

123 FERC ¶ 61,005
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Dominion Transmission, Inc.

Docket Nos. RP06-635-000,
RP03-623-005,
RP04-618-001, RP05-685-001,
and RP04-105-000

ORDER FOLLOWING TECHNICAL CONFERENCE
AND ON COMPLIANCE FILINGS

(Issued April 2, 2008)

1. On October 31, 2006, the Commission issued an order¹ relative to revised tariff sheets² filed by Dominion Transmission, Inc. (Dominion) to update its effective Transportation Cost Rate Adjustment (TCRA) pursuant to section 15 of the General Terms and Conditions (GT&C) of its tariff. In the October 31, 2006 Order, the Commission accepted and suspended the tariff sheets to be effective November 1, 2006, subject to refund, and subject to the outcome of a technical conference established by that order. As discussed below, the Commission accepts the subject tariff sheets subject to Dominion providing certain additional information in its future annual TCRA filings.

Background

2. The subject tariff sheets were submitted as part of Dominion's annual TCRA filing (the 2006 TCRA filing), and reflected an adjustment to its Account No. 858 base rates to collect its current transportation costs, in accordance with GT&C section 15.3, and to update its TCRA surcharge rates pursuant to GT&C sections 15.4 and 15.5. Dominion indicated that it had applied the methodologies approved by the Commission in its July 7,

¹ *Dominion Transmission, Inc.*, 117 FERC ¶ 61,135 (October 31, 2006 Order).

² *See* Appendix.

2006 Order,³ which dealt with numerous issues arising out of previous TCRA filings. Michael J. Wilhelm⁴ filed comments in the nature of a protest to the instant filing.

3. In the October 31, 2006 Order, the Commission determined that, in light of the interrelationship between a pending compliance filing in Docket Nos. RP03-623, *et al.*, and the 2006 TCRA filing, and the continued dispute over certain issues common to both proceedings, the issues raised in both proceedings would be more efficiently resolved by setting both proceedings for joint technical conference. The Commission directed Staff to convene a technical conference at which the parties would be able to raise their concerns and obtain further information that could assist the Commission in the disposition of the contested matters in the 2006 TCRA filing. Additionally, in determining that the issues raised in the 2006 TCRA filing were similar to those raised by Mr. Wilhelm in the pending compliance filing in Docket Nos. RP03-623, RP04-618, and RP05-685,⁵ the Commission directed the technical conference to also include the issues raised in the compliance filing.

Technical Conference

4. Public notice was issued on December 8, 2006, that the technical conference would be held on January 10, 2007 at 10:00 a.m. Eastern Time. The technical conference convened without Mr. Wilhelm in attendance. In addition to Dominion, New Jersey Natural Gas Company (New Jersey Natural Gas) and the Public Service Commission of the State of New York (New York) attended the technical conference. The parties agreed to file Initial Comments by January 24, 2007, and Reply Comments by January 31, 2007. Dominion, New Jersey Natural, New York, and Mr. Wilhelm filed comments, which are addressed below.

³ *Dominion Transmission, Inc.*, 116 FERC ¶ 61,023 (July 7, 2006 Order).

⁴ Mr. Wilhelm is a residential customer of Dominion Hope, the local distribution company served by Dominion.

⁵ Mr. Wilhelm protested the pending July 28, 2006 compliance filing (2006 Compliance Filing) in these dockets.

Initial Comments

Dominion

5. Dominion states that it has previously responded in writing⁶ to Mr. Wilhelm's contentions on (1) how Dominion treats unpaid accruals and (2) the treatment of a particular negotiated rate agreement with Dominion East Ohio (DEO). Dominion states that, at the technical conference, it explained how its treatment of both issues in the 2006 Compliance Filing and in the 2006 TCRA filing is consistent with Dominion's tariff, the Commission's orders and the settlements between Dominion and its customers. Dominion further states that, at the technical conference, it also answered questions concerning these issues from the Commission Staff and Dominion's customers. Dominion states that no party at the conference disagreed with Dominion's position, and that several parties stated that they agree with Dominion.

