

130 FERC ¶ 61,090
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

February 4, 2010

In Reply Refer To:
Columbia Gas Transmission, LLC
Docket No. RP10-298-000

Columbia Gas Transmission, LLC
5151 San Felipe, Suite 2500
Houston, TX 77056

Attention: James R. Downs,
Vice President of Regulatory Affairs

Reference: Tariff Sheets to Revise Form of Service Agreement

Dear Mr. Downs:

1. On January 8, 2010, Columbia Gas Transmission, LLC (Columbia Gas) filed revised tariff sheets¹ to revise the term language applicable to Rate Schedules ITS (Interruptible Transportation Service), AS (Aggregation Service), and IPP (Interruptible Paper Pools) to allow contracts to roll over from month to month. Additionally, Columbia Gas proposes to revise the list in its form of service agreements of the types of discounts it may offer to specify that Columbia Gas may grant a discount based on a shipper's commitment of production and/or reserves.² Finally, Columbia Gas made revisions to update its tariff volume references and address for notices under the service agreements. The Commission accepts Columbia Gas' revised tariff sheets effective February 8, 2010, as proposed.

¹ See Appendix for a listing of the revised tariff sheets.

² In its transmittal letter (at 2), Columbia Gas states that this provision is consistent with language approved for Columbia Gulf Transmission Company (Columbia Gulf), Columbia Gas' sister pipeline.

2. Notice of Columbia Gas' filing was issued on January 11, 2010, with interventions and protests due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2009). Pursuant to Rule 214, 18 C.F.R. §385.214 (2009), all timely motions to intervene and any motions to intervene out-of-time filed before the issuance 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. Independent Oil & Gas Association of West Virginia, Inc. (IOGA) filed comments. Columbia Gas filed an answer to the comments.³ The comments and answer are discussed below.

3. IOGA states that it is concerned with Columbia Gas' proposal to offer discounts based on a shipper's commitment of production and/or reserves to the pipeline. IOGA argues that, with the potential influx of new supplies on Columbia Gas' system, it is critical that Columbia Gas provide discounts on a not unduly discriminatory basis. IOGA contends that the Commission should require Columbia Gas to add the entire list of the types of discounts it offers to section 20, Discounting, of the General Terms and Conditions (GT&C) of its tariff, rather than placing that list in the form of service agreements to ensure that all shippers have knowledge of the discount rules. Finally, IOGA seeks clarification as to why a commitment of reserves or production would be relevant to certain services, i.e., park and loan and storage.

4. In its answer, Columbia Gas responds that IOGA's arguments should be rejected. Columbia Gas contends that allowing discounts based on the shipper's dedication of reserves is consistent with Commission policy and precedent and not limited to certain types of services. Columbia Gas further contends that it has reasonably included this production-related discount provision in the form of all service agreements that currently have discount provisions. Columbia Gas argues that one of the primary purposes of including discount provisions in the form of service agreements is to eliminate the need for pipelines to file discount agreements as non-conforming, and all of the other reasons for discounting are set forth in the form of these service agreements. Columbia Gas asserts that these provisions in the form of service agreements are part of its publicly available tariff and all interested parties have notice of the conditions under which Columbia Gas may grant a discount. Columbia Gas argues that the proposed revisions will not affect its obligations under Commission policy and the Natural Gas Act to ensure that all discounts are granted in a non-discriminatory manner.

³ While the Commission's Rules of Practice and Procedure generally prohibit answers to protests, the Commission will accept Columbia Gas' answer to allow a fuller understanding of the issues. *See* 18 C.F.R. § 385.213 (a)(2) (2009).

5. The Commission finds that Columbia Gas has fully supported its filing and rejects IOGA's arguments. Production-related discounts have been approved for other pipelines.⁴ Further, as Columbia Gas asserts, its form of service agreements already contain discount justification provisions and production-related discounts are allowed in Columbia Gulf's form of service agreements.⁵

6. The Commission has held that, if a pipeline desires to offer certain types of discounts without having to file each discount agreement with the Commission as a material deviation, the pipeline may revise either the GT&C section of its tariff or its *pro forma* service agreements to specify the types of generic discounts it offers,⁶ Therefore, Columbia Gas' use of its *pro forma* service agreements to list the types of discounts it offers is consistent with Commission policy. Because the *pro forma* service agreements are part of Columbia Gas' publicly available FERC Gas Tariff, they give appropriate notice of Columbia Gas's reasons for granting discounts, enabling all shippers to determine whether they are similarly situated and entitled to a discount. Further, Columbia Gas is required to post any special details related to discounts, such as whether a discount is based on a production commitment, as proposed in this case.⁷

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁴ See, e.g., *Questar Pipeline Co.*, 103 FERC ¶ 61,005 (2003).

⁵ Columbia Gulf Transmission Company, FERC Gas Tariff, Second Revised Volume No. 1, Seventh Revised Sheet No. 317.

⁶ *Transcontinental Gas Pipe Line Corp.*, 87 FERC ¶ 61,050, at 61,209 (1999). See also *Columbia Gas Transmission Corp.*, 97 FERC ¶ 61,221, at 62,002 n.23 (2001).

⁷ 18 C.F.R. § 284.13(b)(1)(viii) (2009); see also *ANR Pipeline Co.*, 102 FERC ¶ 61,235, at P 11 (2003).

Appendix

Columbia Gas Transmission, LLC

**FERC Gas Tariff
Third Revised Volume No. 1**

Tariff Sheets Accepted Effective February 8, 2010

First Revised Sheet No. 500
First Revised Sheet No. 515
Second Revised Sheet No. 517.01
First Revised Sheet No. 518
First Revised Sheet No. 519.01
First Revised Sheet No. 520
First Revised Sheet No. 522
First Revised Sheet No. 524
First Revised Sheet No. 525
First Revised Sheet No. 527
Second Revised Sheet No. 529
Second Revised Sheet No. 531
First Revised Sheet No. 533
Second Revised Sheet No. 552
First Revised Sheet No. 555
Second Revised Sheet No. 559
First Revised Sheet No. 560
First Revised Sheet No. 563