

108 FERC ¶ 61,016
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

CenterPoint Energy Gas Transmission Company Docket No. RP96-200-123

ORDER ACCEPTING NEGOTIATED RATE AGREEMENTS
SUBJECT TO CONDITIONS

(Issued July 7, 2004)

1. On June 9, 2004, CenterPoint Energy Gas Transmission Company (CEGT) submitted five negotiated rate agreements for Commission approval: (1) three negotiated rate agreements between CEGT and Entergy Arkansas Inc. (Entergy Arkansas) specifically, a firm transportation (FT) agreement, an hourly firm transportation (HFT) agreement and a Perry Hub Service (Park and Loan Service) (PHS(PALS)) agreement; (2) one PHS(PALS) agreement with Entergy Gulf States, Inc.(Entergy Gulf) and (3) one PHS(PALS) agreement with Entergy Louisiana, Inc. (Entergy Louisiana). The Commission will accept the negotiated rate agreements, service agreements and related documentation subject to conditions, to become effective June 11, 2004, as proposed. This order benefits the public interest by ensuring consistency in treatment of negotiated rate arrangements.

Details of the Filing

2. Under its FT agreement, Entergy Arkansas has a minimum monthly payment obligation of \$100,000 with an annual minimum revenue commitment of \$1,375,000. Payments by Entergy Gulf and Entergy Louisiana under their PHS(PALS) rate schedules will count toward satisfaction of Entergy Arkansas's FT minimum annual revenue requirement. Additionally, CEGT has filed discount interruptible transportation IT agreements with Entergy Gulf and Entergy Louisiana. CEGT does not seek Commission approval for these but does state that revenues collected under these rate schedules will also be credited towards Entergy Arkansas's minimum annual payment commitment under the FT agreement.

3. CEGT also filed two agency agreements between (1) CEGT, Entergy Services, Inc. (Entergy Services) and Entergy Gulf and (2) CEGT, Entergy Services and Entergy Louisiana with Entergy Services acting as agent for parties in both agreements. The agency agreements authorize Entergy Services to, among other things, make payments to and receive payments from CEGT.

Notice, Interventions and Protests

4. The filing was noticed, with comments, protests or interventions due on or before June 21, 2004 as provided in section 154.210 of the Commission's regulations. Pursuant to rule 214 (18 C.F.R. § 385.214 (2003)), all timely motions to intervene are granted and any motions to intervene out-of-time filed before the issuance of this order are granted. Granting late intervention at this stage of the proceedings will not disrupt the proceedings or place additional burdens on existing parties. No protests were filed.

Discussion

5. CEGT has submitted all relevant documentation, including the negotiated rate agreements, in compliance with the Policy Statement Modifying Negotiated Rate Policy¹ and the Commission's order in Docket No. RP96-200-118.² The format of the agreements themselves appears to be in conformance with CEGT's tariff and the Compliance Order.

6. In a recent Commission order addressing Gulfstream Natural Gas System, L.L.C. (Gulfstream) negotiated rate agreements,³ the Commission found that all agreements that are included in arrangements whereby a minimum revenue requirement under a negotiated rate agreement is satisfied, must be treated as negotiated rate agreements. As in Gulfstream, CEGT has a single, combined set of service commitments subject to the underlying negotiated rate mechanism. Therefore, the Commission will approve CEGT's FT negotiated rate contract and the provision

¹ See Natural Gas Pipeline Negotiated Rate Policies and Practices, 104 FERC ¶ 61,134 (2003) (Policy Statement Modifying Negotiated Rate Policy).

² See CenterPoint Energy Gas Transmission Company, 106 FERC ¶ 61,213 (2004) (Compliance Order).

³ See Gulfstream Natural Gas System, L.L.C. 107 FERC ¶ 61,303 (2004).

for including revenues from the PHS(PALS) and IT agreements towards satisfaction of the minimum annual revenue commitment in the FT negotiated rate agreement. However, we will require CEGT to treat the PHS(PALS) and the discount IT agreements with Entergy Gulf and Entergy Louisiana as negotiated rate contracts. Accordingly, CEGT will be required to refile any contract connected with the minimum revenue requirement as a negotiated rate agreement. This will provide transparency and enable other shippers and the Commission to evaluate whether the transactions are unduly discriminatory.

The Commission orders:

(A) The contracts and agreements filed in Docket No. RP96-200-123 are accepted, to be effective June 11, 2004, subject to conditions as discussed above.

(B) CEGT is directed to refile the PHS(PALS) rate agreements (number 1003961 with Entergy Gulf and number 1003963 with Entergy Louisiana) and the discount IT agreements (number 1001756 with Entergy Louisiana and number 1003958 with Entergy Gulf) as negotiated rate agreements.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.