6. Dominion also states that the only other issue considered during the technical conference was whether any customers believe that Dominion should provide additional information in support of its annual TCRA filings. Dominion states that representatives of New Jersey Natural Gas asked if Dominion would identify in its list of customer billing determinants by rate schedule, which of the entries represent negotiated rate agreements. Dominion states it is willing to provide this additional information and will do so in the form agreed to at the technical conference, beginning with next year's annual filing.

7. Dominion argues that, given the unanimity at the technical conference, the Commission should approve the 2006 Compliance Filing and the 2006 TCRA filing without further modification or condition as soon as possible. Finally, Dominion notes that the Commission also made its acceptance of a tariff clean-up filing submitted on December 8, 2003 in Docket No. RP04-105-000, subject to the outcome of proceedings in Docket No. RP03-623-000.⁷ Accordingly, in resolving all outstanding TCRA matters here, Dominion contends that the Commission should also eliminate that lingering condition on the RP04-105-000 tariff submission.

⁶ Dominion cites its Motion for Leave to Answer Comments and Answer, filed on August 28, 2006, in Docket No. RP03-623-005 and its Answer in Opposition to Late-Filed Motion to Intervene and Comments of Individual filed on October 23, 2006, in Docket No. RP06-635-000.

⁷ *Dominion Transmission, Inc.*, 106 FERC ¶ 61,007 (2004).

New Jersey Natural Gas

8. Based on its review of the positions of Dominion and the lone protestor, Michael Wilhelm, and as discussed during the technical conference, New Jersey Natural Gas states that it believes Dominion has adequately demonstrated its compliance with the governing tariff provisions, the Commission's prior orders, and the underlying settlements in the filings and compliance filings at issue. New Jersey Natural Gas states it supports the Commission's acceptance of the pending filings and compliance filings. In addition, New Jersey Natural Gas states that it believes that it would be useful for Dominion, in future filings, to provide additional information pertinent to credits for imputed billing determinants to aid interested parties in their review of the filings.

9. New Jersey Natural Gas states that the annual filings and relevant tariff section at issue concern Dominion's tracking mechanism for recovery of Account No. 858 costs, that is, costs incurred from third-party pipeline transportation. New Jersey Natural Gas states that following significant controversy and litigation regarding Dominion's tracked costs, particularly with respect to transportation on the Tennessee Gas Pipeline Company's system, Dominion and its customers entered into, and the Commission approved, a settlement in Docket No. RP00-15-000.⁸ Under the Account No. 858 Settlement, Dominion's tracking mechanism was modified to establish an absolute cap on the annual costs to which Dominion would be entitled for Account No. 858 cost recovery; that cap is currently set at \$37.5 million. New Jersey Natural Gas states that as a *quid pro quo*, and to incentivize Dominion to reduce its Account No. 858 costs where possible, the parties also agreed to a sharing mechanism such that Dominion would be able to retain 50 percent of the savings when costs fell below the \$37.5 million amount. Also, as part of this mechanism, New Jersey Natural Gas states that Dominion was permitted to substitute costs related to the construction and operation of Dominion's own facilities for certain Tennessee Account No. 858 costs at a set cost level.

10. New Jersey Natural Gas states that Dominion's Account No. 858 tracking mechanism was the subject of further modification in a subsequent settlement reached between Dominion and its customers.⁹ New Jersey Natural Gas recounts that in Docket Nos. RP00-632, *et al.*, Dominion and its customers litigated and ultimately settled issues relating to Dominion's fuel tracking and accounting systems. New Jersey Natural Gas states that the modifications to Dominion's tariff mechanisms governing Account No. 858 and fuel costs were intended, in part, to separate, streamline, and where possible improve the transparency of a very complex set of accounting and ratemaking provisions.

