

133 FERC ¶ 61,042  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

October 15, 2010

In Reply Refer To:  
Transcontinental Gas Pipe Line  
Company, LLC  
Docket No. RP10-1307-000

Transcontinental Gas Pipe Line Company, LLC  
P.O. Box 1396  
Houston, TX 77251-1396

Attention: Charlotte Hutson, Manager, Rates

Reference: Revised TEP Rates and Request for Waiver

Dear Ms. Hutson:

1. On September 16, 2010 (September 16 filing), Transcontinental Gas Pipe Line Company, LLC (Transco) filed certain revised tariff sections to make an interim adjustment by correcting an erroneous projection of its Station 100 Transmission Electric Power (TEP) costs for the period April 1, 2010 through March 31, 2011.<sup>1</sup> Transco requests a waiver of certain provisions of its tariff so that the revised tariff sections may take effect on October 17, 2010. For the reasons discussed below, the Commission grants the requested waiver and accepts the revised tariff sections to become effective November 1, 2010.

2. On February 25, 2010, Transco submitted in Docket No. RP10-395-000 (February 25 filing) its annual TEP tracker filing as set forth in section 41 of the General Terms and Conditions (GT&C) of Transco's tariff. The February 25 filing was accepted to be effective April 1, 2010 by Director's Letter Order dated March 12, 2010.

3. Transco currently recovers its TEP costs pursuant to section 41 of its GT&C. Section 41 governs how Transco's factor is calculated and annually updated. Transco

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<sup>1</sup> See Appendix.

must file annually at least 30 days before the required effective date of April 1 of each year.

4. Transco states that it recently discovered that the February 25 filing contained an understatement of \$8,092,174 of projected TEP costs at Transco's Station 100. Transco states that the projected commodity cost at Station 100 should have been calculated as *load factor \* max demand (kW) \* # of hours in month \* average electric power cost (\$/kWh)*.<sup>2</sup> Instead, according to Transco, the cost was erroneously calculated as a ratio of last year's electric power cost at Station 100 multiplied by the ratio of predicted load factor/actual load factor. Transco states that the calculation error resulted in \$2,553,856 of projected costs rather than the corrected projected costs of \$10,646,030. Therefore, Transco proposes to make an interim adjustment to its TEP rates that include the corrected estimate of projected Station 100 TEP costs, to be effective October 17, 2001.

5. Public notice of Transco's filing was issued September 20, 2010. Interventions and protests were due on September 28, 2010, as provided in section 154.210 of the Commission's regulations.<sup>3</sup> Pursuant to Rule 214,<sup>4</sup> all timely filed motions to intervene and any motions to intervene out-of-time before the 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.

6. Between September 22 and 28, 2010, comments and protests were filed by PSEG Energy Resources & Trade LLC, The National Grid Gas Delivery Companies,<sup>5</sup> National Fuel Gas Distribution Corporation, Consolidated Edison Company of New York, Inc., Shell Energy North America (US), L.P., Municipal Gas Authority of Georgia New Jersey Natural Gas Company and NJR Energy Services Company, Piedmont Natural Gas Company, Inc. and Transco Municipal Group (TMG).<sup>6</sup> On

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<sup>2</sup> See Schedule 3 of Appendix C of Transco's September 16, 2010 filing in this docket.

<sup>3</sup> 18 C.F.R. § 154.210 (2010).

<sup>4</sup> 18 C.F.R. § 385.214 (2010).

<sup>5</sup> The National Grid Gas Delivery Companies include: The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, Boston Gas Company, Colonial Gas Company, and Essex Gas Company, collectively d/b/a National Grid, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Niagara Mohawk Power Corporation d/b/a National Grid, The Narragansett Electric Company d/b/a National Grid.

<sup>6</sup> In its protest, TMG requested, among other things, that the Commission require Transco to show cause why it should not be required to adjust its gas fuel retention rates

(continued...)

