson, Tennessee, and the Kentucky Cities (together "Cities"). In addition, Memphis Light, Gas and Water Division filed comments. On June 18, 2008, a second notice was issued to extend the comment period until August 27, 2008. On August 27, 2008, the Cities filed supplemental comments. Pursuant to Rule 214,<sup>3</sup> all timely motions to intervene are granted.

5. The Cities state that they found inconsistencies between the current tariff and the Reorganized Tariff. In the Reorganized Tariff, the definition of the term "seasonal quality entitlement" has been deleted from the Definition Section of the GT&C even though this term is still used in Rate Schedules NNS and SNS, as well as the *pro forma* agreements for Rate Schedules NNS and SGT. Similarly, the term "seasonal quality levels" has been deleted from the Definition Section even though this term still appears in Rate Schedules FT and STF. The Cities contend that Texas Gas has not explained these deletions, so it is unclear whether the deletions are inadvertent or intended to alter the existing meaning of the terms.

6. In addition, the Cities state that a new term "contract demand-SNS," has been added to the Definition Section of the GT&C. Texas Gas made several conforming changes to Rate Schedule SNS to incorporate the new term. However, the GT&C of the revised tariff do not incorporate the new term contract demand-SNS and certain sections of Rate Schedule SNS continue to use the term "contract demand." The Cities assert that this could create potential confusion since "contract demand" is defined separately from "contract demand-SNS." Accordingly, the Cities assert that Texas Gas should be required to clarify and revise its proposal to ensure that the rights of SNS customers with respect to contract demand are not adversely affected.

7. Further, the Cities state that the second paragraph of Section 6.1 (Receipts and Deliveries) of the Reorganized Tariff provides as follows:

In the event of capacity limitation on Texas Gas' system at any of the Point(s) of Receipt, Texas Gas has the right, in its reasonable discretion to curtail deliveries at such Points of Receipt in accordance with Sections 12.10, 12.11, and 13.2 of the GT&C of this tariff. The customer then has the option to nominate and receive quantities of gas at the remaining Point(s) of Receipt.

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<sup>2</sup> 18 C.F.R. § 154.210 (2008).

<sup>3</sup> 18 C.F.R. § 385.214 (2008).

The reference to Section 12.11 (Priorities Applicable for Scheduling Capacity at Point(s) of Delivery) is confusing because Section 12.11 does not address receipt points. The Cities assert that this may be an error. However, if this is not an error and Texas Gas maintains this reference, the Cities assert that Texas Gas should have to explain why.

8. Finally, the Cities assert that the Reorganized Tariff, Section 12.13 of the GT&C, contains several internal references to “Section 13.2.” Presumably, Texas Gas intended for these to read “this Section 12.13.” To avoid confusion, the Cities assert that Texas Gas should revise these references. In the compliance filing ordered below, Texas Gas should either file revised tariff provisions or otherwise address the various issues the Cities have raised.

9. The Commission also notes that in Texas Gas’ currently effective tariff, each rate schedule includes a reference to Section 5, Credit Requirements and Financial Information. However, the rate schedules in the Reorganized Tariff, with the exception of Rate Schedule HOT, do not include references to Section 5. Therefore, Texas Gas is directed to include a reference to Credit Requirements and Financial Information in each rate schedule of the Reorganized Tariff or provide full explanation as to why such reference is not necessary.

10. Finally, there are designation errors on Original Sheet Nos. 1403-1405, such as two paragraphs are numbered 2.44 on “Original Sheet No. 1404”, and the term shoulder month is repeated. Texas Gas is directed to correct these sheets.

11. Within 15 days of the date of this letter, Texas Gas is directed to re-submit the noted sections of its Reorganized Tariff to correct the discrepancies and inconsistencies discussed above.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

cc: All Parties  
Public File