⁸ Citing *CNG Transmission Corporation*, 89 FERC ¶ 61,304 (1999) (Account No. 858 Settlement).

⁹ Citing *Dominion Transmission, Inc.*, 96 FERC ¶ 61,288 (2001) (Fuel Settlement).

11. New Jersey Natural Gas recounts that in 2005, Dominion, New York and Dominion's customers again negotiated a settlement which extended, and in part amended, four predecessor settlements, including the Account No. 858 Settlement and the Fuel Settlement. New Jersey Natural Gas states that the parties specifically agreed to continue those settlements in effect for another five year period. New Jersey Natural Gas states that this settlement was filed in Docket Nos. RP05-267-000, *et al.*, and approved by the Commission.¹⁰

12. New Jersey Natural Gas asserts that, as this history illustrates, the effort of examining, modifying, and resolving contested issues regarding Dominion's historical tracking mechanisms has been ongoing and involved significant effort, litigation and compromise. New Jersey Natural Gas states it was an active participant in negotiating, and remains a supporter of, the settlements that govern the currently effective mechanisms. New Jersey Natural Gas states it appreciates the continued vigilance of the Commission Staff and other interested parties in monitoring the operation of these significant cost recovery mechanisms. New Jersey Natural Gas also notes its appreciation of the pipeline's willingness to answer questions regarding its annual filings and facilitate customers' review and understanding of these complicated documents. New Jersey Natural Gas asserts that this cooperative relationship has been and should continue to be the foundation of the settlements' continued effectiveness.

13. New Jersey Natural Gas states that according to Mr. Wilhelm's filings there are two alleged substantive defects regarding Dominion's current TCRA filings and compliance filing that remain in dispute. New Jersey Natural Gas states that based on its understanding of the pleadings filed and discussion held at the technical conference, it supports or does not oppose Dominion's position and states that the Commission should find the pipeline's filings just and reasonable and consistent with its tariff and regulatory obligations.

14. According to New Jersey Natural Gas, Mr. Wilhelm first argues that Dominion erred by failing to comply with the Commission's requirement that it impute, in its calculation of amounts the pipeline received through its TCRA charge, the full TCRA amounts associated with a contractual buy-down agreed to by Dominion and its affiliated customer, DEO. New Jersey Natural Gas states that Mr. Wilhelm cites the Commission's September 20, 2005 *Order on Rehearing*¹¹ in Dominion's 2003 TCRA annual filing proceeding in support of his position that the pipeline failed to comply with the required

¹⁰ *Citing Dominion Transmission, Inc.*, 111 FERC ¶ 61,285 (2005) (2005 Settlement).

¹¹ *Citing Dominion Transmission, Inc.*, 112 FERC ¶ 61,321 (2005) (September 20, 2005 Order).

steps in the order to properly account for reduced billing determinants that were caused by a negotiated buy-down or buy-out. New Jersey Natural Gas recounts that Dominion states, in part, that those reduced DEO quantities were remarketed to another customer, and argues that it should not be forced to “double count” these remarketed volumes because its system customers were not deprived of the revenues associated with those billing determinants. New Jersey Natural Gas states that it understands that a literal reading of the Commission’s September 20, 2005 Order could support Mr. Wilhelm’s position. But New Jersey Natural Gas believes that this would achieve an inequitable result that is not consistent with the rationale of the Commission in reaching its decision. New Jersey Natural Gas states that the purpose of the attributed credit, as the September 20, 2005 Order states, was to remedy the situation addressed by the Commission in which “recourse rate shippers have been forced to absorb the TCRA costs previously paid by DEO.”¹² New Jersey Natural Gas states that, as explained by Dominion, where capacity has been remarketed, the recourse rate shippers are not required to absorb those TCRA costs because they are paid by the new shipper. Similarly, New Jersey Natural Gas states, to force the pipeline to recognize TCRA revenues from both the new customer and from the lump sum buyout volumes would penalize the pipeline in a manner inconsistent with the settlement’s economic bargain. Accordingly, New Jersey Natural Gas requests that the Commission, in its order following the technical conference proceedings, clarify that its September 20, 2005 Order is not inconsistent with the pipeline’s reduction of imputed credit volumes that were, in fact, remarketed by the pipeline.

