

128 FERC 61,105  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Columbia Gulf Transmission Company     Docket Nos. RP09-423-000  
RP09-423-002

ORDER ACCEPTING AND SUSPENDING TARIFF SHEETS,  
SUBJECT TO REFUND, ESTABLISHING TECHNICAL CONFERENCE,  
AND REJECTING TARIFF SHEETS

(Issued July 30, 2009)

1. On February 27, 2009, Columbia Gulf Transmission Company (Columbia Gulf) submitted its Annual Transportation Retainage Adjustment (TRA) filing (Annual TRA filing) in Docket No. RP09-423-000.<sup>1</sup> Columbia Gulf requested any necessary waivers to permit a July 1, 2009 effective date, stating that this would allow it to continue discussions with its customers concerning an alternative mechanism for recovering its cost of Company Use Gas (CUG) and lost and unaccounted-for gas (LAUF) and later sought a further deferral to August 1, 2009. On July 1, 2009, in Docket No. RP09-423-002, Columbia Gulf filed revised tariff sheets<sup>2</sup> to implement lower retainage percentages than it had proposed in its February 27, 2009 Annual TRA filing. Columbia Gulf requested an August 1, 2009, effective date for the revised tariff sheets. In addition, Columbia Gulf moved to withdraw the tariff sheets included in its February 27, 2009 Annual TRA filing. As discussed below, the Commission waives Columbia Gulf's tariff provision regarding the TRA effective date and accepts and suspends the revised tariff sheets in the July 1, 2009 filing to be effective August 1, 2009, subject to refund and the outcome of a technical conference to be established in order to address the issues raised

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<sup>1</sup> The filing included the following tariff sheets: Forty-Eighth Revised Sheet No. 18, Thirty-Fifth Revised Sheet No. 18A, and Forty-Ninth Revised Sheet No. 19 to its FERC Gas Tariff, Second Revised No. 1.

<sup>2</sup> Forty-Ninth Revised Sheet No. 18, Thirty-Sixth Revised Sheet No. 18A, fiftieth Revised Sheet No. 19 to its FERC Gas Tariff, Second Revised Volume No.1.

by Columbia Gulf's filing. The Commission rejects the tariff sheets in the February 27, 2009 filing as moot.

### **I. Background and Details of the Filing**

2. Section 33 of the General Terms and Conditions (GT&C) of Columbia Gulf's tariff requires it to make an annual filing, to be effective on April 1 of each year, to revise the retainage percentages through which it recovers its CUG and LAUF costs. The retainage percentages include two components. The first component recovers the CUG and LAUF Columbia Gulf projects it will incur during the twelve month period that the retainage percentages will be in effect. The second component, known as the over/under component, reflects the reconciliation of actual CUG and LAUF quantities with quantities retained by Columbia Gulf for the preceding calendar year, i.e., the deferral period.

3. On February 27, 2009, Columbia Gulf made its Annual TRA filing as required by section 33 of the GT&C of its tariff. However, it stated that it was in discussions with some of its customers regarding an alternative retainage recovery mechanism. In order to permit these discussions to continue, it requested waiver to permit a three-month delay, to July 1, 2009, before the revised tariff sheets in the Annual TRA filing (Annual TRA tariff sheets) took effect. In its February 27, 2009 filing, Columbia proposed to increase its retainage percentages. Columbia stated that the proposed retainage percentages reflected the results of an extensive 2008 investigation into the causes of LAUF on its system. Further, Columbia Gulf proposed to recover its entire under-recovered amount over a one-year period. Columbia Gulf asserted that its February 27, 2009 TRA filing also included compliance with the Commission's order issued February 20, 2009 in Docket No. RP08-347-002.<sup>3</sup>

4. On April 2, 2009, by Director Letter Order, Columbia Gulf was directed to file two Status Reports, one on or before May 10, 2009 and a second one on or before June 10, 2009.<sup>4</sup> Parties were permitted to file comments. In its May 8, 2009 status report, Columbia Gulf stated that it continues to actively work with its customers on an alternative retainage recovery mechanism. However, on May 22, 2009, Columbia Gulf filed a letter in Docket No. RP09-423-001 notifying the Commission that the process of developing a well-defined proposal, communicating the proposal to customers and obtaining support for the proposal was taking longer than anticipated. Columbia Gulf stated that, consequently, it expected to file its fixed retainage rate proposal by July 1,

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<sup>3</sup> *Columbia Gulf Transmission Co.*, 126 FERC ¶ 61,158 (2009).