September 24, 2010, Transco filed a motion for leave to answer and answer to the comments and protests filed before that date. Pursuant to Rule 213(a)(2) of the Commission's Rules of Practice and Procedure,<sup>7</sup> answers to protests are prohibited unless otherwise ordered by the decisional authority. The Commission will accept Transco's answer because it provides information that will assist us in our decision-making process.

7. In their comments and protests, the parties do not object to Transco's proposal revising its tariff to reflect a recalculation of the projected TEP costs associated with Station 100, for the April 1, 2010 through March 31, 2011 period. The parties also do not take issue with the explanation Transco has provided regarding the basis and nature of the underlying error which Transco is proposing to correct on a prospective basis. However, the parties do object to Transco's request that the revised tariff sections become effective in the middle of the calendar month, specifically, on October 17, 2010. Instead, the parties request the Commission approve Transco's waiver request conditioned upon a first-of-the-month effective date instead of the proposed October 17, 2010 effective date.

8. In its September 24 answer, Transco states that it is not opposed to making the revised TEP rates effective November 1, 2010, if the Commission determines the delay in the proposed effective date is appropriate to address the concern of the parties. Transco also states that the September 16 filing correctly recalculates the TEP rates using the estimated annual TEP costs that Transco intended to reflect for Station 100 in the February 25 filing.

9. The Commission finds that good cause exists to grant Transco's request for waiver of section 41.2(b) of the GT&C of its tariff which will allow Transco to implement an interim adjustment to its TEP rates. The interim adjustment should minimize Transco's underrecovery of its TEP costs as a result of its mathematical error in projecting its April 2010-March 2011 TEP costs. This will reduce the need for a surcharge to true up such underrecovery in Transco's next annual TEP tracker filing. The minimal delay of 14 days in the proposed effective date is appropriate to address the parties' concern about a

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contemporaneously with the proposed revision to its TEP rates. However, on October 7, 2010, TMG withdrew its protest with respect to Transco's fuel retention rates as a result of discussions TMG had with Transco subsequent to the filing of its protest. TMG states its concern with regard to this issue has been resolved.

<sup>7</sup> 18 C.F.R. § 385.213(a)(2) (2010).

mid-month effective date. Therefore, the Commission accepts Transco's revised tariff sections to be effective on November 1, 2010.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

## Appendix

Transcontinental Gas Pipe Line Company, LLC  
Fifth Revised Volume No. 1  
FERC NGA Gas Tariff

### Tariff Records Accepted Effective November 1, 2010

Section 1.1.1, FT - Non-Incremental, 2.0.0  
Section 1.1.2, FT - SunBelt Expansion, 2.0.0  
Section 1.1.4, FT - Pocono Expansion, 1.0.0  
Section 1.1.5, FT - Cherokee Expansion, 2.0.0  
Section 1.1.6, FT - Southcoast Expansion, 2.0.0  
Section 1.1.7, FT - Market Link Expansion, 1.0.0  
Section 1.1.8, FT - Sundance Expansion, 2.0.0  
Section 1.1.9, FT - Leidy East Expansion, 1.0.0  
Section 1.1.10, FT - Momentum Expansion, 2.0.0  
Section 1.1.12, FT - Leidy to Long Island Expansion, 1.0.0  
Section 1.1.13, FT - Potomac Expansion, 1.0.0  
Section 1.1.14, FT - Sentinel Expansion, 1.0.0  
Section 1.1.15, FT - 85 North Expansion, 2.0.0  
Section 1.2, Rate Schedule FT-G, 2.0.0  
Section 1.3, Rate Schedule FTN, 2.0.0  
Section 2.1, Rate Schedule IT, 2.0.0  
Section 5.1, Rate Schedule SS-1 Section 7(c) Transportation, 1.0.0  
Section 5.2, Rate Schedules X-269, X-270, X-274 through X-276, 1.0.0  
Section 6.1, Certificated Interruptible Transportation, 2.0.0  
Section 7.1, Rate Schedule GSS, 1.0.0  
Section 7.2, Rate Schedule LSS, 1.0.0  
Section 7.4, Rate Schedule SS-2, 1.0.0  
Section 10.2, Trading Fees and Fuel Retention, 1.0.0