

135 FERC ¶ 61,075
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 26, 2011

In Reply Refer To:
Dominion Cove Point LNG, LP
Docket No. RP11-1785-001

Dominion Transmission, Inc.
701 East Carey Street
5th Floor
Richmond, Virginia 23219

Attention: Daniel L. Verdun, Manager
Regulation

Reference: Compliance Filing on Non-Conforming Agreement with Statoil (FTS3006)

Ladies and Gentlemen:

1. On March 25, 2011, Dominion Cove Point LNG, LP, (DCP) filed additional information to comply with the Commission letter order issued on March 18, 2011, in Docket No. RP11-1785-000.¹ In that proceeding, DCP filed a restructured non-conforming negotiated rate agreement for service with Statoil Natural Gas LLC (Statoil). The agreement included a ramping down of the maximum firm transportation quantity (MFTQ) at a specific point during the term of the agreement. In its compliance filing, Dominion Transmission Inc. (DTI) states that the ramp-down of MFTQ set forth in its agreement with Statoil is allowed pursuant to section 2(a) of its Rate Schedule FTS, which provides that DCP and a shipper may agree to differing MFTQ levels during specified periods of an agreement. DCP's additional information complies with the Commission's March 18, 2011 Order and is accepted for filing. Accordingly the revised tariff records filed in Docket No. RP11-1785-000 are accepted effective March 1, 2011, as proposed.

¹ *Dominion Cove Point LNG, LP*, 134 FERC ¶ 61,219 (2011) (March 18, 2011 Order).

2. Public notice of the filing was issued on March 28, 2011, allowing for protests to be filed on or before April 6, 2011. No protests were filed. Washington Gas Light Company (WGL) filed comments.
3. In its comments, WGL asserts that in the 2009 Order approving the original Statoil agreement, the Commission stated that the agreement addressed “unique circumstances concerning the foundation shippers and commencement of service on the Cove Point Expansion project and accordingly do not present a substantial risk of undue discrimination.”² WGL requests that the Commission reaffirm its finding in the 2009 Order that DCP’s current shippers should remain protected from having to bear the costs of the Cove Point Expansion Project.³ It also requests that the Commission issue a clear statement that DCP (absent any new shippers contracting for available expansion capacity) will assume a greater share of the economic risk and cost of the Cove Point Expansion Project as Statoil’s contractual commitment is reduced and DCP will be fully responsible for that risk when the Statoil contract terminates.
4. The Commission reaffirms its finding from the 2009 Order that DCP and Statoil assume any economic risks and costs associated with the Cove Point Expansion Project, and that DCP cannot recover costs for the expansion project from non-expansion shippers. We further note that, in DCP’s answer in Docket No. RP11-1785-000, DCP acknowledges that it must operate the Cove Point Expansion Project subject to prior Commission orders on the project.
5. In its compliance submission, DCP states that amendments to its FTS Rate Schedule and *pro forma* agreement, recently approved by delegated letter order in Docket No. RP11-1705-000, authorize DCP to establish varying specified MFTQ levels over the term of a service agreement. Thus, DCP argues, its agreement with Statoil now conforms with its *pro forma* agreement and tariff. We find that DCP has complied with the Commission’s March 18, 2011 Order, and accordingly accept its revised tariff records filed in Docket No. RP11-1785-000 effective March 1, 2011.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

² *Dominion Cove Point LNG, LP*, 129 FERC ¶ 61,073, at P 11 (2009) (2009 Order).

³ *Id.* P 15.