<sup>4</sup> *Columbia Gulf Transmission Co.*, Docket No. RP09-423-000 (April 2, 2009) (unpublished Director Letter Order).

2009, with an August 1, 2009 effective date. Therefore, Columbia Gulf indicated that it did not plan on placing the Annual TRA tariff sheets into effect on July 1, 2009, but would defer the proposed effective date until no earlier than August 1, 2009. Columbia Gulf stated that its customers will not be harmed by this one-month delay since this would allow its existing rates, which are lower than the proposed rates, to continue in effect. In its June 10, 2009 status report, Columbia Gulf stated that, if an insufficient number of customers were willing to support an alternative retainage recovery mechanism, it would not file such a proposal, but would instead file to place the deferred Annual TRA tariff sheets pending before the Commission into effect no later than August 1, 2009.<sup>5</sup> On June 10, 2009, by Director Letter Order, in Docket No. RP09-423-001, the effective date for the Annual TRA tariff sheets was deferred until no earlier than August 1, 2009.<sup>6</sup>

5. In the instant July 1, 2009 filing, Columbia Gulf states that its efforts to develop and obtain customer support for an alternative retainage recovery mechanism are ongoing. Columbia Gulf reiterates that it hosted a customer-wide webcast meeting on June 18, 2009 to again discuss with customers an alternative retainage recovery mechanism. However, according to Columbia Gulf, it will not be able to finalize the development of an alternative retainage recovery mechanism, obtain all desired customer support, and make implementing tariff filings by August 1, 2009. Consequently, while these efforts continue, Columbia Gulf has filed revised tariff sheets in order to place into effect on August 1, 2009, retainage percentages that are higher than those currently in effect, but lower than the retainage percentages it proposed in its February 27 Annual TRA filing.

6. Specifically, in the July 1, 2009 filing, Columbia Gulf states that it is proposing to place into effect the retainage rates proposed in its February 27 Annual TRA filing *less* the unrecovered surcharge retainage rate component of those rates. That component was calculated on Appendix A of that filing pursuant to section 33.4(b) of its GT&C to recover unrecovered CUG and LAUF quantities for the 2008 calendar year deferral period. However, Columbia Gulf states that, in doing so, it does not propose to waive but rather reserves its right to recover the unrecovered CUG and LAUF quantities for the 2008 calendar year deferral period, or any other unrecovered quantities, in a future annual or periodic TRA filing. Consequently, Columbia Gulf states that, as set forth in the chart below, the instant tariff sheets contain retainage rates that are lower than those contained

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<sup>5</sup> By unpublished Director Letter Order issued June 10, 2009 in Docket No. RP09-423-001, the Commission granted waiver of the notice requirement and deferred the effective date for the Annual TRA tariff sheets until no earlier than August 1, 2009.

<sup>6</sup> *Columbia Gulf Transmission Co.*, Docket No. RP09-423-001 (June 10, 2009) (unpublished Director Letter Order).

Zone	Current Total Retainage Rate	February 27, 2009 Proposed Total Retainage Rate <sup>7</sup>	Total Retainage Rate Proposed by This Filing <sup>8</sup>
Mainline	2.791%	3.280%	3.028%
Onshore Laterals	0.684%	1.151%	0.894%
Offshore Laterals	0.498%	0.906%	0.649%
Backhaul-Mainline	0.365%	0.694%	0.644%

7. Columbia Gulf states that, as both the Commission and Columbia Gulf's customers have recognized, it has deferred implementing the higher February 27, 2009 Annual TRA tariff filing retainage rates for the months of April through July 2009. However, Columbia Gulf asserts that, during that time, it has continued to incur a significant under-recovery of its CUG and LAUF and is concerned that the continued deferral of the base retainage rate increases will only continue to increase the existing under-recovery thereby creating a cumulative under-recovery that may have a negative impact for customers in the future, if an alternative retainage mechanism cannot be achieved with its customers.

8. Columbia Gulf states that the retainage rates it is proposing to place into effect in this filing are exactly as those filed on February 27, 2009, with the only exception being that the calculated unrecovered surcharge component for each zone has been removed. Columbia Gulf believes that this is a fair and reasonable compromise at this time between the pipeline and its customers, namely, that the unrecovered surcharge, which it states represents previous under-recovered quantities, remain deferred until the negotiations are completed, without prejudice to Columbia Gulf filing to recover any unrecovered CUG

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<sup>7</sup> Columbia Gulf states that this figure is the same as the figure contained on the Annual TRA tariff sheets and as calculated on Appendix A in the February 27, 2009 filing.

