

125 FERC ¶ 61,236
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 26, 2008

In Reply Refer To:
Kinder Morgan Interstate Gas
Transmission LLC
Docket No. RP09-39-000

Kinder Morgan Interstate Gas Transmission LLC
370 Van Gordon Street
P.O. Box 281304
Lakewood, CO 80228-8304

Attention: Robert F. Harrington, Vice President

Reference: Compliance Filing

Ladies and Gentlemen:

1. On October 30, 2008, Kinder Morgan Interstate Gas Transmission LLC (KMIGT) filed First Revised Sheet No. 8 and Original Sheet No. 8A to its FERC Gas Tariff, Fourth Revised Volume No.1-A to comply with the Commission's September 30, 2008 Order approving its non-conforming negotiated rate agreement with Atmos Energy Corporation.¹ The September 30 Order required KMIGT to either remove the MDQ reduction provision from its negotiated rate agreement with Atmos or offer shippers the MDQ reduction right on a not unduly discriminatory basis. We accept KMIGT's tariff sheets to be effective on November 1, 2008, subject to further revisions discussed below.

2. Public notice of KMIGT's filing was issued on November 3, 2008. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. §154.210 (2008). Pursuant to Rule 214 of the Commission's Rules and Practice of Procedure, 18 C.F.R. §385.214 (2008), 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 comments or protests were filed with respect to the filing.

¹ *Kinder Morgan Interstate Gas Transmission LLC*, 124 FERC ¶ 61,302 (2008).

3. The September 30 Order required KMIGT to either remove the MDQ reduction provision from its negotiated rate agreement with Atmos or offer shippers the MDQ reduction rights on a not unduly discriminatory basis. KMIGT states that new section 2.2 to Rate Schedule FT of its Tariff would permit KMIGT and an eligible LDC shipper to mutually agree to include in a Firm Transportation Service Agreement a provision that would allow the shipper to reduce a portion of its Maximum Daily Transportation Quantity (MDTQ) under specified circumstances. KMIGT states the provision would allow an LDC shipper to mutually agree with KMIGT to an MDTQ reduction in the event that an existing end-use customer connected to the LDC shipper's distribution system creates a bypass situation by directly connecting to KMIGT's facilities and subscribing to firm transportation service with KMIGT. The MDTQ reduction would be for an equivalent quantity and for a term equal to the term the end-use customer holds firm transportation capacity on KMIGT's system.
4. KMIGT's proposed MDTQ reduction provision states that KMIGT will, on a not unduly discriminatory basis, negotiate in good faith to permit a Shipper to reduce a portion of its MDTQ in a bypass situation as described in proposed section 2.2 of its FT Rate Schedule. KMIGT's negotiated rate agreement with Atmos, however, provides Atmos the express right to reduce its MDQ in a bypass situation. Therefore, KMIGT is directed to revise the language in Section 2.2 to provide shippers the right to reduce their MDTQ in a bypass situation and not make that right subject to negotiations with KMIGT.
5. The Commission accepts Kinder Morgan Interstate Gas Transmission LLC's tariff sheets listed to be effective November 1, 2008, subject to KMIGT filing revised tariff sheets, within 15 days of the date of this order, consistent with the discussion in the body of this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties
TJ Carroll, Deputy General Counsel
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