

129 FERC ¶ 61,198  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

December 3, 2009

In Reply Refer To:  
Colorado Interstate Gas Company  
Docket No. RP10-91-000

Colorado Interstate Gas Company  
Post Office Box 1087  
Colorado Springs, CO 80944

Attention: Catherine E. Palazzari  
Vice President

Reference: Request for Waiver

Dear Ms. Palazzari:

1. On October 30, 2009, Colorado Interstate Gas Company (CIG) filed a request for a limited prospective waiver of non-critical penalties for services related to CIG's new Totem Gas Storage Field (Totem Storage) facilities in light of the anticipated November 1, 2009 in-service date of the Totem Storage facilities for full withdrawal and balancing services on CIG's High Plains system.<sup>1</sup> CIG requests that the Commission grant this waiver for the period beginning December 1, 2009 and extending through March 31, 2010. For good cause shown, we grant CIG's request.

2. CIG states that the Commission authorized the Totem Storage project on April 30, 2008, including CIG's proposed new firm storage service under Rate Schedule FS-T, new interruptible storage service under Rate Schedule IS-T, and new transportation and storage balancing service under Rate Schedule TSB-T.<sup>2</sup> CIG states that it began injecting base gas inventory into the field in March 2009 and that customer injections have

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<sup>1</sup> See *Colorado Interstate Gas Co.*, 122 FERC ¶ 61,256 (2008); Docket No. CP07-207-003 (November 17, 2008) (unpublished letter order).

<sup>2</sup> See *Colorado Interstate Gas Co.*, 123 FERC ¶ 61,099 (2008).

continued since that date. CIG anticipates the Totem Storage facilities will be fully available for withdrawal activities, and that CIG will be providing service under all of the new Totem Storage rate schedules, on or around November 1, 2009.

3. CIG states that the Totem Storage facility is connected to CIG's High Plains system, which has been in service for approximately one year. CIG states that hourly delivery requirements and system balancing needs on the High Plains system are being met by the Young Transportation–Storage Balancing Service (Rate Schedule TSB-Y) which is based on CIG's acquired capacity in the Young Storage Field. CIG states that, upon completion of the initial Totem Storage injection season, shippers will have access for the first time to the full range of injection, withdrawal and balancing services available under the currently existing High Plains Rate Schedules,<sup>3</sup> which will place higher demands on the High Plains system pursuant to its contracted entitlements.

4. CIG anticipates that the dynamics of the High Plains incremental system on CIG will be significantly altered as a result of the availability of the full attributes of the Young and Totem Storage balancing contracts and business alignments, and the new delivery coordination and gas dispatching challenges related to the Totem Storage facilities. CIG thus believes that it is prudent to request waiver of non-critical penalties related to the High Plains Rate Schedules for the initial months of Totem Storage withdrawal and balancing operations in order to provide High Plains shippers with sufficient time to familiarize themselves with the operation of the new facilities and services related to Totem Storage as well as their interaction with other High Plains services during the 2009-2010 heating season. CIG further states that this waiver will give CIG the opportunity to streamline its new business processes and systems related to the High Plains service and balancing requirements.

5. CIG therefore requests that the Commission grant waiver of the non-critical penalties for shipper activity related to the Totem Storage facilities for the period from December 1, 2009 through March 31, 2010. Further, CIG states that during the month of November it will use its waiver authority under section 7.15 of the General Terms and Conditions of its tariff to grant waiver of non-critical penalties, if necessary. CIG states that it believes it is appropriate to request that the Commission grant the extended waiver for the heating season because it would apply for an extended four-month period.

6. CIG states that, for the initial few months, it will waive non-critical penalties related to High Plains service as long as the actions causing the penalties are a direct result of the complexity and operational learning curve of the control system of the fully operational High Plains system. CIG further states that if it declares a critical operating

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<sup>3</sup> High Plains Rate Schedules include TSB-Y, FS-Y, IS-Y, TF-HP, TI-HP, and SS-HP.

condition related to High Plains and a shipper incurs a critical condition penalty, the penalty charge will be evaluated to determine whether the shipper complied with all directives from CIG during the critical condition event and whether any other shippers were harmed. If the shipper complied and no other shippers were harmed, CIG states that it will exercise its tariff authority to waive the applicable critical condition penalties pursuant to section 7.15 of the General Terms and Conditions of its tariff.

7. Notice of CIG's filing was issued on November 2, 2009, 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. Public Service Company of Colorado, which states it is the largest customer of both the Totem Storage and High Plains services, filed comments in support of the filing, stating that the limited waiver will provide an opportunity for CIG and the affected customers to learn and understand how to use the new services in a smooth and effective manner that accords with the terms and conditions of CIG's tariff.

8. We will grant CIG's request for a limited waiver of non-critical penalties related to its new Totem Storage facilities for the period of December 1, 2009 through March 31, 2010. As CIG has stated, the waiver will afford the affected parties additional time to adjust to operations under the new Totem Storage service structures. It is reasonable for CIG to waive non-critical penalties while the parties become familiar with the High Plains system dynamics and the effects of Totem Storage withdrawals and balancing on the scheduling and allocation processes. For these reasons, we will grant the requested limited waiver.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.