15. New Jersey Natural Gas states that, notwithstanding considerable discussion at the technical conference, it remains unsure of the basis for Mr. Wilhelm’s second argument. New Jersey Natural Gas states that Mr. Wilhelm complains that the pipeline continues to err in its calculation and reflection of unpaid accruals for interest calculation purposes. Specifically, Mr. Wilhelm criticizes the fact that Dominion, in its filing, “resets the unpaid accrual adjustment . . . to zero dollars as the beginning balance” for the TCRA annual period in its interest calculations workpaper.¹³ New Jersey Natural Gas states that Mr. Wilhelm goes on to state that the reduction for unpaid accruals that are credited to the customers is appropriate; however, the amount that Dominion retains, according to Mr. Wilhelm, should remain in the unpaid accrual account.¹⁴

16. New Jersey Natural Gas states that it finds Mr. Wilhelm’s second argument confusing as it seems to contravene a fundamental economic principle of the Account No.

¹² *Citing id.*, at P 52.

¹³ *Citing Motion to Intervene of Michael J. Wilhelm at P 16.*

¹⁴ *Citing id.* at P 19.

858 Settlement. As New Jersey Natural Gas has already recounted, the pipeline and the customers established an incentive mechanism that permits the sharing of savings (i.e., the difference between actual costs and the \$37.5 million capped amount) on a 50/50 basis. New Jersey Natural Gas states that to effectuate this sharing, the pipeline would have to realize its 50 percent share on an annual basis. New Jersey Natural Gas concludes that it does not see any defect in the pipeline's explanation of its clearing of the unpaid accrual account, on an annual basis, in order to effectuate the sharing mechanism for both the pipeline and customers.

17. New Jersey Natural Gas states that Mr. Wilhelm makes additional arguments regarding purportedly missing explanations and derivations of certain calculations. New Jersey Natural Gas states that it appreciates the complexity of these annual filings, but believes that significant additional workpapers are not likely to be helpful and may further complicate an already burdensome package of materials. New Jersey Natural Gas notes that it has found Dominion's staff to be very helpful in answering questions and supporting New Jersey Natural Gas's annual analysis of the filings. New Jersey Natural Gas believes, as a general matter, that Dominion's staff may be the most productive resource for interested parties to gain a better understanding of how particular results are derived.

18. New Jersey Natural Gas states that one area that it believes would provide additional useful information and transparency to the filings without increasing the burden on the pipeline or interested parties concerns the negotiated rate matters addressed in the Commission's September 20, 2005 Order. New Jersey Natural Gas states that in that order, the Commission required the pipeline to begin including imputed TCRA collections from volumetric negotiated rate billing determinants¹⁵ as well as imputed TCRA collections from lump sum negotiated rate buy-outs and buy-downs (such as the DEO transaction).¹⁶ New Jersey Natural Gas notes that to comply with these mandates, the pipeline now includes in its annual filing information reflecting all billing determinants used, including the imputed determinants, which are not individually identified.

19. New Jersey Natural Gas states that for analyzing this annual filing, it would be helpful to have the pipeline identify on its billing determinant workpapers, those company-specific billing determinants that are imputed, and for which category (i.e., volumetric negotiated rate or lump sum buy-out/down). New Jersey Natural Gas states that providing this additional information, while not originally required in the tariff mechanism, would be consistent with the Commission's order requiring the imputation of

¹⁵ *Citing* 112 FERC ¶ 61,321, at PP 43-48.

