

125 FERC ¶ 61,373
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 30, 2008

In Reply Refer To:
Texas Gas Transmission, LLC
RP09-128-000

Texas Gas Transmission, LLC
3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008

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

Reference: Tariff Modifications

Dear Mr. Stephens:

1. On December 1, 2008, Texas Gas Transmission, LLC (Texas Gas) filed tariff sheets to make further revisions to its reorganized tariff, accepted by the Commission in a letter order issued on October 28, 2008.¹ Texas Gas states that the instant filing is made to further simplify the reorganized tariff by allowing each rate schedule to stand alone, without incorporating or relying on other rate schedules. To that end, Texas Gas states that it has removed language that has general applicability from rate schedules FT and STF regarding receipt and delivery points, and moved it to section 6 of the General Terms and Conditions (GT&C). Further, Texas Gas states that it has modified this language for applicability to no notice services (NNS, NNL, SGT, and SGL) and added it as a new section 6.3. In addition, Texas Gas removed language from rate schedules NNS, NNL, SGT, SGL, and SNS that incorporated the provisions of the FT rate schedule.² The Commission accepts the Texas Gas' proposal effective January 1, 2009, subject to the corrections discussed below.

¹ *Texas Gas Transmission, LLC*, Docket No. RP08-392, October 28, 2008.

² A complete list of the revised tariff sheets filed by Texas Gas is provided in Appendix A.

2. Public notice of the filing was issued on December 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)). Motions to intervene were filed by Louisville Gas & Electric Co., Public Service Co. of North Carolina, Inc., Proliance Energy LLC, Elizabethtown Gas Co., Tennessee Valley Authority, Peoples Natural Gas Co., PSEG Energy Resources & Trade, LLC, Memphis Light, Gas & Water, New York State Electric & Gas Corp., Rochester Gas & Electric Corp., Atmos Energy Corp., and Chevron USA Inc. Duke Energy Corp. filed a late motion to intervene. Pursuant to Rule 214, 18 C.F.R. § 385.214, all timely motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. A limited protest was filed by the Western Tennessee Municipal Group, the Jackson Energy Authority, City of Jackson, Tennessee, and the Kentucky Cities (jointly, Cities).

3. On December 19, 2008, Texas Gas filed an answer to Cities' protest. While the Commission's regulations do not permit the filing of answers to protests,³ the Commission will accept the answer because it provides additional information that will aid in our decision-making process. The comments filed by Cities are discussed below.

4. Cities state that they do not oppose Texas Gas's filing, but assert that there are certain aspects of the filing that may require revision or additional explanation. Cities note that Texas Gas's proposed GT&C section 6.3.5 provides that "NNS, NNL, SGT, and SGL Customers will have access to Secondary Delivery Points on a firm basis upstream of their Primary Delivery Points up to Customer's Nominated Daily Quantity." Cities state that the use of "Nominated Daily Quantity" may be inadvertent and that the language should be revised to provide that these customers will have such access up to their "Contract Demand".

5. Cities note that Texas Gas's current tariff provides that "[d]irect-served LDC Customers with multiple city-gate meters delivering into the service area of the LDC in one of Texas Gas' service zones will be treated as a single delivery point." In the instant filing, the language has been revised to provide that customers with multiple city-gate meters delivering into a "single service area of the LDC" will be treated as a single delivery point. Cities state that they have been informed by counsel for Texas Gas that the pipeline made the change in error and that it will submit a filing to retain the language in the current tariff. Further, Cities state that Texas Gas failed to include any language on multiple LDC receipt points in new GT&C section 6.4.4, which applies to SNS service, and requests correction.

³ See 18 C.F.R. § 385.213 (2008).

6. Cities state that Texas Gas's current tariff provides that "Texas Gas shall be obligated to receive from Customer, or for the account of Customer, and redeliver to Customer, or for the account of Customer, on a firm basis, quantities of natural gas on a seasonal basis during the Winter Season which shall be Customer's Winter Seasonal Quantity Entitlement and Texas Gas' maximum winter seasonal transportation obligation and during the Summer Season which shall be customer's Summer Seasonal Quantity Entitlement and Texas Gas' maximum summer seasonal transportation obligation." Cities note that this language has been retained for FT and SFT customers in proposed GT&C section 6.2.1, but has been excluded from parallel provisions applicable to other customers. Cities request that the Commission require Texas Gas to either correct the omission or provide an explanation for it.

7. Finally, Cities note that in proposed language applicable to NNS, NNL, SGT, and SGL customers, the tariff provides that "Texas Gas shall be obligated to receive from Customer, or for the account of Customer, quantities of natural gas up to Customer's Nominated Daily Quantity." The language applicable to SNS customers provides that "Texas Gas shall be obligated to receive from Customer, or for the account of Customer, . . . quantities of natural gas up to Customer's Contract Demand." Cities state that Texas Gas has not provided an explanation for this discrepancy with respect to the receipt obligation as between no-notice services.