<sup>8</sup> Columbia Gulf states that this figure reflects the February 27, 2009 retainage rates less the unrecovered surcharge component as set forth on Appendix A, page 1 of 11, line 6 in the February 27, 2009 filing.

and LAUF quantities for the 2008 calendar year deferral period, or any other unrecovered quantities, in a future annual or period TRA filing.

## **II. Notice, Protests and Answer**

9. Public notice of the February 27, 2009 filing in Docket No. RP09-423-000 was issued on March 4, 2009. Interventions and protests were due on or before March 11, 2009. Protests to the February 27, 2009 filing were filed by Baltimore Gas and Electric Company (BG&E), Indicated Shippers and Piedmont Natural Gas Company, Inc. (Piedmont) and comments were filed by Sequent Energy Management, L.P. (Sequent), Washington Gas Light Company (WGL), the City of Charlottesville, Virginia and the City of Richmond, Virginia, NiSource Distribution Companies, Easton Utilities Commission, and Constellation Energy Commodities Group, Inc. On March 20, 2009, Columbia Gulf filed an answer. Public notice of the July 1, 2009 filing in Docket No. RP09-423-002 was issued on July 9, 2009. Interventions and protests were due on or before July 14, 2009. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2009)), all timely filed motions to intervene and any motions to intervene out-of-time filed in both dockets before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. Protests to the July 1, 2009 filing were filed by Sequent and Piedmont and comments were filed by WGL and BG&E.

10. As more fully detailed below, the commenters and protesters in the instant proceeding ask the Commission to either reject the filing, require Columbia Gulf to take certain correction actions, suspend the filing for the maximum period, and/or establish a technical conference. On July 20, 2009, Columbia Gulf filed an answer to the protests and comments. While the Commission's regulations do not permit the filing of answers to protests,<sup>9</sup> the Commission will accept the answer because it provides additional information which aids in our decision making process. Because we are rejecting Columbia Gulf's February 27, 2009 filing, the following is a summary of the protests and comments to the July 1, 2009 filing.

### **A. Protests Seeking Rejection of the Filing or Alternative Procedures**

11. In their protests, both Sequent and Piedmont ask the Commission to reject the filing. Sequent argues that Columbia Gulf's revised TRA proposal represents a significant increase over current levels – an increase that it contends Columbia Gulf has failed to fully support, either in the February 27, 2009 filing or the instant filing. Sequent asserts that the information provided by Columbia Gulf in the instant filing fails to meet the threshold requirement to permit a just and reasonable determination. Therefore,

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<sup>9</sup> 18 C.F.R. § 385.213 (2009).

Sequent requests the Commission to reject the proposed July 1, 2009 filing; or, in the alternative, to suspend the proposed tariff filing for the maximum statutory period and direct its staff to convene a technical conference. Sequent believes that a technical conference will give the parties an opportunity to fully investigate Columbia Gulf's "reconfigured" proposal.

12. Piedmont states that, while an alternative retainage recovery mechanism is a significant issue and continued dialogue with Columbia Gulf regarding its development is welcomed, Piedmont argues that Columbia Gulf has done little if anything to resolve the issues raised by its February 27, 2009 Annual TRA tariff filing. Piedmont requests that the Commission either reject the instant filing because it argues Columbia Gulf has failed to provide assurances that the LAUF problem has been resolved or order Columbia Gulf to implement the appropriate corrective action.

13. In addition to the request for a technical conference by the other parties as described above, BG&E also requests the Commission to establish a technical conference because it has not been encouraged by the informal customer contacts made by Columbia Gulf to reach a settlement of the issues raised by its TRA filing. Therefore, BG&E argues that the time has come when a technical conference should be convened in order to establish a record to more adequately assess the merits of Columbia Gulf's filing. In particular, BG&E is concerned that Columbia Gulf is: (1) reporting a net underrecovery for the deferral period of 2,240,296 Dth; (2) requesting that the three-year amortization period be eliminated so that it can recover the entire remaining two-thirds of the under-recovered amount in this one-year TRA period commencing April 1, 2009; and (3) reporting that LAUF quantities actually increased after more accurate, state-of-the-art ultrasonic meters were installed at new receipt points. BG&E contends that a technical conference is the best forum by which to thoroughly explore these and other issues raised by Columbia Gulf's filing.

