

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 25, 2007

In Reply Refer To:
Florida Gas Transmission Company, LLC
Docket No. CP06-1-002

Florida Gas Transmission Company, LLC
P.O. Box 4967
Houston, TX 77210-4967

Attention: Michael T. Langston
Senior Vice President

Reference: First Revised Sheet No. 206, Original Sheet No. 206A and First Revised Sheet No. 207 to Florida Gas Transmission Company, LLC's FERC Gas Tariff, Fourth Revised Volume No. 1

Dear Mr. Langston:

1. On April 30, 2007, Florida Gas Transmission Company, LLC (FGT) filed the referenced tariff sheets to comply with Opinion No. 495, issued on April 20, 2007 (119 FERC ¶ 61,075 (2007)). FGT states that the referenced tariff sheets implement the natural gas quality and interchangeability standards approved by the Commission in that opinion for the Market Area. In addition, FGT states that it also included provisions applicable to gas receipts in the Western Division to ensure that the blended gas stream delivered to the Market Area complies with the approved standards. FGT requests a May 1, 2007 effective date, which is the anticipated in-service date of FGT's interconnect with Southern Natural Gas Company's Cypress Pipeline.

2. The referenced tariff sheets are accepted, effective May 1, 2007, with the exception of proposed section 2.A.9, which is rejected as not in compliance with Opinion No. 495.

3. Opinion No. 495 established the following gas quality and interchangeability standards for FGT:

Gas Quality/Interchangeability	Standard
Wobbe Range	1340 \geq Wobbe \geq 1396
Wobbe Rate of Change	\pm 2% within 6 minutes
HHV range	1000 \geq HHV \geq 1110
C ₁ (methane) mole %	\geq 85
C ₂ (ethane): mole %	\leq 10
C ₃ (propane) mole %	\leq 2.75
C ₄₊ (butanes+) mole %	\leq 1.2
C ₅₊ (pentanes+) mole %	\leq 0.12
Combined CO ₂ + N ₂ volume %	\leq 3
CO ₂ volume %	\leq 1 and none injected as a dilutant
O ₂ volume %	\leq 0.25
Hydrogen Sulfide grains per cubic foot	\leq 0.25
Water Vapor lb per MMcf	\leq 7
Maximum temperature degrees F	\leq 120
Minimum temperature	Case-by-case

Further, Opinion No. 495 found these standards appropriate for the Market Area, but stated that the Western Division's gas quality and interchangeability standards were unaffected by the Commission's Opinion No. 495 findings.¹

4. FGT's proposed tariff sheets incorporate these gas quality and interchangeability standards for the Market Area. However, FGT also proposes to apply the Market Area standards to the Western Division receipt points. FGT states that since its proposed standards were not intended to apply to a blended gas stream of domestic gas, it has proposed the tariff language to ensure that gas from the Western Division complies with the approved standards. This proposed provision would permit FGT to post gas quality standards applicable to all segments and/or interconnects in the Western Division which are more limiting than the current Western Division standards. The posted standards, FGT contends, would be considered safe harbor levels, and would permit Western

¹ Opinion No. 495 at P 228.

Division volumes meeting those standards to flow into the Market Area. FGT states that given the short compliance time, it was submitting the proposed tariff changes in this compliance filing. However, FGT states that it intends to request rehearing of Opinion No. 495, and, if necessary, will file updated tariff sheets in order to implement suitable gas quality standards applicable to the Western Division.

Notice and Protests

5. Public notice of the filing was issued on May 4, 2007. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Chevron U.S.A Inc. and ExxonMobil Gas & Power Marketing Corporation, a Division of Exxon Mobil Corporation filed motions to intervene. 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. Florida Power & Light Company (Florida Power) filed comments on FGT's proposals, and the LNG Suppliers Coalition² filed a protest to FGT's proposals. These comments and protests are addressed below.

Discussion

6. Florida Power generally supports FGT's proposed compliance filing. Florida Power requests that the Commission require FGT to make two additional changes to its tariff. First, Florida Power requests that FGT's existing delivery point gas quality total sulphur of 200 grains per 1000 cubic feet be reduced to the receipt point standard of 10 grains per 100 cubic feet. Florida Power states that these two standards cause confusion. The Commission denies Florida Power's request as beyond the scope of the Opinion No. 495 proceeding and FGT's compliance obligation thereunder. Opinion No. 495 only addressed FGT's receipt point gas quality standards, not its delivery point standards.

7. Second, Florida Power requests that the Commission require FGT to modify its existing tariff provision with regard to the calculation of total heating value or Wobbe Index to require a statement that it will use the most recent, industry accepted formulas so that the shipper can have some means to verify the calculations and identify what assumptions are being used. The Commission rejects Florida Power's request for the same reasons. Further, FGT's tariff has provisions that permit shippers to question measurement and billing statements.³

² The LNG Suppliers Coalition consists of Chevron U.S.A Inc., ExxonMobil Gas & Power Marketing Corporation, a Division of Exxon Mobil Corporation, ConocoPhillips Company, and Shell NA LNG LLC.

³ FGT's tariff is in compliance with the North American Standards Board's Wholesale Gas Quadrant's measurement and billing dispute standards. Unpublished Delegated Letter Order dated November 29, 2005, in Docket No. RP05-501-001.

8. The LNG Suppliers Coalition protests FGT's Western Division receipt point gas quality and interchangeability proposals as beyond the scope and contrary to Opinion No. 495, not just and reasonable as they provide FGT with undue discretion on Western Division receipt point gas quality and interchangeability standards, and the proposed standards could adversely restrict the flow of both domestic and revaporized LNG to the Market Area.⁴ The LNG Suppliers Coalition request that the Commission deny the proposed tariff language as it applies to the Western Division.

9. FGT's proposed tariff sheets comply with Opinion No. 495's gas quality and interchangeability requirements for the Market Area. However, proposed section 2.A.9 is contrary to Opinion No. 495, which specifically held that there would be no change to the gas receipt standards for the Western Division as a result of this proceeding. The referenced tariff sheets are accepted, effective May 1, 2007, conditioned upon FGT filing revised tariff sheets to be effective May 1, 2007, that eliminate section 2.A.9, within 15 days of the date of this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁴ LNG Suppliers Coalition also state it has additional issues with regard to the extent that the proposed gas standards comply with Opinion No. 495, but that it will file for rehearing of Opinion No. 495.