¹⁶ *Citing id.* at P 49-54.

billing determinants for protection of the recourse ratepayers, and would assist customers and other interested parties in their review of the annual filings. New Jersey Natural Gas states that, as discussed at the technical conference, the additional information would not impose a burden on the pipeline and could be added to the existing billing determinants list without the need to create an additional workpaper. Finally, New Jersey Natural Gas states that this additional information requirement would also be consistent with the Commission's recent determinations, in Dominion's fuel mechanism proceeding, that (1) the requirement of additional informational reporting was not inconsistent with the existing settlements and (2) "would enhance the transparency of Dominion's transactions and assure all parties and the Commission that there is no cost-shifting or subsidization on Dominion's system."¹⁷ New Jersey Natural Gas confirms that, as with the Commission's finding in the recent fuel decision, it would be appropriate to require Dominion to include this additional information on a prospective basis, but not to make such additional information requirement retroactive.

Mr. Wilhelm

20. Mr. Wilhelm asserts that there are three primary issues: 1) the credit due from Dominion to its TCRA customers for the DEO reduction, 2) the treatment of unpaid accruals, and 3) the lack of support for various calculations.

21. As to the first issue of the credit due from Dominion to its TCRA customers for the DEO reduction, Mr. Wilhelm states that Dominion has yet to comply with Paragraph 54 of the Commission's September 20, 2005 Order¹⁸ for valuing the DEO reduction. Mr. Wilhelm states that in Dominion's Answer in the present proceeding, Dominion avers that it has a right to reduce the amount owed customers to reflect remarketed capacity. Mr. Wilhelm states that Dominion has not provided any specific language to support this assertion. Mr. Wilhelm argues that, if this assertion were supported as valid, Dominion would need to explain how it knows that a replacement customer reserved the capacity formerly reserved by DEO. Mr. Wilhelm further argues that this explanation would need to be consistent with statements in Dominion's annual Peak Day Report in which Dominion states that "the amount of capacity on Dominion's system depends upon the weather-sensitive demands of its markets and the corresponding supply mix available to meet those obligations." Mr. Wilhelm notes that the report concludes that Dominion cannot state the peak day capacity of its system because of "a virtually infinite amount of variables." Mr. Wilhelm asks whether a replacement customer had exactly the same receipt and delivery points as DEO.

¹⁷ *Citing Dominion Transmission, Inc.*, 118 FERC ¶ 61,036 at P 5, 14-17, 21 (2007).

¹⁸ *Citing Dominion Transmission, Inc.*, 112 FERC ¶ 61,321 (2005).

22. Mr. Wilhelm states that Dominion appears to have created transportation capacity. Mr. Wilhelm notes that in Docket No. RP99-477, Dominion's predecessor company, CNG Transmission Corporation (CNG), was found guilty of violating its tariff concerning available capacity in a constrained portion of its system.¹⁹ Mr. Wilhelm asserts that as a result of this proceeding, CNG created capacity to serve both customers involved in the capacity dispute. Mr. Wilhelm asks how one would know whether a pipeline that is able to create capacity in a constrained area, created more capacity or remarketed DEO capacity.

23. Mr. Wilhelm states that Dominion has a record indicating self-aggrandizement. Mr. Wilhelm notes that in Docket Nos. IN01-4 and IN04-2, the Commission required customer refunds due to Dominion's practices. Additionally, Mr. Wilhelm notes, in Docket No. RP05-267, Dominion reduced its rates in response to a challenge that it was over earning based on an analysis of Form 2 data.

24. With regard to the second issue of the treatment of unpaid accruals, Mr. Wilhelm states that he has no additional comment on this issue at this time.

