121 FERC ¶ 61,098
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 29, 2007

Reply Refer To:
Natural Gas Pipeline Company of
America
Docket No. RP08-26-000

Natural Gas Pipeline Company of America
747 East 22nd Street
Lombard, IL 60148

Attention: Bruce H. Newsome, Vice President

Reference: Request for Temporary Waiver of Tariff Provisions and Expedited Action

Ladies and Gentlemen:

1. On October 19, 2007, Natural Gas Pipeline Company of America (Natural) filed a Petition for Temporary Waiver of Tariff Provisions and Request for Expedited Action to waive certain zone limitation provisions set forth in section 5.5 of its General Terms and Conditions (GT&C) of its FERC Gas Tariff, Sixth Revised Volume No. 1 (Tariff). Natural requests the waivers to mitigate the effects of a *force majeure* event on its Illinois Lateral at segment 29 in Whiteside County, Illinois, just north of Compressor Station 110. This situation resulted in a capacity reduction on a portion of Natural's Amarillo system, which will continue for several months.

2. Specifically, Natural states that on October 15, 2007, a portion of Natural's 24-inch pipeline ruptured in a remote farming area near Rock Falls, Illinois. Although no injuries or fire occurred, the *force majeure* event required Natural to reduce the operating pressure of the Illinois Lateral[1] to 80 percent of its normal operating pressure. The

[1] The Illinois Lateral consists of two parallel lines (the Illinois Lateral No. 1 and the Illinois Lateral No. 2), as well as a partial loop pipeline (the Illinois Lateral No. 3).

pressure reduction affects the capacity for gas flowing through Compressor Station 110 both northbound and through the Illinois Lateral and eastbound through Segment 14 (the Affected Area). Natural states that it replaced the affected section of pipeline; however, the new section of pipe will require additional work and testing before Natural can restore its Maximum Allowable Operating Pressure (MAOP) on the affected pipeline. Natural anticipates operating the Illinois Lateral at reduced pressure through the upcoming winter season (Capacity Reduction Period). Natural states that it may adjust the dates, extent and duration of this capacity reduction based on operational considerations, and that it will reflect any such adjustments on its Internet website. Natural appended to its Petition two such informational postings from its Internet website describing the *force majeure* event, outlining its response and the anticipated impacts on service.

3. Natural states that its mitigation efforts to resolve the *force majeure* event will result in temporary capacity reductions in the Affected Area that will constrain the quantities of gas that affected shippers can deliver on the Amarillo Line during the Capacity Reduction Period. As a result, Natural states that it will schedule primary firm and secondary in-path firm transportation through Compressor Station 110 to a reduced level of maximum daily quantity (MDQ) for each contract. Natural states that it currently expects to schedule a minimum of 84 percent of each firm shipper's MDQ for each contract, which will include firm transportation contracts used to inject storage volumes under Rate Schedules NSS and DSS[2] at any storage point on the Amarillo Leg. Natural also plans initially to schedule nominated DSS storage withdrawals to a minimum of 84 percent of each shipper's Amarillo Leg Withdrawal Quantity (WQ), and that it will allocate initially no-notice DSS service up to 84 percent of the Amarillo Leg WQ. Natural states that 100 percent of the Gulf Coast Mainline WQ will remain available during the Capacity Reduction Period. Natural expects no scheduling of interruptible transportation or out-of-path secondary firm transportation volumes through the Affected Area during the Capacity Reduction Period.

4. Natural states that it will predicate these minimum scheduling percentages during the Capacity Reduction Period on shippers using all of their firm primary and in-path secondary rights in the Affected Area and adds that actual scheduled quantities may increase if capacity is available. Specifically, Natural states that actual daily scheduled quantities for each affected Firm Transportation Service contract and for nominated DSS storage withdrawals, and the related Affected Area MDQ and WQ scheduling percentage, as well as no-notice DSS storage withdrawals and the related allocation percentage, may increase to reflect the amount of firm capacity available to shippers based on the total nominations actually received during any day during the Capacity Reduction Period.

[2] NSS is Nominated Storage Service and DSS is Delivered Firm Storage Service.

5. To mitigate the effects of the capacity constraints on its shippers, Natural proposes to provide shippers with additional zone limitations flexibility to provide more alternative shipping choices. Accordingly, Natural requests temporary waiver of the zone limitations for opposite leg rights set forth in section 5.5(a)(2)(i) through (iii) in its GT&C. Natural's system generally consists of two parallel mainlines – the Amarillo Mainline and the Gulf Coast Mainline. Under its current tariff, a shipper with a firm transportation contract on the Amarillo Mainline has opposite leg rights on the Gulf Coast Mainline, but only for certain receipt zones that correspond to its path on the Amarillo Line. The waiver requested by Natural will provide affected shippers with firm rights on the Amarillo Mainline opposite leg rights for receipts in *all* zones on the Gulf Coast Mainline, and not just the corresponding zones.[3] Natural states that providing shippers with more alternative transportation path options would increase their operational flexibility during the Capacity Reduction Period.

6. Natural requests the Commission grant the requested temporary waiver discussed herein no later than October 29, 2007, so that its shippers can plan their nominations for November 2007, and through the upcoming winter season. Further, Natural states it will notify the Commission when the Capacity Reduction Period ends and the requested waiver is no longer necessary.

7. The Commission re-noticed Natural's filing on October 24, 2007 allowing for interventions and protests by October 26, 2007.[4] 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. No party filed a protest or adverse comments.

8. For good cause shown, we grant Natural's request for temporary waiver of sections 5.5(a)(2)(i) through (iii) of its GT&C during the Capacity Reduction Period. Granting this waiver will benefit shippers by providing them with additional system flexibility to mitigate any impacts of capacity constraints through the Affected Area during Natural's Capacity Reduction Period. Waiving the zone limitation provisions for opposite leg rights will assist affected shippers by providing alternative transportation paths to serve their markets and to offset any capacity reductions. Further, granting this waiver is consistent with Commission action on several occasions that granted Natural

[3] Currently, a shipper with firm transportation contract on the Amarillo Line has opposite leg rights only in receipt zones on the Gulf Coast Line that correspond to the shipper's path on the Amarillo line.

[4] The Commission initially noticed the Petition with a comment due date after the requested action date.

temporary waivers during other system capacity constraint situations.[5] Finally, the Commission expects Natural to notify the Commission when the Capacity Reduction Period ends and the waiver is no longer necessary.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Acting Deputy Secretary.

Cc: All Parties

Maria K. Pavlou, Esq.
Paul W. Mallory, Esq.
Natural Gas Pipeline Company of America
747 East 22nd Street
Lombard, Illinois 60148

and

J. Curtis Moffatt, Esq.
Paul Korman, Esq.
Van Ness Feldman, PC
1050 Thomas Jefferson Street, N.W.
Washington, D.C. 20007-3877

Attorneys for Natural Gas Pipeline Company of America

[5] *See, e.g., Natural Gas Company of America*, 120 FERC ¶ 61,049 (2007); 116 FERC ¶ 61,082 (2006); 115 FERC ¶ 61,151 (2006); and 112 FERC ¶ 61,214 (2005).