

133 FERC ¶ 61,109
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 29, 2010

In Reply Refer To:
Rendezvous Gas Pipeline
Company, L.L.C.
Docket No. RP10-1066-000

Sutherland, Asbill & Brennan, LLP
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Attention: William H. Penniman
Attorney for Rendezvous Gas Pipeline Company, L.L.C.

Reference: Five-Year Report and Request for Modification of Filing Requirement

Ladies and Gentlemen:

1. On July 16, 2010, Rendezvous Gas Pipeline Company, L.L.C. (Rendezvous)¹ filed its five-year updated market power analysis to comply with the Commission's July 27, 2005 order,² and requested that it be relieved of its future obligation to file updated market power studies every five years (five-year filing requirement). The Commission accepts Rendezvous' five-year updated market power analysis, and lifts Rendezvous' five-year filing requirement, subject to conditions, as discussed below.

¹ Formerly Rendezvous Gas Services, L.L.C.

² *Rendezvous Gas Services, L.L.C.*, 112 FERC ¶ 61,141, *reh'g denied*, 113 FERC ¶ 61,169 (2005) (July 27 Order).

2. The Commission conditioned Rendezvous' certificate authorization³ on Rendezvous timely reporting to the Commission any changes in status that would require a reexamination of its market power and its market-based rate authority, including (1) Rendezvous increasing its capacity; (2) Rendezvous acquiring additional transportation facilities or additional capacity; (3) an affiliate providing transportation services in the same market area or acquiring another interest that can link facilities to the market area; or (4) Rendezvous or an affiliate acquiring an interest in or being acquired by an interstate pipeline. The Commission also required Rendezvous to file an updated market power analysis within five years of the date of the July 27 Order and every five years thereafter.

3. Rendezvous' updated market power analysis generates a market share of 4.4 percent and a Herfindahl-Hirschman Index (HHI) of 1465.4 for the relevant origin market, and a market share of 3.7 percent and an HHI of 1433.7 for the relevant destination market. Rendezvous notes that its market shares and HHIs in the origin and destination markets are lower than they were in 2005, when the Commission initially authorized Rendezvous to charge market-based rates.

4. Rendezvous asserts that, since the issuance of the July 27 Order, two market developments significantly reduced Rendezvous' market share and potential to exert market power in the relevant origin or destination markets, and therefore it should be relieved of its five-year filing requirement.

5. First, Rendezvous states that, while its capacity has remained at 300,000 Dth per day, competing capacity to export natural gas from the Rockies will have "nearly doubled" from the 2005 level of approximately 5,400,000 Dth per day to 10,400,000 per day in 2011. Second, Rendezvous states that, since it is no longer affiliated with any competing interstate pipeline operating in the market analysis area, the market share potentially directly or indirectly attributable to it would be substantially lower than five years ago, even without the doubling of transportation capacity in the area.

6. Public notice of Rendezvous' filing was issued on August 16, 2010. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2010)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2010)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the

³ The July 27 Order authorized Rendezvous to construct and operate a 20.8-mile, 20-inch diameter pipeline to transport natural gas from the outlet of the Blacks Fork natural gas processing plant in Uinta County, Wyoming, to an interconnection with facilities of Kern River Gas Transmission Company in the Opal Hub area of Lincoln County, Wyoming, and to charge market-based rates.

proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

7. The Commission accepts Rendezvous' five-year updated market power analysis, as in compliance with the July 27 Order. The Commission also lifts Rendezvous' requirement that it file an updated market power analysis every five years. Rendezvous is no longer affiliated with entities owning transmission facilities in the relevant geographic market. Further, Rendezvous' reported market shares and market concentration levels do not alter Rendezvous' inability to exert market power in the Opal Hub area. However, in addition to other reporting requirements imposed in the July 27 Order, Rendezvous must notify the Commission within ten days of acquiring knowledge of significant changes occurring in its market power status.

8. Significant changes include, but are not limited to (1) Rendezvous expanding its capacity beyond that authorized in the July 27 Order; (2) Rendezvous acquiring additional transportation facilities or additional capacity; (3) an affiliate providing transportation services in the same market area; and (4) Rendezvous or an affiliate acquiring an interest in or being acquired by an interstate pipeline. The notification must include a detailed description of the new facilities and their relationship to Rendezvous. Failure to timely file a change in circumstance report or failure to comply with the reporting requirements would constitute a violation of the Commission's regulations.

9. The Commission reserves the right to require Rendezvous to file a market power analysis at any time.⁴

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁴ See *Liberty Gas Storage LLC*, 113 FERC ¶ 61,247, at P 51 (2005).