

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 3, 2006

In Reply Refer To:
Texas Eastern Transmission, LP
Docket No. RP07-8-000

Texas Eastern Transmission, LP
P.O. Box 1642
Houston, TX 77251-1642

Reference: Revisions to Tariff Provisions Governing Capacity Release Mechanism

Dear Mr. McCallum:

1. On October 6, 2006, Texas Eastern Transmission, LP (Texas Eastern) filed revised tariff sheets¹ to make clarifications to its capacity release mechanism. Specifically, Texas Eastern filed revisions to section 3.14 of its General Terms and Conditions to reflect the current procedures that releasing customers and potential prearranged and replacement shippers are required to follow in order to effectuate the temporary or permanent release of capacity via Texas Eastern's capacity release mechanism. The Commission accepts the proposed tariff sheets to become effective November 6, 2006, as requested, and denies a request for clarification by an intervening party.
2. Public notice of the filing was issued on October 11, 2006. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2006)), all timely filed motions to intervene and any 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. Piedmont Natural Gas Company, Inc. (Piedmont) filed comments and a request for clarification to Texas Eastern's filing, which is discussed below.
3. Texas Eastern is proposing to modify section 3.14 (D)(1)(m) Notice Required by Customer and Pipeline to specifically state that Texas Eastern shall reject any notice to release capacity that contains additional terms and conditions that are not consistent with the provisions of the its tariff. Texas Eastern is also proposing to modify section

¹ See Appendix for a list of tariff sheets.

3.14(F) “Best Bid” to specifically state that Texas Eastern shall reject any bid that contains contingent provisions that are inconsistent with the provisions of the Texas Eastern’s tariff.

4. In its comments, Piedmont asserts that the proposed modifications to sections 3.14(D)(1)(m) and 3.14(F) are overbroad and requests clarification that they do not conflict with section 284.8(b) of the Commission’s regulations. Section 284.8(b) states that “Firm shippers must be permitted to release their capacity, in whole or in part, on a permanent or short-term basis, without restrictions on the terms and conditions of the release.” Piedmont does not provide an example of how these provisions would conflict with the Commission’s regulations.

5. The Commission finds that the proposed changes are reasonable. The particular revisions that are the subject of Piedmont’s request for clarification merely ensure that a shippers’ notice to release capacity, as well as any bids for released capacity do not contain terms that conflict with Texas Eastern’s tariff. This is not a restriction on the terms or conditions of any release as any such release must be consistent with Texas Eastern’s tariff. Moreover, sections 3.14(D)(1)(m) and 3.14(D)(4) expressly permit the type of terms and conditions of a release contemplated by section 284.8(b), such as recall rights and allow the Customer’s notice to include any objective and non-discriminatory terms and conditions of service including changing points of delivery. Accordingly, Texas Eastern’s proposed tariff provisions do not conflict with the Commission’s regulations as Piedmont asserts.

6. The Commission accepts Texas Eastern’s revised tariff sheets effective, November 6, 2006, as requested, without condition, and denies Piedmont’s request for clarification.

By direction of the Commission.

Magalie R. Salas,
Secretary.

Appendix

Texas Eastern Transmission, LP
FERC Gas Tariff, Seventh Revised Volume No. 1

Effective November 6, 2006

Fifth Revised Sheet No. 529
Fourth Revised Sheet No. 531
Fourth Revised Sheet No. 532
Fourth Revised Sheet No. 533
Third Revised Sheet No. 535
Second Revised Sheet No. 536
Second Revised Sheet No. 538
Third Revised Sheet No. 539A
Original Sheet No. 539B
Fourth Revised Sheet No. 645