## **B. Protests Seeking Corrective Actions**

14. Both Piedmont and WGL request that the Commission require Columbia Gulf to take certain action concerning its metering equipment. In its protest, Piedmont asserts that there appears to be both an ongoing LAUF measurement deficiency and a continuous and significant inefficiency in the quantities of gas moving between Columbia Gulf and Columbia Gas Transmission, LLC (Columbia Gas) and that there is nothing in this filing to indicate that these inefficiencies have or will be resolved. Therefore, Piedmont argues that the Commission should not accept the current filing until Columbia Gulf can provide assurances that the inefficiencies have been resolved and/or Columbia Gulf has implemented the appropriate corrective action.

15. Specifically, Piedmont states that Columbia Gulf: (1) has concluded that the unusual level of LAUF experienced in its TRA filings appears to be a direct result of differing measurement technologies between certain receipt meters (ultrasonic) and

certain delivery meters (orifice) and (2) has acknowledged that the delivery meters have under-measured. However, Piedmont points out that Columbia Gulf has offered no further explanation of the inaccurate LAUF readings but admits in its March 20, 2009 Answer that the “measurement anomaly” leading to the inaccurate LAUF is caused by the fact that its orifice meters are less accurate than those meters being used by upstream pipelines and that those differences in accuracy “can have a pronounced affect.”<sup>10</sup> Piedmont argues that, if Columbia Gulf’s explanation for the inaccurate LAUF is that it is using inferior measurement equipment technology, and Columbia Gulf is aware of the solution, it is Columbia Gulf’s responsibility to repair or replace the suspect delivery meters.<sup>11</sup>

16. Piedmont also reiterates its concern regarding the fact that Columbia Gulf delivers large quantities of gas to its affiliated downstream pipeline, Columbia Gas, and that Columbia Gulf’s assertion that the LAUF problem on its system is a result of the delivery meters improperly measuring the gas delivered creates the strong likelihood that a substantial portion of the natural gas previously classified as LAUF by Columbia Gulf may, in fact, have been delivered into the Columbia Gas system.<sup>12</sup> Piedmont argues that it is unjust and unreasonable for Columbia Gulf to recover from its customers’ gas supplies denominated as “lost” if those supplies were actually delivered to its affiliated downstream pipeline. Piedmont contends that this question is unresolved by the instant filing. Therefore, Piedmont requests the Commission to order Columbia Gulf to implement corrective actions either physically by replacing the under-measuring meters or mathematically by formulating adjustments in their calculations on an ongoing basis to remedy the ongoing measurement deficiency.

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<sup>10</sup> Piedmont Protest at 3 (citing Columbia Gulf Transmission Co., Docket No. RP09-423-000, Transportation Rate Adjustment; Request for Extension of Effective Date at Appendix B at 2 (February 27, 2009) and Answer of Columbia Gulf at 6 (March 20, 2009)).

<sup>11</sup> Piedmont states that Columbia Gulf acknowledges that the Commission supports the use of new technologies when appropriate. Piedmont Protest at 3 (citing Answer of Columbia Gulf at 8 (March 20, 2009)).

<sup>12</sup> Piedmont states, that, in fact, it is clear that large quantities of LAUF gas on Columbia Gulf’s system were manually allocated to Columbia Gas, which it asserts that Columbia Gulf does not deny. In fact, Piedmont states that Columbia Gulf has acknowledged that it adjusted LAUF quantities from Columbia Gulf to Columbia Gas. Piedmont Protest at 4 (citing Columbia Gulf Transmission Co., Docket No. RP09-423-000, Transportation Rate Adjustment; Request for Extension of Effective Date at Appendix A at 7 (February 27, 2009); and Answer of Columbia Gulf Transmission Co. at 8-9, (March 20, 2009)).

17. Similarly, WGL notes that, while technologically advanced ultrasonic meters have been installed at interconnection points representing approximately 61% of *receipts* of gas into Columbia Gulf's system, similar metering upgrades have not been made at the interconnections for the *delivery* of gas. WGL comments that this disconnect in the level of accuracy of measuring devices between the receipt points (with the technologically advanced meters) and the delivery points (utilizing less precise measuring devices) has the potential to financially harm customers on Columbia Gulf's mainline system. WGL states that, although Columbia Gulf has identified a problem, it has not made the requisite commitment to investing in the necessary metering improvements.<sup>13</sup> WGL insists that the Commission should require Columbia Gulf to promptly begin to replace its delivery side measurement facilities as soon as practicable, starting with its largest delivery meters.

