120 FERC ¶ 61,129
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

August 2, 2007

In Reply Refer To:
Carolina Gas Transmission Corporation
Docket No. RP07-519-000

Carolina Gas Transmission Corporation
1426 Main Street
Columbia, South Carolina 29201

Attention: B. Craig Collins, Assistant General Counsel
SCANA Corporation

Reference: Revised Tariff Sheets

Dear Mr. Collins:

1. On July 6, 2007, Carolina Gas Transmission Corporation (CGT) filed tariff sheets[1] to revise certain sections of its tariff, and add new sections. The proposed tariff revisions would allow CGT to make future sales of capacity, and would also enhance shipper service and flexibility. CGT also proposed certain housekeeping changes to its tariff. The instant filing was protested by one party, and CGT filed an answer to the protest. The Commission accepts CGT's proposal and the tariff sheets submitted in the instant filing, effective August 6, 2007, as requested.

2. CGT states it is proposing to revise section 4.1 of its General Terms and Conditions (GT&C), to establish conditions under which it would enter into a sale to commence in the future, of available unsubscribed pipeline capacity or capacity expected to become available. CGT asserts that the Commission has recognized that "[p]ermitting a pipeline to sell capacity for service to commence in the future has efficiency benefits . . . and will benefit customers with long lead times who do

[1] *See* Appendix for list of tariff sheets.

not need capacity right now, but need assurance that they can get capacity in the future."[2]

3. CGT states the Commission has approved prearranged service to commence in the future for other pipelines. CGT states it has modeled its changes after these Commission-approved provisions, in particular the provisions accepted by the Commission for CenterPoint Energy Gas Transmission Company, which, like CGT, is a reticulated pipeline.[3]

4. CGT states that it is proposing to revise existing sections of its tariff, and add new sections, to provide enhanced flexibility to CGT's shippers and to allow them the ability to better manage their service agreements and to better avoid or minimize imbalances. These changes include:

a. A proposed new GT&C section 11.10 to allow a shipper to submit a nomination after the intraday 2 nomination cycle deadline to adjust a previously scheduled quantity;
b. A proposed new GT&C section 12.6 to provide that CGT will use reasonable efforts to schedule operationally feasible nominations that are confirmed by the affected parties;
c. Revising the timing requirements of GT&C section 13.2(a) to allow shippers transporting to delivery points where operational balancing agreements are not in effect, additional time to provide their selected predetermined allocation to CGT;
d. Revising GT&C section 13.5 to provide greater flexibility to shippers that subscribe to no-notice service on upstream pipelines interconnected with CGT;
e. Revising GT&C section 13.6 to provide that CGT will, unless otherwise notified by a shipper, reallocate a shipper's quantities transported each Gas Day in a zone from shipper's recourse rate interruptible services to any un-utilized portions of shipper's firm services.

5. CGT states it is proposing to revise its tariff to clarify certain sections. These changes include:

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[2] CGT *citing Gas Transmission Northwest Corporation,* 109 FERC ¶ 61,141 at P 15 (2004).

[3] CGT *citing* a letter order issued on December 14, 2006 in Docket No. RP07-72-000.

a. Revised language in section 3.3(b) and (c) of Rate Schedule FT to describe more clearly the format of the shipper's invoice;
b. Revised language in GT&C section 21.3 to clarify that any shipper imbalance resulting from a prior period adjustment will be cashed out at the median index price for the month to which the adjustment applies or the median index price for the month in which the adjustment is made, "whichever is more advantageous to Shipper;"
c. Revised language in GT&C section 21.5 to clarify that a shipper may pay invoices exceeding $50,000 by check and that such payment will be considered timely if the check is received in sufficient time to permit the transfer of funds to CGT's account on or before the later of: (i) 11 days after the invoice is rendered; or (ii) the 15th day of the month;
d. Revised language in GT&C section 2.3 to correct an imprecise reference within the tariff.

