

134 FERC ¶ 61,094  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

February 11, 2011

In Reply Refer To:  
Dominion Cove Point LNG, LP  
Docket No. RP11-1700-000

Dominion Cove Point LNG, LP  
701 East Cary Street, 5th Floor  
Richmond, VA 23219

Attention: Daniel L. Verdun  
Manager, Regulation

Reference: New Off-System Capacity Tariff Provision

Dear Mr. Verdun:

1. On January 13, 2011, Dominion Cove Point LNG, LP (DCP) filed revised tariff records<sup>1</sup> to add a new section 34, Off-System Capacity, to the General Terms and Conditions (GT&C) of its FERC Natural Gas Act (NGA) Gas Tariff. The Commission accepts DCP's revised tariff records effective February 12, 2011, as requested, subject to the conditions discussed below.

2. The new tariff provision would allow DCP, without further Commission authorization, to acquire transportation or storage capacity from interstate or intrastate natural gas companies (Off-System Capacity) for operational reasons or to render service to DCP's customers. DCP states that it will offer, on an open access basis, unused Off-System Capacity acquired to serve its shippers, and that it will remain at risk for the

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<sup>1</sup> Tariff Record 20.20, FTS Rate Schedule, 1.0.0; Tariff Record 20.30, ITS Rate Schedule, 1.0.0; Tariff Record 20.40, OTS Rate Schedule, 1.0.0; Tariff Record 40.1, GT&C - Index, 2.0.0; and Tariff Record 40.35, GT&C - Off-System Capacity, 0.0.0 to DCP\_DATABASE, FERC NGA Gas Tariff.

recovery of costs associated with any unused Off-System Capacity that DCP obtains for its own benefit or the benefit of shippers pursuant to section 34 of the GT&C. DCP proposes to set the charges (Third-Party Charges) for Off-System Capacity to equal “the additional costs associated with rendering service using Off-System Capacity to the customers utilizing the service.”<sup>2</sup> Further, DCP proposes changes to its rate schedules to reflect charges a customer may incur for Off-System Capacity. DCP avers that its proposal is consistent with Commission policy and precedent.<sup>3</sup>

3. Public notice of the filing was issued on January 18, 2011. Interventions and protests were due on January 25, 2011, as provided in section 154.210 of the Commission’s regulations.<sup>4</sup> Pursuant to Rule 214,<sup>5</sup> all timely motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. On January 25, 2011, DCP filed a motion to clarify its own tariff proposal and Shell NA LNG LLC (Shell LNG) filed a response to DCP’s motion to clarify.

4. In its motion to clarify, DCP states that it has been asked by one of its existing customers to clarify that: “*Third Party Charges will not apply to Off-System Capacity acquired for operational purposes unless DCP has sought and received approval in a rate proceeding to include such charges in the rates set forth in its FERC Gas Tariff.*”<sup>6</sup> DCP asserts that this clarification is consistent with DCP’s intent, and proposed section 34 should be interpreted consistently with this clarification. DCP states that it submits this clarification at this time in an effort to avoid any controversy with its existing shippers with respect to its tariff proposal.

5. Shell LNG states that it was the customer who requested the clarification by DCP. Shell LNG believes that the clarification provided by DCP is essential for purposes of tariff clarity and regulatory certainty. However, Shell LNG states that it would prefer that language reflecting DCP’s clarification be incorporated into the proposed section 34 of DCP’s GT&C. Shell LNG argues that in this manner, the language will be memorialized in the tariff, as overseen and regulated by the Commission, and be

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<sup>2</sup> DCP January 13, 2011 Cover letter at 2.

<sup>3</sup> *Id.* at 1-2 & n.2-3 (citing *Millennium Pipeline Co.*, 130 FERC ¶ 61,121 (2010); *Wyoming Interstate Co.*, 120 FERC ¶ 61,162 (2009); *Questar Pipeline Co.*, 102 FERC ¶ 61,022 (2003); *Northern Natural Gas Co.*, 103 FERC ¶ 61,266 (2003); *Kinder Morgan Interstate Gas Transmission, LLC*, 101 FERC ¶ 61,118 (2002)).

<sup>4</sup> 18 C.F.R. § 154.210 (2010).

<sup>5</sup> 18 C.F.R. § 385.214 (2010).

<sup>6</sup> DCP January 25, 2011 Motion at 1 (emphasis in original).

available for any interested party to review (whether or not such party was aware of DCP's clarification).

6. DCP's proposed new section 34 to its GT&C and its related filed tariff revisions are consistent with provisions previously accepted by the Commission. The new section allows DCP, at the request of its shipper, to acquire off-system capacity for the benefit of the requesting shipper, provided the shipper is willing to pay an additional amount for the off-system capacity. Such tariff provisions recognize that when a pipeline and a shipper agree, a pipeline can provide a service to the shipper by arranging for transportation of the shipper's gas to or from the pipeline. However, we agree with Shell LNG that, in order to ensure a clear and unambiguous reading, DCP should include tariff language consistent with DCP's motion to clarify. Subject to this condition, we accept the tariff records effective February 12, 2011, as requested. Accordingly, DCP is directed to file, within 30 days of the issuance of this order, a revised tariff record incorporating clarified language in section 34 of its GT&C which memorializes DCP's motion to clarify filed in this proceeding.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.