

130 FERC ¶ 61,226  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 19, 2010

In Reply Refer To:  
Mojave Pipeline Company  
Docket No. RP10-330-000

Mojave Pipeline Company  
Post Office Box 1087  
Colorado Springs, CO 80944

Attention: Richard Derryberry  
Director, Rates

Reference: Letter Order Accepting Tariff Sheets Subject to Conditions

Dear Mr. Derryberry:

1. On January 27, 2010, Mojave Pipeline Company (Mojave) filed revised tariff sheets<sup>1</sup> to clarify and update various tariff provisions, correct tariff references and pagination, and make minor housekeeping changes. Mojave requests a March 22, 2010 effective date for the tendered tariff sheets. The tariff sheets are conditionally accepted effective March 22, 2010, subject to Mojave refile revised tariff sheets as discussed below.

2. In the instant filing, Mojave clarifies and updates tariff provisions related to contracting for firm and interruptible transportation services, electronic execution of contracts, form of service agreements, contract extension and renewal, right-of-first refusal, discounting, capacity release, gas quality, measurement, sales of capacity timeline, waiver of past or future defaults, and contracting for off-system capacity. Mojave states that the proposed updates and corrections conform to Commission policy, provide increased shipper flexibility and administrative efficiency, and ensure consistent pipeline-shipper business transactions. Mojave further states that none of the proposed tariff changes will increase Mojave's revenues or costs.

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<sup>1</sup> See Appendix.

3. Mojave also submitted a new section 37 to the General Terms and Conditions (GT&C) of its FERC Gas Tariff, “Capacity Reserved for Expansion Projects,” to permit Mojave, under certain limited circumstances, to reserve capacity that is available for firm service for future expansion projects. The new tariff provisions describe the process through which Mojave may reserve capacity for future projects and make interim capacity available on a limited basis up to the in-service date of the project. Mojave states that the proposed tariff revisions are consistent with Commission policy permitting pipelines to reserve certain capacity for future expansion projects in a not unduly discriminatory manner.<sup>2</sup>

4. Public notice of Mojave’s filing was issued on January 29, 2010. Interventions and protests were 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 filed motions to intervene and any motions to intervene out-of-time 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. No protests or adverse comments were filed.

5. The Commission finds that Mojave’s proposed tariff revisions are generally consistent with Commission policy. Accordingly, the Commission accepts Mojave’s revised tariff sheets to be effective March 22, 2010, subject to the conditions discussed below.

6. Mojave’s proposal to reserve capacity for future expansion projects is generally consistent with Commission policy.<sup>3</sup> The Commission has found that the reservation of capacity “will minimize facility construction and associated environmental impacts, will encourage fuller utilization of capacity, and will minimize the rate impact of allocating costs of unsubscribed capacity to existing customers once the expansion is completed.”<sup>4</sup> However, Mojave’s proposed tariff provisions require revisions to ensure that reserved capacity for expansion projects is offered in a not unduly discriminatory manner.

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<sup>2</sup> Mojave January 27, 2010 Transmittal Letter at 22 *citing* *Midwestern Gas Transmission Co.*, 106 FERC ¶ 61,229 (2004) (*Midwestern Gas*); *Northern Natural Gas Co.*, 107 FERC ¶ 61,072 (2004); *Kern River Gas Transmission Co.*, 105 FERC ¶ 61,114 (2003); *Northern Border Pipeline Co.*, 105 FERC ¶ 61,228 (2003) (*Northern Border*); *Columbia Gulf Transmission Co.*, 100 FERC ¶ 61,133 (2002); and *Tennessee Gas Pipeline Co.*, 86 FERC ¶ 61,066 (1999).

<sup>3</sup> *See Northwest Pipeline Corp.*, 85 FERC ¶ 61,335, at 62,312 (1998).

<sup>4</sup> *Midwestern Gas*, 106 FERC ¶ 61,229 at P 6.

7. First, Mojave's proposed tariff language in new section 37.1(a) of its GT&C provides that:

Capacity may be reserved up to one year prior to Transporter filing for certificate authority for construction of proposed expansion facilities, and thereafter until all expansion facilities are placed into service.