25. As to the third issue of support for various calculations, Mr. Wilhelm notes that in Dominion's Answer in the instant proceeding, Dominion states that the information requested in Mr. Wilhelm's intervention is "readily available." Mr. Wilhelm, however, claims that Dominion does not, for example, have support for negotiated rate customers that fail to achieve threshold throughput levels. In a related example, Mr. Wilhelm states that on Eighth Revised Sheet No. 1400, the tariff sheet provides that an affiliate of Dominion has a minimum summer throughput of 1,000,000 Dth. If the affiliate fails to transport 1,000,000 Dth, it must pay \$0.15/Dth on the difference between 1,000,000 Dth and actual transported quantities. Mr. Wilhelm states that, accepting Dominion's statement that all negotiated rate information is readily available, the Commission should ask Dominion to identify where in the instant docket such information can be found.

Reply Comments

Dominion

26. Dominion notes that New Jersey Natural Gas supports the Commission's acceptance of the pending filings and compliance filings. Dominion asserts that the only reasonable inference to draw from the silence of Dominion's other customers and interested State commissions, consistent with the discussion at the technical conference, is that they agree with New Jersey Natural Gas and with Dominion.

¹⁹ Citing *North American Energy Conservation, Inc. v. CNG Transmission, Inc.*, 91 FERC ¶ 61,115 (2000).

27. Dominion states that on the day after initial comments were due, Mr. Wilhelm submitted his initial comments “based on [his] understanding of what transpired at the conference.”²⁰ Dominion contends that Mr. Wilhelm does not know what occurred at the technical conference because he did not attend, despite having been the sole party urging the Commission to hold a technical conference in these proceedings. Dominion asserts that, at best, his filed comments must be recognized as a reply to the previous day’s initial comments filed by Dominion and New Jersey Natural Gas because, but for those comments, he would not have known anything about the conference or even when to file comments. Dominion urges the Commission to reject Mr. Wilhelm’s late-filed comments outright.

28. Dominion states that Mr. Wilhelm’s disregard of the Commission’s procedural rules here is consistent with his conduct during his long-standing personal mission to challenge Dominion’s TCRA filings.²¹ Dominion contends that the Commission should weigh this conduct in considering the comments of Mr. Wilhelm here, and in any future proceedings. Dominion states that Mr. Wilhelm’s comments present no basis for any further modification or condition on Dominion’s TCRA filings.

29. Dominion states that Mr. Wilhelm does not offer any additional comment on one of the two substantive issues discussed at the technical conference: the treatment of unpaid accruals. Dominion observes that New Jersey Natural Gas commented on Mr. Wilhelm’s previously-expressed argument on this issue, stating that it “remains unsure of the basis” for Wilhelm’s argument and finding it “confusing.” Dominion agrees with New Jersey Natural Gas’ observation that Mr. Wilhelm’s argument “seems to contravene a fundamental economic principle of the Account No. 858 Settlement: the incentive mechanism that permits the sharing of savings (i.e., the difference between actual costs and the \$37.5 million capped amount) on a 50/50 basis.”

30. Regarding the second issue discussed at the technical conference, the TCRA treatment of a negotiated rate agreement with DEO, Dominion states that Mr. Wilhelm’s argument that “Dominion has not provided any specific language to support this assertion” that “it has the right to reduce the amount owed customers to reflect

²⁰ *Citing* Initial Post-Technical Conference Comments of Michael J. Wilhelm, submitted in Docket No. RP06-635-000 on January 25, 2006 at 1.

²¹ Dominion notes that both Mr. Wilhelm’s original intervention and protest in Docket No. RP06-635 and his comments on the 2006 Compliance Filing (the two pleadings principally leading to the technical conference) were filed late, after the regulatory deadline. Dominion contends that in neither case did Mr. Wilhelm present evidence to justify the late filing that could satisfy the requirements of 18 C.F.R. § 385.214(d)(iii) (2007).

