

124 FERC ¶ 61,161
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 14, 2008

In Reply Refer To:
El Paso Natural Gas Company
Docket No. RP08-406-000

El Paso Natural Gas Company
Post Office Box 1087
Colorado Springs, CO 80944

Attention: Catherine E. Palazzari
Vice President

Reference: Request for Waiver of Section 5.1(a)

Dear Ms. Palazzari:

1. On June 11, 2008, El Paso Natural Gas Company (El Paso) filed a request for waiver of Section 5.1(a) of the General Terms and Conditions of its FERC Gas Tariff, Second Revised Volume No. 1A, to permit the past receipt of gas at several small quantity receipt points that exceeded the stated specifications for total diluents,¹ or in the alternative, for clarification of El Paso's tariff authority to grant such a waiver. We will grant El Paso's request for a waiver of its tariff.

¹ El Paso states that diluents are inert gases contained in natural gas. Diluents predominantly consist of nitrogen, but also include carbon dioxide, helium and oxygen.

2. El Paso states that its tariff has a general specification requiring its shippers to deliver gas into El Paso's system with a total diluent content of three percent or less. El Paso's tariff also contains two exemptions to the diluent specification as well as separate specifications for carbon dioxide and oxygen.² In addition, El Paso states that, pursuant to section 5.4, El Paso may, in its reasonable discretion and judgment, on a not unduly discriminatory basis, waive diluent limits at any receipt point to accept gas that does not conform to the diluent quality specifications. El Paso states that it may waive the diluent specifications as long as the waiver does not affect its ability to maintain an acceptable gas quality through prudent and safe operations, and ensure that such gas does not adversely affect El Paso's ability to operate its system, provide adequate service to its customers, and deliver gas at its delivery points.

3. El Paso states that, as a result of a rigorous data collection and review process related to historical flows for the past three years, it determined that it received quantities of gas, between January 1, 2005 and September 13, 2007, above the tariff-specified diluent limits and did not post notices of discretionary action for gas quality on its Electronic Bulletin Board waiving the diluent specifications for these locations.³ El Paso states that, while gas flowed from these small receipt points with diluents above tariff-permitted amounts, pipeline integrity was not adversely affected, nor was El Paso's ability to provide service to others or to meet its delivery obligations.⁴

4. Notice of El Paso's filing was issued on June 16, 2008, with comments, protests or interventions due as provided by section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210. Pursuant to Rule 214, 18 C.F.R. § 385.214, 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 protests or adverse comments were filed.

² See sections 5.2, 5.3(b), 5.1(d), and 5.1(e).

³ El Paso states that, upon determining that no operational harm would be caused by continuing to accept these levels of diluents, El Paso posted the appropriate waivers for these receipt points on September 11 and 13, 2007, and continued to accept the gas. The waivers provided the parties 30 days to comply with existing gas quality specifications.

⁴ El Paso notes that it submitted a filing in Docket No. RP08-407-000 to update its tariff to include an exemption for diluents for the small receipt points referenced in this filing. That filing was accepted by the Commission by an unpublished letter order on July 3, 2008.

5. We will grant El Paso's request for a waiver of its tariff. As El Paso has stated, the sporadic receipts of gas above the tariff-specified limits occurred at small receipt points and resulted in no operational harm to the system. El Paso has subsequently revised its tariff to provide for receipts of a higher level of diluents for these small receipt points when El Paso can do so without adversely affecting pipeline integrity, its service to others, or its delivery obligations.⁵ We find that, given these circumstances, the requested waiver is reasonable.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁵ See *El Paso Natural Gas Co.*, Docket No. RP08-407-000 (July 3, 2008) (unpublished letter order).