

135 FERC ¶ 61,100
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.

Questar Pipeline Company

Docket No. RP11-1964-000

ORDER ACCEPTING PROPOSED TARIFF RECORDS SUBJECT TO CONDITIONS

(Issued April 29, 2011)

1. On April 1, 2011, Questar Pipeline Company (Questar) filed tariff records¹ to include a new section 10.9 titled Inactive Meters/Facilities as part of the General Terms and Conditions (GT&C) of its FERC gas tariff. Questar states section 10.9 sets forth the criteria that would enable Questar to deactivate a receipt or delivery Measurement Allocation Point (MAP) on its transmission system and then reactivate it upon a shipper's request. The Commission finds the criteria for deactivation of receipt or delivery points, as set forth in section 10.9 of Questar's GT&C is reasonable and well supported. However, the Commission takes issue with the rate impact on shippers that are charged fees for reactivating particular receipt or delivery facilities. Therefore, the Commission will accept the tariff records listed in footnote No. 1 to be effective May 1, 2011, as requested, subject to the conditions discussed herein.

I. Instant Filing

2. Questar proposes to include the following language in section 10.9 of its GT&C:
- (a) If a Measurement Allocation Point (MAP) is not listed on a firm Transportation Service Agreement and gas has not flowed through the MAP for one year or longer, Questar may elect to deactivate, rather than to abandon the MAP. If a MAP is deactivated, essential MAP facilities will remain in place. At least 30 days before

¹ Pt. 1 Section 10.9, Inactive Meters/Facilities, 0.0.0; to Tariffs, FERC NGA Gas Tariff.

deactivating any MAP, Questar will post a non-critical notice on its web site listing the MAP and date it will be deactivated. When a MAP has been deactivated, it will continue to appear on Questar's Unsubscribed Capacity Report and Operationally Available Capacity Report. The deactivated MAPs on the reports will be identified with reference to this section.

- (b) A MAP may be reactivated and made available for nomination if a shipper: (1) submits a request to reactivate a MAP at least ten business days before it intends to nominate at the MAP; and (2) pays the costs to calibrate and reconfigure the MAP as well as any added costs for equipment upgrades to accommodate shipper's equipment request. If upgrades to the MAP facilities are needed to meet the shipper's request, additional time to reactivate the MAP may be required.

3. Questar states that section 157.216 of the Commission's regulations provides procedures whereby gas supply facilities, as well as receipt or delivery points and related facilities may be abandoned. Questar explains that rather than abandon an inactive receipt or delivery point, Questar proposes to merely deactivate a point that has not been utilized for one year or longer. Questar explains that its proposal will reduce unnecessary maintenance and calibration costs on unutilized points that would otherwise require monthly or quarterly calibration and configuration to remain in service. Questar estimates the current cost to reactivate a MAP where a gas chromatograph exists is approximately \$2,400 and for sites using a gas sampler, the reactivation cost is approximately \$700.

II. Notice

4. Public notice of the filing was issued on April 4, 2011. 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 unopposed motion to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

III. Discussion

5. The Commission finds the procedures for deactivation of receipt or delivery points on Questar's system, as set forth in section 10.9(a) is reasonable. Similar to the abandonment procedures set forth in section 157.216 of the Commission's regulations, Questar is proposing to deactivate a receipt or delivery point on its system that *has not been utilized for a period of one year or longer*. Further, Questar's proposal will reduce

unnecessary maintenance and calibration costs on unutilized points that would otherwise require monthly or quarterly calibration and configuration to remain in service.

6. The Commission is concerned with the rate impact on shippers that are charged fees for reactivating particular receipt or delivery facilities. Section 10.9(b) of the GT&C proposed by Questar would require a shipper to pay the costs to calibrate and reconfigure a receipt or delivery point upon reactivation as well as any added costs for equipment upgrades to accommodate a shipper's equipment request. The Commission finds this provision to be unacceptable. Shippers, whether rolled-in or incremental, are paying rates that include costs attributable to the maintenance and operation of receipt and delivery points (i.e. calibration) on Questar's system. Questar is receiving these revenues from its shippers every time service is performed on its system. As a result, under section 10.9(b) of Questar's proposal, Questar would double recover its expenses attributable to calibrate and reconfigure a receipt or delivery point upon reactivation through the revenues received by: (1) shippers under current system rates; and (2) any shipper paying fees attributable to the reactivation of a receipt or delivery point. In addition, under section 10.9 of Questar's proposal, Questar would double recover during the deactivation period as well by: (1) continuing to receive revenues from shippers in rates associated with Questar's maintenance and operation expenses (i.e. calibration of receipt and delivery points); and (2) the cost savings of not maintaining and calibrating unutilized points. Therefore, the Commission will require Questar to remove the provision from section 10.9(b) of its proposal requiring any compensation from shippers requesting reactivation of receipt or delivery points.

The Commission orders:

(A) The tariff records listed in footnote No. 1 are accepted effective May 1, 2011, as requested, subject to the conditions discussed herein.

(B) Questar is required to file revised tariff records that reflect the conditions imposed herein within 15 days of the date this order issues.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.