remarketed capacity” is ironic. Dominion notes that the Commission’s requirement for Dominion to credit the TCRA with imputed collections for entitlement reductions was not supported by any language in Dominion’s settlements or tariff, which provides for calculations based only on TCRA charges actually collected. Dominion states that the Commission’s decision to require the crediting was not driven by any tariff or settlement language but rather by its policy that other customers should not subsidize a negotiated rate agreement. Dominion asserts that this policy rationale inherently implies that double crediting is not appropriate to the extent that the former-DEO capacity was remarketed to another customer paying the TCRA charges itself. Dominion states that, as New Jersey Natural Gas correctly observed, the double crediting championed by Mr. Wilhelm “would achieve an inequitable result that is not consistent with the rationale of the Commission in reaching its decision and would penalize the pipeline in a manner inconsistent with the settlement’s economic bargain.” Dominion states that the attendees at the technical conference appeared to understand this conclusion.

31. Dominion states that as to Mr. Wilhelm’s question of whether a replacement customer had exactly the same receipt and delivery points as DEO, Mr. Wilhelm’s opportunity to ask this question was at the technical conference, which he chose not to attend. Dominion states that it provided detail on the contracts that replaced the DEO entitlements in Attachment C of its 2006 Compliance Filing. Dominion asserts that the re-contracted capacity matches the timing, volumes and locations of the expired DEO volumes. Dominion states that in all but one case, the contracts were for the exact same receipt and delivery points as the DEO turn-back entitlements. For that one contract, Dominion states that the receipt point was the same but the delivery point was changed to another point that was operationally available, consistent with Dominion’s tariff and general practices. Dominion states that the contracts identified as representing the remarketed DEO capacity were exactly that.

32. Dominion states that in his final argument, Mr. Wilhelm makes another suggestion that additional information should be included in Dominion’s annual TCRA filings. Dominion states that at the technical conference, it asked its customers whether any additional information would be useful. Dominion states that New Jersey Natural Gas answered that it would be helpful if Dominion identified those company-specific billing determinants that are imputed, and for which category, such as volumetric negotiated rate or lump sum buy-out/down. Dominion states that it has agreed to provide the information requested by New Jersey Natural Gas in next year’s annual filing.

33. Dominion contends that it remains willing to work with its customers to help them understand the complicated annual TCRA filings. Moreover, as indicated at the conference, Dominion states that it will consider all requests from its direct customers for additional information to support the filings. However, Dominion states that it is not willing to provide the extra information, as suggested by Mr. Wilhelm in his comments, which was not discussed at the technical conference.

34. Dominion requests that the Commission approve each of Dominion's pending TCRA filings without any condition or modification and resolve all outstanding issues in these proceedings.

New York

35. New York states that it believes the tracking mechanism is being properly implemented. New York contends that Dominion, through its responses at the technical conference and its written initial comments, has adequately responded to the questions raised and demonstrated that its filing is just and reasonable and consistent with its tariff obligations. Moreover, New York believes that it would be helpful, as suggested by New Jersey Natural Gas and Dominion, to have Dominion identify, on its billing determinants workpapers, those company-specific billing determinants that are imputed, and for which category.

Mr. Wilhelm

36. Mr. Wilhelm states that, as to the issue of the buy-down revenues received by Dominion from its affiliate DEO, New Jersey Natural Gas agrees with his position in its statement that "a literal reading of the Commission's September 20, 2005 Order could support Mr. Wilhelm's position." Mr. Wilhelm further states that New Jersey Natural Gas continues to base its argument on the intent of the Commission, namely that recourse rate shippers have been forced to absorb the TCRA costs previously paid by DEO, an intent Mr. Wilhelm claims is still valid.

37. Mr. Wilhelm asserts that Dominion has neither shown the direct relationship between the firm entitlements acquired by new customers and the reduced DEO firm entitlements, nor claimed that no firm entitlements could have been provided to these customers without DEO's reduction of rights.

38. Mr. Wilhelm states that if the Commission accepts the position of New Jersey Natural Gas, the Commission should require Dominion to indicate what shippers acquired the remarketed capacity (and the basis of the relationship between this capacity and the DEO reduction) and to state that none of the capacity could have been sold without the DEO reduction, i.e., the expiration of other customers' contracts could not have enabled the provision of this capacity.

