

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 27, 2005

In Reply Refer To:
Great Lakes Gas Transmission
Limited Partnership
Docket No. RP05-636-000

Great Lakes Gas Transmission Company
5250 Corporate Drive
Troy, MI 48098

Attention: Julie E. Willett, Vice President of Finance

Reference: Service for Future Available Capacity and Interim Service Program

Ladies and Gentlemen:

1. On August 31, 2005, Great Lakes Gas Transmission Limited Partnership (Great Lakes) filed tariff sheets,¹ pursuant to section 4 of the Natural Gas Act and Part 154, Subpart C of the regulations, modifying section 2 of its General Terms and Conditions (GT&C) to permit it to reserve capacity for pre-arranged firm service to commence in the future, and sell the reserved capacity during the interim without a right of first refusal (ROFR). The filing also incorporates a general open season capacity bidding mechanism for the new services. Great Lakes requests that the proposed tariff sheets become effective October 1, 2005. For the reasons discussed below, we will accept the tariff sheets to become effective October 1, 2005, as consistent with Commission policy.

2. Notice of Great Lakes's filing issued on September 8, 2005 with interventions and protests due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2005). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2005), all timely filed motions to intervene and any motions 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 this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

¹ Original Sheet No. 9B, Tenth Revised Sheet No. 10, and Eighth Revised Sheet No. 45 to its FERC Gas Tariff, Second Revised Volume No. 1.

3. GT&C subsection 2.2 implements Great Lakes's proposal. Essentially, subsection 2.2 provides that: (a) Great Lakes may enter into pre-arranged service agreements for a future period for unsubscribed firm capacity that is available or that will become available and not subject to a ROFR, or to any other renewal rights; (b) Great Lakes will post any such pre-arranged agreements to give others an opportunity to bid for the capacity and Great Lakes will calculate the bids on a net present value basis; and (c) any capacity under contract for a future period may be sold on an interim basis up to the commencement date of the pre-arranged service and Great Lakes will post the availability of interim capacity, including any limitations on the renewal rights, on Great Lakes's web site.

4. Proposed GT&C subsection 2.1(g) incorporates in Great Lakes's tariff procedures for open seasons for the sale of any available capacity, as well as the procedures for evaluating and awarding the bids. According to Great Lakes, similar bidding and award procedures were recently approved for ANR, citing to *ANR Pipeline Company*, 112 FERC ¶ 61,003 (2005).

5. The Commission finds that Great Lakes's proposal to offer future available capacity on a pre-arranged and interim basis, and the related capacity reservation procedures are consistent with our policy articulated in *Gas Transmission Northwest Corporation*, 109 FERC ¶ 61,141 (2004) (*GTN*). In *GTN* at P 15, the Commission recognized that "Permitting a pipeline to sell capacity for service to commence in the future has efficiency benefits similar to some of those in the capacity reservation program, as *GTN* argues, and will benefit customers with long lead times who do not need capacity right now, but need assurance that they can get capacity in the future." Our analysis of Great Lakes's proposal shows that the new tariff provisions satisfy the Commission's mandates in *GTN*, in that, a pre-arranged deal and any interim sale of the capacity are prescribed in the tariff and provided on a non-discriminatory basis, and such transactions will not be executed until after the pipeline posts the subject capacity as part of an open season bidding process to permit other parties an opportunity to bid on the capacity on a long-term basis with a ROFR.

8. Accordingly, consistent with the Commission's policy in *GTN*, we accept Great Lakes's proposal to offer transportation service for future available capacity and to sell such capacity on an interim basis without a ROFR or renewal rights.

By direction of the Commission.

Magalie R. Salas,
Secretary.

cc: All Parties