

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

August 31, 2006

In Reply Refer To:  
CenterPoint Energy Gas  
Transmission Company  
Docket No. RP06-433-000

CenterPoint Energy Gas Transmission Company  
P.O. Box 21734  
Shreveport, Louisiana 71151

Attention: Lawrence O. Thomas  
Director, Rate & Regulatory

Reference: Tariff Revisions to Administrative Processes

Ladies and Gentlemen:

1. On July 12, 2006, CenterPoint Energy Gas Transmission Company (CenterPoint) filed tariff sheets<sup>1</sup> to amend various provisions of CenterPoint's Tariff, including various Forms of Service Agreement, to provide a more streamlined contracting process for its shippers. In addition, CenterPoint proposed certain clarifying and housekeeping changes. We accept the revised tariff sheets to be effective September 1, 2006, as requested. However, CenterPoint's request for waiver of Commission regulations for postings related to certain discount rate transactions is denied, as discussed below.

2. CenterPoint is proposing to amend certain Forms of Service Agreement<sup>2</sup> to enable a more streamlined contracting process and to better accommodate electronic and paper contract execution using the same forms. The proposed revisions to the Form of Service

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<sup>1</sup> See the Appendix to this order.

<sup>2</sup> The Forms of Service Agreement for Rate Schedules NNTS, FSS, RSS, and ISS are not proposed to be amended.

Agreement are intended to more easily accommodate electronic confirmation of a transaction through an Internet based request and confirmation procedure. For services which require or allow for electronic contracting, the terms of the particular transaction will be contained in the form shown as Attachment A to the Forms of Service Agreement, with the non-variable provisions, or base TSA, contained in a separate document available on CenterPoint's website. Attachment A and the base TSA form comprise the entire agreement between the parties. CenterPoint states that changes made to the Form of Service Agreement for firm service under Rate Schedule FT are primarily organizational in nature. CenterPoint further states that with the exception of the revision discussed below, all provisions remain substantively unchanged from the Commission approved Form of Service Agreement. CenterPoint's proposed revisions include modifying the Form of Rate Schedule FT Service Agreement to apply to Rate Schedule HFT (Hourly Firm Transportation Service) transactions. CenterPoint indicates that since Rate Schedule HFT and certain FT transactions are more amenable to the electronic process, the same form is used for the Rate Schedules HFT and FT.

3. CenterPoint's other proposed modifications to the Forms of Service Agreement<sup>3</sup> are to permit shippers to retain discounted rates when CenterPoint requests them to use Receipt and Delivery Points other than the points included in the parties' discount rate agreement. CenterPoint states that, from time to time, it requests that Shippers agree to use certain points for operational reasons. It proposes to revise the language in the section of its Service Agreements entitled "Limitation on Agreed Upon Rate," in order to avoid having to amend Service Agreements of Shippers who agree to use the requested point. It would do this by providing that one method of making such requests to Shippers is via an Internet web site posting. CenterPoint states that it contemplates that such postings either will allow Shippers who comply with CenterPoint's request to retain the discounts under their applicable agreements, or will offer generally available discount rate(s) to such Shippers.

4. CenterPoint also requests that the Commission find that its initial Internet web site postings requesting the use of specific points and offering specified discounts to those Shippers who do use the requested points satisfy any otherwise applicable posting requirement (*i.e.*, transactional or discount). CenterPoint asserts that its posting offering discounts to Shippers who use the requested points has the effect of notifying all parties of the terms being offered to Shippers in exchange for using different points. CenterPoint further asserts that until nominations are received, it will not be fully informed as to which Shippers will use other points in accordance with its request. CenterPoint

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<sup>3</sup> Sheet Nos. 729A, 746, and 762.

contends that by that time, the Commission's regulations require that transactional and discount reports be posted on a pipeline's Internet web site. CenterPoint further contends that the Commission granted a similar request with respect to posted rates for pool transfers in *Reliant Energy Gas Transmission Co.*, 98 FERC ¶ 61,362, at 62,546 (2002) (*Reliant*) in CenterPoint's Order No. 637 proceeding.<sup>4</sup>

5. CenterPoint seeks to modify its existing Form of Service Agreement for Rate Schedule IT using the Form of Service Agreement for Rate Schedule FT as a model. CenterPoint states that the provisions of Attachment A track the existing provisions of the Rate Schedule FT Attachment A, except where inapplicable due to the nature of Rate Schedule IT service. CenterPoint also proposes to revise its Rate Schedules and General Terms and Conditions (GT&C) to clarify that it will accommodate both electronic and paper request and contracting activities.<sup>5</sup> Further, CenterPoint states that it will inform all parties of its electronic contracting procedures, as they may change from time to time by postings on its Internet web site.

6. With respect to housekeeping revisions, CenterPoint proposes removal from section 22.8 of the GT&C of a requirement that Shippers provide an affidavit within forty-eight hours of an emergency event that prevents the Shipper from performing certain Internet-based electronic activities, such as nominations. CenterPoint asserts that, in practice, this requirement has been an unnecessary administrative burden for itself and its Shippers. CenterPoint also proposes the addition of language to its Form of Credit Application to provide that it will keep credit information submitted by applicants confidential.