39. Finally, Mr. Wilhelm states that the Commission should require Dominion to treat all parties to its filings in a consistent manner. Mr. Wilhelm states that Dominion declined to provide him the additional information concerning negotiated rate transactions which he requested in his Motion to Intervene in the present proceeding. Mr. Wilhelm states that Dominion asserted that it had already listed the billing determinants, in dekatherms, according to customer (including its negotiated rate customers) in

Workpaper 18, and that its negotiated rate customers are listed in its tariff. However, Mr. Wilhelm states that in response to a request from New Jersey Natural Gas for similar information concerning negotiated rates, Dominion stated its willingness to provide this additional information beginning with next year's annual filing. Mr. Wilhelm asserts that the Commission should not allow this inconsistent treatment of information requests by Dominion, and that the negotiated rate information requested for the prior filings should be required of Dominion. Mr. Wilhelm states that such a requirement should be simple to comply with, as the Commission's regulations on negotiated rate transactions require Dominion to keep detailed monthly records of all such transactions.

Discussion

40. For the reasons stated in the comments of Dominion and New Jersey Natural herein, the Commission finds that Dominion has provided sufficient information and explanations and has supported its TCRA rates as just and reasonable. The Commission finds that Dominion is calculating its TCRA rates in a manner that is consistent with Commission regulations, Dominion's tariff, Commission orders and settlements concerning Dominion's TCRA and fuel retention rate filings.

41. Accordingly, Mr. Wilhelm's requests to revise the TCRA rates and methodologies, as well as his requests for further information, explanations, and conditions, are rejected, and the tariff sheets submitted by Dominion in Docket Nos. RP06-635-000, RP03-623-005, RP04-618-001, and RP05-685-001, are accepted subject to one condition. As proposed by New Jersey Natural Gas, and agreed to by Dominion, in its future TCRA filings, Dominion must identify on its list of customer billing determinants, by rate schedule, the entries that represent negotiated rate agreements with respect to which company-specific billing determinants are imputed, and for which category (i.e., volumetric negotiated rate or lump sum buy-out/down).

42. Additionally, because of our action herein, the condition attached by the January 7, 2004 Order²² making acceptance of Dominion's tariff filing in Docket No. RP04-105-000 subject to the outcome of proceedings in Docket No. RP03-623-000, is hereby removed.

The Commission orders:

(A) The tariff sheets submitted by Dominion in Docket Nos. RP06-635-000, RP03-623-005, RP04-618-001, and RP05-685-001, are accepted subject to the condition set forth in Ordering Paragraph (C) below.

²² *Dominion Transmission, Inc.*, 106 FERC ¶ 61,007 (2004) (January 7, 2004 Order).

(B) The condition attached to acceptance of the tariff filing submitted in Docket No. RP04-105-000 by the Commission's January 7, 2004 Order in that docket is hereby removed.

(C) In its future TCRA filings, Dominion must identify on its list of customer billing determinants, by rate schedule, the entries that represent negotiated rate agreements with respect to which company-specific billing determinants are imputed, and for which category (i.e., volumetric negotiated rate or lump sum buy-out/down).

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

APPENDIX

**Dominion Transmission, Inc.
Third Revised Volume No. 1**

**Docket No. RP06-635-000
Accepted Effective November 1, 2006**

Thirtieth Revised Sheet No. 31
Sixth Revised Sheet No. 31A
Thirty-Third Revised Sheet No. 32
Sixth Revised Sheet No. 32A
Nineteenth Revised Sheet No. 34
Fourth Revised Sheet No. 34A
Twenty-Sixth Revised Sheet No. 35
Sixth Revised Sheet No. 35A
Nineteenth Revised Sheet No. 39
Seventh Revised Sheet No. 39A