

133 FERC ¶ 61,134
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Tennessee Gas Pipeline Company

Docket No. RP95-112-029

ORDER GRANTING MOTION TO AMEND SETTLEMENT

(Issued November 15, 2010)

1. On October 28, 2010, pursuant to Rule 212 of the Commission's Rules of Practice and Procedure,¹ Tennessee Gas Pipeline Company (Tennessee) filed a motion to amend a settlement approved by the Commission on October 30, 1996 (1996 Stipulation and Agreement) in the above-captioned docket.² As discussed below, the Commission grants Tennessee's motion.

2. Tennessee filed its last general rate case pursuant to section 4 of the Natural Gas Act (NGA) on December 30, 1994.³ On April 5, 1996, Tennessee filed a settlement to resolve issues in that rate case. On October 30, 1996, the Commission approved the 1996 Stipulation and Agreement.

3. Article VII, Section 4, of the 1996 Stipulation and Agreement requires Tennessee to include in its next general rate filing a new transportation service, which would have a minimum level of system balancing costs allocated to it and to request that this service become effective at the same time it moves all its proposed rates into effect. The provision also requires Tennessee to hold an open season to determine the level of interest in the new service in which shippers would make an election to convert from existing firm service to the new service. Tennessee refers to this service as "FT-Lite." Article VII Section 4 of the 1996 Stipulation and Agreement states in its entirety:

In its next general rate change filing Tennessee shall file and support a transportation service(s) which will have a minimum level of system balancing storage costs allocated to

¹ 18 C.F.R. § 385.212 (2010).

² *Tennessee Gas Pipeline Co.*, 77 FERC ¶ 61,083 (1996).

³ *Tennessee Gas Pipeline Co.*, 70 FERC ¶ 61,076 (1995).

it. Prior to filing the next general rate change, Tennessee shall conduct an open season to determine the level of interest in the new service(s), and shall offer shippers the opportunity to convert to such new service(s). In that filing, Tennessee shall request that such service(s) be made effective the same date as the motion rates of such general rate change filing; provided however, that nothing in this Stipulation shall bind the Commission as to the effective date of such service(s). Nothing in this Stipulation shall preclude any participant from taking any position on any new transportation services, the rates for such services, or the costs and cost classification, allocation and rate design for such services in any general rate case filing.

4. Tennessee suggests that the Article VII Section 4 of the settlement envisioned that shippers would make elections to convert from other firm transportation services to this new transportation service before Tennessee filed its system-wide rate change. Tennessee reports that it held an open season for the FT-Lite service from October 1, 2010, until October 15, 2010, and includes the notice of the open season as an attachment to its petition to amend the settlement. However, no firm customers elected to convert to the new service during the recently concluded open season, and Tennessee has received no other indication of continued customer interest in the FT-Lite service option. Tennessee requests the Commission amend the settlement to eliminate Article VII, Section 4. Tennessee argues that elimination of the filing obligation with regard to FT-Lite service will allow Tennessee and its customers, as well as Commission staff, to focus their respective time and resources on other elements of the rate filing that are of greater interest.
5. Notice of Tennessee's motion was issued on November 1, 2010. Comments, interventions, and protests were due on or before November 5, 2010. Pursuant to Rule 214,⁴ all timely-filed motions to intervene and any motions to intervene out-of time before the issuance date of this order are granted. New Jersey Natural Gas Company and New England Local Distribution Companies filed comments in support of Tennessee's motion.
6. The Commission finds that the requested settlement amendment appears fair and reasonable and in the public interest.⁵ The amendment is unopposed and it will facilitate the preparation and resolution of Tennessee's upcoming filing for a system-wide rate change under section 4 of the Natural Gas Act. Consistent with the Commission's policy

⁴ 18 C.F.R. § 385.214 (2010).

⁵ 18 C.F.R. § 385.602(g)(3) (2010).

favoring settlements, the Commission's approval of the settlement amendment does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. Accordingly, the Commission grants Tennessee's motion to amend the 1996 Stipulation and Agreement.

The Commission orders:

Tennessee's motion to amend the 1996 Stipulation and Agreement is granted, as discussed in the body of the order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.