7. The Commission noticed CenterPoint's filing on July 14, 2006, allowing for comments and/or protests to be filed as provided by section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2006)). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2006), 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.

8. The Commission accepts the revised tariff sheets listed in the Appendix to this order to be effective September 1, 2006. However, CenterPoint's waiver request that all posting requirements, including transactional and discount, be satisfied by the posting of its request for the use of specific points is denied.

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<sup>4</sup> CenterPoint was then known as Reliant Energy Gas Transmission Company.

<sup>5</sup> Sheet Nos. 46, 108, 228, 264, 452, and 583.

9. CenterPoint asserts that until nominations are received, it will not be fully informed as to the Shippers using the points. However, section 284.13(b)<sup>6</sup> and section 358.5(d)<sup>7</sup> of the Commission's regulations require that the specified posting be made no later than the first nomination and when the offer is contractually binding, respectively. In requiring posting of this information no later than the first nomination, the Commission recognized that, to the extent the information to be posted is not known until the nomination is made, the posting would have to await the receipt of the nomination.<sup>8</sup> Therefore, CenterPoint should be able to meet these posting requirements when the nominations are received.

10. Further, CenterPoint's posting of its request for use of specific points is insufficient to comply with applicable posting requirements. Sections 284.13(b) and 358.5(d) require the posting of specified information regarding these discounted rate transactions for designated time periods, including identifying the customer receiving the discount and whether it is an affiliate. CenterPoint's posting of its request that Shippers use a different point would not identify the customers who actually receive the discount or whether they are affiliated, and thus, would not satisfy the posting requirements of those regulations. The Commission has determined that requiring the posting of all this information regarding these transactions in this standard format for the required time period is necessary. This is a consistent way of communicating necessary information, including both transactional and discount information about these discount rate transactions to all potential customers and ensures that all potential customers have contemporaneous equal access to current information. Granting the requested waiver would not provide the required posted information for the specified period regarding these transactions.

11. CenterPoint's reliance on *Reliant* is misplaced. In *Reliant*, the Commission accepted the terms of an Order No. 637 settlement which allowed the pipeline to post each month the charge which Reliant would accept for pool transfers within each pooling area and across pooling areas, and if the pool transfer took place according to the posted criteria no individual report was required. In contrast, in this case, the required posted

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<sup>6</sup> 18 C.F.R. § 284.13(b) (2006).

<sup>7</sup> 18 C.F.R. §358(d) (2006).

<sup>8</sup> See, e.g., *Order No. 637-A*, at 31,616 ("Therefore, with respect to interruptible service, the Commission is requiring a daily posting no later than the first nomination under an agreement for interruptible service. Any time a rate or other condition of the interruptible agreement changes the pipeline must post the change.").

information involves a waiver of the Commission's regulations regarding discount rate transactions. The Commission's regulations require this discount rate information, which includes identification of the customer and whether it is an affiliate, to be posted for certain periods for the proper evaluation of the discounted rates.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

cc: All Parties

Leslie Kalmbach  
Assistant General Counsel  
CenterPoint Energy Gas Transmission Company  
P.O. Box 1700  
Houston, Texas 77210-1700

Cecil W. Talky  
Blanchard, Wanner, O'Quin & Roberts  
P.O. Drawer 1126  
Shreveport, Louisiana 71163-1126

**APPENDIX**

**CenterPoint Energy Gas Transmission Company**  
**FERC Gas Tariff, Sixth Revised Volume No. 1**

Fourth Revised Sheet No. 1	First Revised Sheet No. 743
Second Revised Sheet No. 46	First Revised Sheet No. 744
First Revised Sheet No. 108	Original Sheet No. 745
First Revised Sheet No. 228	Original Sheet No. 746
First Revised Sheet No. 264	Original Sheet No. 747
Second Revised Sheet No. 452	Sheet Nos. 748-755
Second Revised Sheet No. 583	Second Revised Sheet No. 756
First Revised Sheet No. 584	Second Revised Sheet No. 757
First Revised Sheet No. 585	Second Revised Sheet No. 759
First Revised Sheet No. 727	Second Revised Sheet No. 760
Second Revised Sheet No. 728	Second Revised Sheet No. 761
Second Revised Sheet No. 729	Second Revised Sheet No. 762
Original Sheet No. 729A	Second Revised Sheet No. 763
Original Sheet No. 729B	Second Revised Sheet No. 764
Second Revised Sheet No. 730	Sheet Nos. 767-769
First Revised Sheet No. 731	First Revised Sheet No. 770
First Revised Sheet No. 732	First Revised Sheet No. 771
First Revised Sheet No. 733	Second Revised Sheet No. 786
First Revised Sheet No. 734	First Revised Sheet No. 787
First Revised Sheet No. 735	Original Sheet No. 787A
Original Sheet No. 735A	Second Revised Sheet No. 788
First Revised Sheet No. 742	First Revised Sheet No. 789
Original Sheet No. 742A	Original Sheet No. 790