8. Texas Gas's answer responds to each of the issues raised in Cities' limited protest. First, with respect to the term "Nominated Daily Quantity" rather than "Contract Demand" in relation to secondary delivery points, Texas Gas agrees that the term "Contract Demand" should have been used. Texas Gas states that it will make this correction.

9. Texas Gas states that, as noted in Cities' limited protest, the language moved to sections 6.2.5 and 6.3.5 was inadvertently changed to include the phrase "a single service area." Texas Gas states that it will correct this mistake by changing the phrase back to "the service area." However, Texas Gas states that the Cities' request that the language regarding multiple city-gate meters be included in section 6.4.4 of the GT&C is not appropriate. Texas Gas states that this language specifically addresses the needs of LDCs, which may have multiple city-gate meters delivering into the same service area. Texas Gas states that SNS service was designed to meet the summer power plant load, not LDCs, and that due to the nature of power plant load, it is necessary for Texas Gas to know the specific delivery meter where gas will be delivered, which would not be possible at a point that included multiple individual meters. In addition, Texas Gas notes that currently no LDCs utilize SNS service, and that language regarding multiple LDC receipt points does not need to be added to section 6.4.4.

10. With respect to the language regarding seasonal quantity entitlements for FT and STF customers, Texas Gas states that it did not include similar language for TAPS customers because it is not applicable to that service.⁴ In addition, Texas Gas states that it did not include this language for NNS, NNL, SGS, SGL and SNS customers because the rate schedules for those services already address the issues covered by such language, whereas the FT and STF rate schedules do not. However, Texas Gas states that in the interest of providing more clarity, it is willing to add this provision to sections 6.3.1 and 6.4.1 of the GT&C, which apply to NNS, NNL, SGT, SGL, and SNS customers, provided that (1) the references to the winter season are removed from section 6.4.1, since it is applicable only to SNS customers and SNS service is not available during the winter season; and (2) the following modifications are made to the provision whenever used: “Texas Gas shall be obligated to receive from Customer, or for the account of Customer, and redeliver to Customer, or for the account of Customer, on a firm basis, quantities of natural gas on a seasonal basis during the Winter Season *up to* Customer’s Winter Quantity Entitlement and during the Summer Season *up to* Customer’s Summer Quantity Entitlement.” Texas Gas states that these modifications ensure that the provision is the same for all customers and does not conflict with or cause confusion with the provisions of the various rate schedules.

11. Texas Gas notes that Cities’ limited protest states that Texas Gas uses the term “Nominated Daily Quantity” in the proposed language applicable to the NNS, NNL, SGT, and SGS receipts, but use the term “Contract Demand” in the proposed language applicable to SNS receipt. Texas Gas states that this is an inadvertent error and offers to make a correction by changing the term to “Nominated Daily Quantity” in the language applicable to SNS receipts in section 6.4.1 of the GT&C.

12. The Commission accepts Texas Gas’s filed tariff sheets effective January 1, 2009, subject to Texas Gas refiling the relevant tariff sheets to reflect the corrections discussed above. The Commission finds that Texas Gas’s proposal regarding multiple LDC receipt points is reasonable and agrees that no modification need be made to section 6.4.4 of the GT&C. In addition, the Commission finds that Texas Gas’s proposal regarding seasonal entitlements is reasonable and accepts Texas Gas’s proposed modifications to sections 6.3.1 and 6.4.1 of the GT&C.

⁴ TAPS is a Texas Gas rate schedule for Transportation Aggregation Pooling Service.

13. Within 15 days of the date of this order, Texas Gas is directed to re-submit the noted sections of its tariff to correct the discrepancies and provide the modifications discussed above.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All Parties

APPENDIX
Texas Gas Transmission, LLC
Docket No. RP09-128-000
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Sheets Accepted Effective January 1, 2009

First Revised Sheet No. 101
First Revised Sheet No. 102
First Revised Sheet No. 201
First Revised Sheet No. 202
First Revised Sheet No. 401
First Revised Sheet No. 405
First Revised Sheet No. 451
First Revised Sheet No. 457
First Revised Sheet No. 500
First Revised Sheet No. 501
First Revised Sheet No. 504
First Revised Sheet No. 551
First Revised Sheet No. 556
First Revised Sheet No. 600
First Revised Sheet No. 601
First Revised Sheet No. 605
First Revised Sheet No. 606
First Revised Sheet No. 1801
First Revised Sheet No. 1802
Original Sheet No. 1803
Original Sheet No. 1804
Original Sheet No. 1805
Sheet No. 1806
First Revised Sheet No. 3800
First Revised Sheet No. 4200
First Revised Sheet No. 4201
First Revised Sheet No. 4251
First Revised Sheet No. 4252
First Revised Sheet No. 4300
First Revised Sheet No. 4301
First Revised Sheet No. 4351
First Revised Sheet No. 4352
Sheet No. 4253
First Revised Sheet No. 4400
First Revised Sheet No. 4900