

131 FERC ¶ 61,011  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

April 9, 2010

In Reply Refer To:  
Questar Pipeline Company  
Docket No. RP10-488-000

Questar Pipeline Company  
180 East 100 South  
P.O. Box 45360  
Salt Lake City, UT 84145-0360

Attention: L. Bradley Burton, General Manager  
Federal Regulatory Affairs

Reference: Non-Conforming Service Agreement

Ladies and Gentlemen:

1. On March 12, 2010, Questar Pipeline Company (Questar) filed a non-conforming transportation service agreement (TSA) along with a revised tariff sheet<sup>1</sup> listing all of Questar's non-conforming TSAs. The non-conforming agreement with Anadarko Energy Services Company (Anadarko) includes a provision that decreases the contract quantity every year of the contract. For the reasons discussed herein, the Commission finds this provision to be an impermissible deviation from the form of service agreement. As a result, either the contract must be revised, or the Commission will accept the non-conforming agreement conditioned upon (1) Questar filing revised tariff sheets reflecting the right to decrease contract quantity in the General Terms and Conditions (GT&C) of its tariff, and (2) Questar filing revised tariff sheets amending its Form of Service Agreement under firm Rate Schedule T-1 to include blank lines to fill in

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<sup>1</sup> Ninth Revised Sheet No. 8 to FERC Gas Tariff, First Revised Volume No. 1.

individual years and the corresponding contract quantity.<sup>2</sup> Finally, the Commission will accept Sheet No. 8 listed in footnote No. 1 listing the non-conforming agreement with Anadarko subject to the condition discussed herein.

2. The instant filing was noticed with interventions and protests due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2009)). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,<sup>3</sup> all timely filed notices of intervention and motions to intervene and any motions to intervene out of time filed before issuance date 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 protest or comments were filed.

3. On March 12, 2010, Questar filed its non-conforming agreement with Anadarko under TSA No. 2854. Questar's firm TSA No. 2854 with Anadarko includes a provision that decreases the contract quantity every year of the contract. For example, in year 1 the contract quantity is 50,000 Dth/day, while in year 2 the contract quantity declines to 40,000 Dth/day. Questar states that it did not file this agreement with the Commission previously since it believed that this agreement comported with its tariff. Questar explains that the agreement merely identifies specified declining reserved quantities associated with specific periods in a single agreement rather than requiring execution of multiple separate agreements. Questar states that to the extent there is a question about the sufficiency of Questar's *pro forma* agreement to accommodate declining quantities in a single agreement, Questar is filing the agreement as a non-conforming agreement.<sup>4</sup>

4. If a pipeline and a shipper enter into a contract that materially deviates from the pipeline's form of service agreement, the Commission's regulations require the

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<sup>2</sup> It appears that contrary to the requirements of section 154.1(d) of the Commission's regulations, 18 C.F.R. § 154.1(d) (2009), Questar failed to file the non-conforming contracts in a timely manner. Questar is reminded that it must submit required filings on a timely basis or face possible sanctions by the Commission.

<sup>3</sup> 18 C.F.R. § 385.214 (2009).

<sup>4</sup> Questar states that the Commission is concluding an operational audit of Questar's business practices in Docket No. PA09-4-000. The audit report issued in that docket, among other things, identified TSA No. 2854 as a non-conforming contract.

pipeline to file the contract containing the material deviations with the Commission.<sup>5</sup> In *Columbia Gas Transmission Corporation*,<sup>6</sup> the Commission clarified that a material deviation is any provision in a TSA that (1) goes beyond filling in the blank spaces with the appropriate information allowed by the tariff, and (2) affects the substantive rights of the parties.<sup>7</sup>

5. Questar's non-conforming agreement with Anadarko includes a provision that decreases the contract quantity every year of the contract. The Commission finds this decreasing contract quantity provision to be impermissible since substantive rights are afforded to Anadarko that are not afforded to other similarly situated firm shippers that obtain service pursuant to Questar's tariff. Therefore, the contract must either be revised to conform to the existing Form of Service Agreement, or Questar must provide this substantive right to all firm shippers by filing revised tariff sheets (1) reflecting this valuable right of decreasing contract quantity in the GT&C of its tariff; and (2) amending its Form of Service Agreement under Rate Schedule T-1 to include blank lines to fill in individual years and the option of decreasing contract quantity for each year. Questar's compliance filing must be made 30 days from the date of this order.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>5</sup> 18 C.F.R. § 154.1(d) (2009).

<sup>6</sup> *Columbia Gas Transmission Corp.*, 97 FERC ¶ 61,221 (2001) (*Columbia*).

<sup>7</sup> In *Natural Gas Pipeline Negotiated Rate Policies and Practices*, 104 FERC ¶ 61,134, at P 27 (2003), the Commission stated “[s]ince there would appear to be no reason for the parties to use language different from that in the form of service agreement other than to affect the substantive right of the parties, this effectively means that all language that is different from the form of service agreement should be filed with the Commission.” *Id.* P 32.