

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 31, 2005

In Reply Refer To:  
Guardian Pipeline, L.L.C.  
Docket No. RP05-278-000

Guardian Pipeline, L.L.C.  
P. O. Box 542500  
Omaha, NE 68154-8500

Attention: Raymond D. Nepl, Vice President  
Regulatory Affairs & Market Services

Reference: Tariff Changes to Park and Loan Service and General Terms

Ladies and Gentlemen:

1. On April 22, 2005, Guardian Pipeline, L.L.C. (Guardian) filed the tariff sheets listed on the Appendix to revise the procedures under its Rate Schedule PAL parking and lending service and related *pro forma* service agreement. The filing also includes “minor housekeeping” changes. Guardian requests that the revised tariff sheets become effective June 1, 2005. The Commission accepts the revised tariff sheets as listed on the Appendix to become effective June 1, 2005, subject to Guardian filing revised tariff sheets reflecting the findings below, within fifteen days of the date this order issues. Further, as discussed below, the Commission rejects Second Revised Sheet No. 150. This order benefits the public because it approves tariff provisions that streamline and clarify service terms and conditions consistent with Commission policy and precedent.

2. Public notice of Guardian’s filing issued on April 27, 2005, permitting comments, protests, or interventions as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. § 385.214) all timely filed motions to intervene and any motions to intervene out-of-time filed before the date this order issues are granted. No party filed a protest or adverse comments.

3. The instant filing implements numerous revisions to Guardian’s Rate Schedule PAL, the related *pro forma* service agreement, and the General Terms and Conditions (GT&C). Primarily, the changes affect the posting of point information, contract term,

operational constraints, the scheduling priority, and the curtailment process related to the PAL rate schedule. Revised section 2.1 provides that Guardian will post on its website all receipt and delivery points eligible under Rate Schedule PAL. Revised section 2.2 removes the 31-day limitation on the duration of PAL contracts. Revised section 2.6 (similar to section 2.5 which clarifies the procedures for parked quantities) extends the time for a shipper to deliver loaned quantities by one day for every day that Guardian fails to schedule such quantity due to operational conditions on its system, through no fault of the shipper.

4. The instant filing also creates a new Exhibit A to the PAL *pro forma* service agreement to reflect critical elements of each transaction. Specifically, the new Exhibit A provides fill-in blanks to state the rates and charges that the shipper pays, the contract term (beginning and ending dates), the maximum parked and loaned quantities per Dth, and a description of each park and loan point.

5. The Commission finds that these revisions clarify the terms of service under Guardian's PAL rate schedule and related *pro forma* agreement, and that the language is similar to park and loan related service terms and *pro forma* agreements accepted for other pipeline tariffs. See e.g., *Viking Gas Transmission Company*, Sheet Nos. 38A through 38H, and 132A through 132E, FERC Gas Tariff, First Revised Volume No. 1.

6. With respect to the scheduling and curtailment of PAL service, Guardian states that it does not consider PAL service as transportation service because it does not use mainline capacity. Consequently, Guardian proposes to remove the PAL service from its list of scheduling priorities for all of its other services under GT&C section 12.2, and to create two new sections under the PAL rate schedule. New section 2.8 provides that following confirmation and scheduling of all firm and interruptible transportation services, Guardian will confirm and schedule all PAL service on the basis of the shipper paying the highest revenue commitment at a PAL point, with ties confirmed and scheduled on a pro rata basis. The provision also provides that existing quantities of gas parked or loaned cannot be bumped by new requests for PAL service. New section 4 provides that Guardian will curtail PAL service based on revenue commitment, with the highest revenue commitment receiving a higher priority than lower revenue commitments. In the event two or more shippers have an equal revenue commitment, Guardian will curtail service pro rata based on the shippers' nominated quantities.

7. Section 284.1(a) of the Commission's regulations states that "transportation" includes storage, exchange, backhaul, displacement or other methods of transportation." Therefore, the Commission finds Guardian's opinion (that it does not consider PAL service as transportation) in error, and could potentially undermine the Commission's authority to administer open access regulations with respect to storage-related services. Further, our review of Guardian's tariff shows that the criteria for determining the allocation of capacity for Guardian's other services appears in the GT&C and not the

individual rate schedules. Accordingly, the Commission rejects Second Revised Sheet No. 150 which removes the PAL scheduling priority from Guardian's GT&C, and directs Guardian to file the revised tariff sheets necessary to include the scheduling and curtailment procedures from Rate Schedule PAL among the scheduling and curtailment procedures for all of Guardian's services in GT&C section 12. Thus, the scheduling and curtailment procedures for PAL service will appear in both Rate Schedule PAL and in the GT&C.

8. As noted above, the instant filing also makes ministerial changes and updates tariff references to incorporate the changes to the PAL rate schedule and *pro forma* agreement. The ministerial changes include the change in status of Guardian's operator from a corporation to a limited liability company. Other changes clarify the definition of a "PAL Point" to mean a "virtual" point on Guardian's system, the calculation of the Daily Parking/Lending Charge under the rate schedule at section 3.1, and the levels of OFO penalties per Dth by assigning "Tier 1" and "Tier 2" labels to identify excess quantities less than and more than 2 percent. Guardian also updates its Master Electronic Transaction Agreement to provide that it will transport natural gas in accordance with its FERC Gas Tariff, "as revised from time to time", and deletes all references to "Hot Tap", a third party service no longer managing Guardian's electronic customer interface system. Finally, Guardian includes in the instant filing a revised tariff sheet to add the Ixonia/Wisconsin delivery point under Guardian's existing negotiated rate agreement for Rate Schedule FT-1 firm transportation service to Wisconsin Gas Company.

9. We find that the ministerial changes and updated tariff references either clarify or update Guardian's tariff consistent with its current operations and services. For this reason, aside from the rejection of Second Revised Sheet No. 150, those revisions are accepted, subject to Guardian refiling revised tariff sheets to include PAL schedule and curtailment procedures in GT&C section 12, as discussed above.

By direction of the Commission.

Linda Mitry,  
Deputy Secretary.

cc: All Parties

**APPENDIX**

**Guardian Pipeline, L.L.C.  
FERC Gas Tariff, Original Volume No. 1**

*Revised Tariff Sheets accepted effective June 1, 2005:*

Fourth Revised Sheet No. 0 (Title Page)

Sixth Revised Sheet No. 6

Second Revised Sheet No. 80

First Revised Sheet No. 81

Second Revised Sheet No. 82

First Revised Sheet No. 83

Fourth Revised Sheet No. 105

Second Revised Sheet No. 153

First Revised Sheet No. 370

Second Revised Sheet No. 371

First Revised Sheet No. 375

Original Sheet No. 376

Sheet Nos. 377-379

Third Revised Sheet No. 380

Third Revised Sheet No. 393

First Revised Sheet No. 394

First Revised Sheet No. 395

Second Revised Sheet No. 396

*Revised Tariff Sheet Rejected:*

Second Revised Sheet No. 150