128 FERC ¶ 61,015
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

July 9, 2009

In Reply Refer To:
Natural Gas Pipeline Company of America
Docket No. RP09-761-000

Natural Gas Pipeline Company of America
3250 Lacey Road, Suite 700
Downers Grove, IL 60515-7918

Attention: Maria K. Pavlou
Senior Counsel

Reference: Petition for Waivers

Ladies and Gentlemen:

1. On June 9, 2009, 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 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 capacity constraints on part of its system due to a system maintenance project it plans to undertake from the July16, 2009, through August 18, 2009.[1] Natural states that the duration estimated for this outage period may be adjusted based on Natural's evaluation of the project once work begins. As discussed below, the Commission grants Natural's request for a limited waiver of section 5.5(a)(2)(i)-(iii) of its GT&C and the requirements outlined in section 284.13(b) of the Commission's regulations.

2. In support of its petition, Natural states that, as part of its system maintenance program, it scheduled two phases of hydrostatic and integrity testing on portions of its Amarillo Mainline Nos. 2, 3, and 4 (Amarillo Mainline). According to Natural, the hydrostatic testing project will reduce available capacity through the affected area during the outage period. Natural describes the project phases as follows:

[1] Natural stated that on June 8, 2009, it informed shippers of the change in the maintenance schedule through a posting on its internet website.

a. Phase 1: Beginning July 16, 2009, Natural will conduct hydrostatic testing on its Amarillo No. 4 line. Natural will remove from service approximately 8.7 miles of pipe (part of Natural's Segment No. 14) extending from the west bank of the Mississippi River in Muscatine County, Iowa to Rock Island County, Illinois. In addition, Natural will run an internal inspection tool which will require the removal of a pipeline valve section of the Amarillo No. 2 line (approximately 41 miles, and also part of Segment No. 14) which extends eastward from Compressor Station 110 in Bureau County, Illinois to LaSalle County, Illinois. Natural expects that Phase 1 will be completed by August 11, 2009.

b. Phase 2: Beginning August 4, 2009, Natural will conduct hydrostatic testing on its Amarillo No. 3 line. Natural will remove from service approximately 11.7 miles of pipe (part of Natural's Segment No. 13) between Compressor Station 198 and Compressor Station 109 in Keokuk County, Iowa. In addition, Natural will run an internal inspection tool on the Amarillo No. 2 line which will remove approximately 10 miles of pipe (part of Segment No. 14), east of Compressor Station 199 to the Mississippi River in Muscatine County, Iowa. Natural expects that Phase 2 will be completed by August 18, 2009.

3. Natural maintains that, during the outage period, it will initially schedule primary firm and secondary in-path firm transportation to a reduced level of maximum daily quantity (MDQ) for each contract with primary or secondary in-path rights for Segment Nos. 13 and 14 according to the scheduling table below.

Time Period	Scheduling Location	Percent of Primary MDQ	Segment
7/16 – 8/3	Mississippi River	84%	14
8/4 – 8/7	Station 198	52%	13
8/8 – 8/18	Station 199	80%	14

This scheduling will include firm contracts for injecting storage volumes under Rate Schedules Nominated Storage Service or Delivered Firm Storage Service (DSS) volumes at any storage point on the Amarillo Leg. The minimum scheduling percentages are predicated on shippers using all of their firm primary and in-path secondary rights in the affected area. Natural states that the actual daily scheduled quantities may increase to reflect the amount of firm capacity available to shippers based on the total nominations actually received on any day during the outage period. Natural also states that nominated

DSS storage withdrawals and No-Notice DSS storage withdrawals will not be affected. In addition, Natural does not anticipate scheduling any interruptible transportation or out-of-path secondary firm transportation volumes through the affected area during the outage period.

4. To mitigate the impact of the capacity constraints that result from this system maintenance, Natural plans to undertake certain measures to assist affected shippers in responding to the reduction. Natural proposes to offer discounts to shippers that have firm transportation contracts on its Amarillo Mainline to transport on its Gulf Coast Mainline using opposite leg rights under its tariff. For firm transportation quantities, a shipper's reservation charge would be 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 lost and unaccounted for gas. Natural states it will offer these discounts under its existing discount authority and will limit the discounts to the duration of the outage period, which it expects to conclude by August 18, 2009. 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 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 waiver of this provision so that affected shippers with firm rights on the Amarillo Mainline will 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 will 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. section 284.13(b) of the Commission's regulations. Section 284.13(b) prescribes the transactional information a pipeline must post on its Internet website for each firm and interruptible contract. 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 it used generic discount postings for affected firm contracts in the past, but only in similar limited time situations and with Commission approval. Natural states it will post transactional data for all required

individual shipper discounts within ten days after the outage period concludes. Natural claims it will make individual transactional postings for each contract eligible for the discount. Natural argues that, because it already posted the generally-applicable discounts via an Internet website posting on June 8, 2009, the market is fully aware of the availability of the discounts and no shipper will be disadvantaged. Accordingly, Natural requests a waiver of sections 284.13(b).

7. Natural requests that the Commission grant the waivers discussed herein by July 9, 2009 so that Natural's shippers can plan their nominations for the remainder of the month of July, through August 18, 2009, 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 15, 2009, allowing for protests as provided by section 154.210 of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. section 385.214 (2008), the Commission grants all timely-filed motions to intervene and any motions to intervene out-of-time filed before the issuance of this order. 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 section 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 Nos. 13 and 14. Waiving the posting requirements will not harm other shippers or the market in general, because Natural provides adequate transparency already 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 prior Commission action[2] in granting Natural similar waivers during other system capacity constraint situations.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All Parties

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[2] *Natural Gas Pipeline Co. of America* 115 FERC ¶ 61,151 (2006); 116 FERC ¶ 61,082 (2006); and 120 FERC ¶ 61,049 (2007).