6. CGT states it is also proposing other minor administrative revisions to its tariff.

7. Notice of CGT's filing was issued on July 10, 2007. Interventions and protests were due as provided in Rule 210 of the Commission's regulations, 18 C.F.R. § 385.210 (2007). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2007), 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. The Patriots Energy Group (PEG)[4] filed a protest, to which CGT filed an answer.[5] The details of PEG's protest and CGT's answer are discussed below.

8. PEG protests that the Commission should not grant CGT's application to modify any aspect of its capacity allocation rules unless it is assured that the pipeline's existing rules and practices are consistent with Commission policy. PEG states that it is concerned about how CGT has operated its capacity during the first year of its operation. PEG describes in some detail that on certain occasions, information posted on CGT's Electronic Bulletin Board (EBB) suggests the pipeline is oversubscribed.

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[4] PEG is a joint-action agency whose members include York County Natural Gas Authority, Chester County Natural Gas Authority, and Lancaster County Natural Gas Authority.

[5] Although answers to protests are not permitted by Rule 213(a)(2), 18 C.F.R § 385.213(a)(2), the Commission finds good cause to waive the rule as Carolina Gas' answer may aid in the disposition of the issues raised by its filing.

9. PEG states that this past winter, it was routinely told by CGT that there was inadequate capacity at certain times to increase PEG's takes, and to get into daily balance to prevent capacity loss in the portion of the CGT system served by the interconnect with Transcontinental Gas Pipe Line at Grover, South Carolina. PEG asserts that if CGT's persistent operational requests for PEG to balance its daily takes are a result of oversubscription at the Grover interconnect, then CGT should make its facilities capable of delivering the quantities that it has under contract.

10. Finally, PEG states that the Commission should approve the changes proposed by CGT that would allow shippers to take action after an Operational Flow Order penalty situation to eliminate the penalty. PEG asserts that the proposed tariff revision is consistent with Order No. 637.

11. In its answer, CGT explains that PEG's concerns arose primarily due to an error in the program that generates the Unsubscribed Capacity Report on CGT's website. CGT states that before it could identify the exact nature of the problem and explain the situation to PEG, PEG had to file its protest to meet the filing deadline. CGT asserts that it is authorized to state that PEG now has no objection to the instant filing.

12. With regard to PEG's observation that certain proposed revisions in the instant filing "would appear to allow shippers to take action after an [operational flow order] situation to eliminate the penalty,"[6] CGT asserts that the proposed revisions would not excuse a shipper from its obligations to pay penalties resulting from its failure to comply with an operational flow order (OFO). CGT clarifies that a shipper's ability to avoid or minimize imbalances by submitting post-intraday 2 cycle nominations and its obligation to pay any OFO penalties are two distinct matters.

13. Based on its review of the pleadings in this proceeding, the Commission finds that CGT has adequately responded in its answer to the concerns raised by PEG in its protest. Further, the Commission finds that CGT's proposal is consistent with Commission policy and regulations, and will facilitate the most efficient use of the pipeline's capacity.

[6] CGT *citing* PEG's protest at 4.

Accordingly, the Commission finds that the proposed tariff provisions are just and reasonable, and accepts them effective August 6, 2007, as requested.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties
Public File

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APPENDIX

Carolina Gas Transmission Corporation
FERC Gas Tariff, Original Volume No. 1
Docket No. RP07-519-000
Accepted Effective August 6, 2007:

First Revised Sheet No. 1
First Revised Sheet No. 22
First Revised Sheet No. 108
First Revised Sheet No. 112
Original Sheet No. 117A
First Revised Sheet No. 119
First Revised Sheet No. 124
First Revised Sheet No. 128
Original Sheet No. 128A
First Revised Sheet No. 131
First Revised Sheet No. 132
First Revised Sheet No. 148
First Revised Sheet No. 150
First Revised Sheet No. 152
First Revised Sheet No. 153
First Revised Sheet No. 154
First Revised Sheet No. 156
First Revised Sheet No. 157
First Revised Sheet No. 176
First Revised Sheet No. 178
First Revised Sheet No. 185
First Revised Sheet No. 186
First Revised Sheet No. 214
First Revised Sheet No. 301
First Revised Sheet Nos. 311-329
First Revised Sheet No. 380