

127 FERC ¶ 61,285
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 18, 2009

In Reply Refer To:
Texas Eastern Transmission, LP
Docket No. RP09-756-000

Texas Eastern Transmission, LP
P.O. Box 1642
Houston, TX 77251-1642

Attention: Gregg E. McBride
Vice President, Rates & Certificates

Reference: Temporary Waiver of Tariff Provisions

Dear Mr. McBride:

1. Texas Eastern Transmission, LP (Texas Eastern) filed in Docket No. RP09-756-000 on June 5, 2009, a request for temporary waiver of the Applicable Shrinkage Adjustment (ASA) fuel percentage and section 15.2(C) of the General Terms and Conditions (GT&C) of its FERC Gas Tariff regarding interruptible revenue crediting. The Commission grants the requested waivers subject to conditions, as more fully discussed below.

2. Texas Eastern states that its Main Pass system extends from various production platforms and interconnections in the Main Pass area in the Gulf of Mexico to the Venice Processing Plant located onshore in Plaquemines Parish, Louisiana. Texas Eastern further states that production along the Main Pass system typically flows from offshore points to the Venice Plant and contractually to the market through nominations by firm shippers under service agreements from Texas Eastern's ELA TABS Service Point. Texas Eastern states that it has exposed pipe that it must re-bury along an approximately two-mile portion of its Main Pass system in Main Pass Blocks 53 and 54. Texas Eastern further states that after consultation with various federal and state agencies, it determined that a temporary, approximately one-month, outage is necessary to re-bury the exposed pipe. During the outage period, Texas Eastern states that gas will be unable to flow from production upstream of the work area to the Venice Plant. In order to avoid having to shut in all production upstream of the work area, Texas Eastern, in consultation with

Main Pass producers, has proposed to isolate an approximately 25-mile portion of the Main Pass system upstream of the work area (25-mile Segment) by shutting valves in the Main Pass 92/103 area and holding open a check valve at the interconnect between Texas Eastern and the interstate transmission facilities of Dauphin Island Gathering Partners (DIGP) at Main Pass 164. By implementing this workaround, Texas Eastern states that production located along the 25-mile Segment will have the ability to flow into the Main Pass system and free flow from there into DIGP at Main Pass 164. Texas Eastern estimates that approximately 140,000 Dth/d of the total 160,000 Dth/d of production that flowed on the Main Pass system last month will have the option of taking advantage of the workaround. Absent Texas Eastern's implementation of this workaround, Texas Eastern states that all production located on the Main Pass system upstream of the work area will be shut in. Texas Eastern anticipates that the work required to re-bury the two-mile segment of pipe will cause an outage on the Main Pass system for approximately one month, starting as early as July 1, 2009.

3. Texas Eastern estimates that the cost of this workaround will be approximately \$80,000 to \$100,000 to open and then close the check valve between the Main Pass system and DIGP's system. Texas Eastern proposes to provide transportation service on the 25-mile Segment on a temporary basis from Main Pass Blocks 92 and 103 to Main Pass Block 164 into DIGP under its open access interruptible rate schedule. Texas Eastern states that it proposed this workaround as an accommodation to the Main Pass producers during this outage period. Because this service is a temporary workaround that does not involve compression, Texas Eastern proposes to provide the service without assessing a fuel charge. Therefore, it requests temporary waiver of the requirement that it assess the ASA fuel percentage for service on the 25-mile Segment during the outage period. The 25-mile Segment, Texas Eastern states, will be isolated from the rest of the system, and no compression exists along this segment. Accordingly, Texas Eastern claims, granting a waiver of the ASA fuel charge requirement in this instance will not result in subsidization from, or affect the rates of, any other customer on the system.

4. In addition, Texas Eastern proposes to recover the expenses associated with the work necessary to flow gas to DIGP during the outage period from the revenue received from producers taking advantage of this workaround. Accordingly, Texas Eastern requests a temporary waiver of the interruptible revenue crediting mechanism in section 15.2(C) of its GT&C to allow Texas Eastern to net the cost of the workaround against the revenue received for transportation service on the 25-mile Segment during the outage period before applying the crediting mechanism to such revenue. Texas Eastern states that the requested waiver of section 15.2(C) of the GT&C will not apply to the revenue generated in amounts above the cost of the workaround. Texas Eastern also states that granting this waiver will not affect other Texas Eastern customers because the waiver will only allow Texas Eastern to recover costs associated with the temporary workaround that Texas Eastern has agreed to implement. Moreover, Texas Eastern contends, the production that has the ability to flow because of this workaround would typically flow to

markets on firm, not interruptible, service agreements from the ELA TABS point. Therefore, Texas Eastern states, no interruptible revenue is typically attributable to this production, and the anticipated interruptible revenue would be incremental revenue only because of this one-time workaround. Texas Eastern offers to provide a true-up of the actual costs of the workaround and the actual revenue received for transportation service on the 25-mile Segment during the outage period as part of the workpapers filed with its annual ASA and IT Revenue Reconciliation Report later this year.

5. In light of the fact that the outage on the Main Pass system may begin as early as July 1, 2009, Texas Eastern requests expedited action by the Commission, but no later than June 19, 2009, in order to allow sufficient time for producers to make arrangements to flow their production into the DIGP system when the maintenance work begins.

6. Public notice of Texas Eastern's filing was issued on June 8, 2009, providing that interventions and protests were due on or before June 12, 2009. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2008)), 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 interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on the existing parties. No protests or adverse comments were filed. Energy Resource Technology, Inc., Petsec Energy Inc., Rooster Petroleum, LLC, Century Exploration New Orleans, Inc., Maritech Resources Inc. and LLOG Exploration Offshore, Inc., each a producer, filed comments in support of Texas Eastern's requests.

7. The Commission finds good cause to grant the request for temporary waivers of Texas Eastern's ASA fuel percentage and section 15.2(C) of the GT&C regarding interruptible revenue crediting for the period of the outage as related to interruptible service provided on the 25-mile Segment during that outage period. These waivers will permit most of the production that would otherwise be shut in to continue and will provide producers a temporary alternate way to access markets. Further, the interruptible revenue credit waiver is limited in duration to the earlier of the date Texas Eastern recovers the costs of the workaround or the end of the outage on the 25-mile Segment and will only apply to revenues relating to interruptible service provided on that segment. Texas Eastern is required to file a report in this proceeding informing the Commission that the Main Pass system is back in service within five days of that action and to provide workpapers separately identifying the workaround costs and revenues when it files its annual ASA and IT Revenue Reconciliation Report later this year.

By direction of the Commission.

Kimberly D. Bose,
Secretary.