18. Finally, while WGL states that it appreciates the work Columbia Gulf has undertaken to identify the causes of the high levels of LAUF on its system, WGL states that there are certain operational deficiencies on Columbia Gulf's system that need to be addressed and rectified immediately, outside of the settlement process. First, WGL states that the Commission should require Columbia Gulf to update the February report by (1) completing the compressor station inspections and amending the February report with the results of the remaining five inspections;<sup>14</sup> (2) completing its inspections and reporting on the receipt and delivery meter stations that were not included in the February report; and (3) informing the Commission and the parties of any further corrective actions that it has taken to address the CUG or LAUF matters or to reclassify measurement or accounting entries.

### **C. Protests to the Reservation of a Right to Recover Quantities**

19. Piedmont and WGL raise concerns about Columbia Gulf's express reservation of the right to collect any "unrecovered company-use, lost and unaccounted-for quantities

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<sup>13</sup> WGL Comments at 4-5. WGL points out that Columbia Gulf's February 27, 2009 filing described certain measurement errors and that based on the testing of a sample of meters, it made an accounting adjustment that transferred a certain amount of LAUF balance from Columbia Gulf to Columbia Gas. WGL argues that such intra-corporate, retroactive paper transfers may be justifiable in the limited circumstances surrounding the initial discovery of a measurement discrepancy, but should not be allowed to continue indefinitely, and not beyond the period Columbia Gulf could reasonably be expected to upgrade its delivery-side metering facilities.

<sup>14</sup> WGL asserts that in February, Columbia Gulf stated that it inspected six compressor stations out of 11 total and that the other compressor stations were to be surveyed in 2009. WGL Comments at 4.

for the 2008 calendar year deferral period, *or any other unrecovered quantities*, in a future annual or period TRA filing. Piedmont argues that this reservation of rights is vague and the Commission should not approve it. Piedmont requests the Commission to direct Columbia Gulf to address this unrecovered surcharge issue.

20. In its comments, WGL commits to continue to participate actively in the negotiations between Columbia Gulf and its customers to negotiate the form of future retainage collection. Although WGL does not oppose placing the July 1, 2009 tariff sheets into effect, WGL urges the Commission to require Columbia Gulf to take certain actions, notwithstanding the pending negotiations. WGL also reserves the right to review and challenge any costs that Columbia Gulf may seek to recover in the future if the Commission allows Columbia Gulf to reserve this right. WGL argues the basis for Columbia Gulf's claim that it can retain this very broad right is unclear.

#### **D. Columbia Gulf's Answer**

21. In its answer, Columbia Gulf contends that the tariff sheets should be accepted effective August 1, 2009. Columbia Gulf argues that extending the effective date of the revised retainage rates would mean that Columbia Gulf's under-recovered quantities would continue to increase and that an additional five-month suspension would harm shippers. Columbia Gulf asserts that it will continue to provide information updating its February 27, 2009 TRA filing but does not anticipate identifying causes for increased LAUF that will result in any new significant changes to the LAUF. Columbia Gulf argues that a technical conference is not warranted because, as it explained at the July 16, 2008 technical conference in Docket No. RP08-347-000, higher throughput creates disproportionately higher CUG requirements which no party has challenged and accounts for 80 percent of Columbia Gulf's entire retainage gas. Further, Columbia asserts that it has provided its shippers and the Commission with all available information regarding the factors for the increase in LAUF, has continued to provide updated information and that the rates for the July 1 filing are lower than the rates proposed in the February 27 filing.

22. With regard to the protests and comments about installing or replacing its delivery side metering equipment and whether the alleged measurement anomalies require a LAUF adjustment between Columbia Gulf and Columbia Gas, Columbia Gulf states that its delivery side meters were constructed, installed and are operated pursuant to industry and American Gas Association recommended practices. Columbia Gulf contends that the meters are not defective. Columbia Gulf explains that new meter technology is constantly evolving, being tested and is implemented over time as can be prudently managed, in accordance with industry standards. Columbia Gulf further contends that this evolution of new technology does not render older technology imprudent or in need of instantaneous replacement. According to Columbia Gulf, older technologies continue to be used and operated every day across the pipeline grid in accordance with generally accepted industry standards. Columbia Gulf asserts that it would be imprudent and

unnecessary to establish unprecedented standards that all new (and not always proven) technologies be implemented immediately. Finally, Columbia Gulf states that it has thoroughly responded on the record to all aspects of this issue and the LAUF gas quantities between Columbia Gulf and Columbia Gas and has provided detailed analysis behind the Columbia Gulf and Columbia Gas adjustments in its March 20, 2009 Answer, which it incorporates herein by reference.<sup>15</sup>

### **III. Discussion**

23. The Commission waives Columbia Gulf's tariff provision requiring an April 1 effective date and accepts and suspends Columbia Gulf's July 1, 2009 filing, subject to refund, to be effective August 1, 2009 as proposed by Columbia Gulf. Because Columbia Gulf made the July 1, 2009 filing as a substitute for placing its February 27, 2009 Annual TRA filing into effect on August 1, 2009, the Commission rejects the tariff sheets in the February 27, 2009 filing, listed herein in footnote no. 1, as moot.

24. The Commission has reviewed Columbia Gulf's July 1, 2009 filing and its answer and the protests and comments of the parties. We find that Columbia Gulf's proposed CUG and LAUF retainage percentages raise numerous issues, which are best addressed at a technical conference. A technical conference will afford the Commission Staff and the parties to the proceeding an opportunity to discuss *all* of the issues raised by Columbia Gulf's proposal, including but not limited to: (1) the accuracy of Columbia Gulf's LAUF measurement based on receipt and delivery meters; (2) Columbia Gulf's unrecovered LAUF quantities; (3) the proposed rates; and (4) defining the recovery period for LAUF volumes. Columbia Gulf should be prepared to address all the concerns raised in the protests and comments in these proceedings, and if necessary, to provide additional technical, engineering and operational support for its proposal. Any party proposing alternatives to Columbia's Gulf's proposal should also be prepared to similarly support its position. Finally, based upon its analysis of the information provided concerning Columbia Gulf's proposal, the Commission Staff may issue data requests prior to the technical conference, or the notice of the technical conference may contain questions that need to be addressed by Columbia Gulf or other parties at the conference.

25. Issues concerning Columbia Gulf's reservation of its right to recover the unrecovered CUG and LAUF quantities for the 2008 calendar year deferral period, or any other unrecovered quantities, in a future annual or period TRA filing may also be discussed at the technical conference. At the technical conference, Columbia Gulf is required to support and justify the recovery of any unrecovered quantities for the 2008 calendar year and explain why any unrecovered quantities should be recovered for future or periodic TRA filings.

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<sup>15</sup> Columbia Gulf Answer at 7-8.

26. In its July 1, 2009 filing, Columbia Gulf moved to withdraw the tariff sheets in its February 27, 2009 Annual TRA filing, which are listed in footnote no. 1, effective upon the date the sheets filed in this proceeding are accepted without modification. Since the Commission is accepting and suspending the TRA tariff sheets listed in footnote no. 2, the tariff sheets listed in footnote no. 1 are rejected as moot.

#### **IV. Suspension**

27. Based on a review of the instant filing, the Commission finds that the proposed tariff sheets in the July 1, 2009 filing have not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, the Commission will accept such tariff sheets for filing and suspend their effectiveness for the period set forth below, subject to the conditions set forth in this order.

28. The Commission's policy regarding suspensions is that tariff filings generally should be suspended for the maximum period permitted by statute where preliminary study leads the Commission to believe that the filing may be unjust, unreasonable, or inconsistent with other statutory standards.<sup>16</sup> It is recognized, however, that shorter suspensions may be warranted in circumstances where suspension for the maximum period may lead to harsh and inequitable results.<sup>17</sup> The Commission finds that circumstances exist here where Columbia Gulf is filing its annual update pursuant to an approved gas tracker mechanism. Therefore, the Commission will accept and suspend the proposed tariff sheets in the July 1, 2009 filing to be effective August 1, 2009, subject to refund and the outcome of the technical conference established herein and further order of the Commission in this proceeding.

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<sup>16</sup> See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

<sup>17</sup> See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension).

The Commission orders:

(A) Columbia Gulf's proposed revised tariff sheets filed July 1, 2009, in Docket No. RP09-423-002, as listed in footnote no. 2 herein, are accepted and suspended to be effective August 1, 2009, subject to refund and the outcome of the technical conference established by this order and further order of the Commission in this proceeding.

(B) The Commission's staff is directed to convene a technical conference to address the issues raised by Columbia Gulf's filing and report the results of the conference to the Commission within 120 days of the date this order issues.

(C) The tariff sheets filed on February 27, 2009, in Docket No. RP09-423-000, as listed in footnote no. 1 herein, are rejected as moot.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.