8. In *Northern Border Pipeline Co.*, the Commission determined that the term "all" could be misinterpreted to include facilities unrelated to the capacity reservation and directed the pipeline to revise its language to clarify that capacity may be reserved only until the expansion facilities related to the certificate filing, for which the capacity was reserved, are placed in service.<sup>5</sup> Mojave is directed to file revised tariff sheets clarifying that capacity may only be reserved until the expansion facilities related to the certificate filing for which the capacity was reserved are placed in service.

9. Second, in its transmittal letter, Mojave states that, for capacity to be reserved, it must have been posted as unsubscribed capacity or in an open season for at least five business days prior to the date on which the reservation will become effective.<sup>6</sup> However, the posting period does not appear in new section 37.1 of the GT&C of its tariff. In *Northern Natural Gas Co.*, the Commission required the pipeline to expressly state that the capacity will be posted for bidding for at least five business days before it can be reserved.<sup>7</sup> Therefore, Mojave is directed to file revised tariff sheets expressly stating that the capacity will be posted for at least five business days before capacity can be reserved.

10. Third, Mojave's proposed tariff language in new section 37.1(c) of its GT&C provides that "[i]f Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its EBB." However, the new tariff language does not specify that Mojave will post and award the available capacity as set forth in Mojave's existing tariff. In *Midwestern Gas*, the Commission directed the pipeline to revise its language to expressly state in its tariff that, before reserving any capacity for an expansion, the pipeline will post and award all of its available capacity as set forth in its existing tariff.<sup>8</sup> Therefore, Mojave must file revised tariff language expressly stating that

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<sup>5</sup> See *Northern Border Pipeline Co.*, 103 FERC ¶ 61,390, at P 19 (2003).

<sup>6</sup> Mojave January 27, 2010 Transmittal Letter at 22.

<sup>7</sup> See *Northern Natural Gas Co.*, 105 FERC ¶ 61,057, at P 13 (2003).

<sup>8</sup> See *Midwestern Gas*, 106 FERC ¶ 61,229 at P 9-10.

before reserving any capacity for an expansion, it will post and award available capacity in accordance with its existing tariff and reference the related tariff provisions.

11. Fourth, new section 37.1(c) of the GT&C of Mojave's tariff provides that:

To the extent Transporter has not already solicited turnback capacity, the posting for reserved capacity shall also include a non-binding solicitation for turnback capacity to serve the expansion project, provided that Transporter shall post the non-binding solicitation for turnback capacity no later than 90 Days after the close of the expansion project open season . . . .

12. Mojave's proposal to make a non-binding solicitation for turnback capacity no later than 90 days after the close of the expansion project's open season does not provide a timeframe for responding to the solicitation. The Commission has previously required pipelines to file revised tariff language that provides a timeframe including the minimum term for responding to the solicitation.<sup>9</sup> Mojave is directed to file revised tariff language that provides a timeframe including the minimum term for responding to the solicitation.

13. The Commission conditionally accepts Mojave's revised tariff sheets effective March 22, 2010, and directs Mojave to file revised tariff sheets consistent with the discussion above within 30 days from the date of this order.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>9</sup> See *ANR Pipeline Co.*, 107 FERC ¶ 61,187, at P 8, n.7 and P 13 (2004) *citing* *Midwestern Gas*, 106 FERC ¶ 61,229 (approving Tariff Sheet No. 275 which stated that the turnback solicitation will specify the minimum term for a response to the solicitation); and *Northern Border*, 105 FERC ¶ 61,228 (approving Tariff Sheet No. 272A containing same language).

## Appendix

Mojave Pipeline Company  
Docket No. RP10-330-000  
Filed January 27, 2010

### FERC Gas Tariff, Second Revised Volume No. 1 **Tariff Sheets Conditionally Accepted Effective March 22, 2010**

Third Revised Sheet No. 1	First Revised Sheet No. 208
First Revised Sheet No. 5	Original Sheet No. 208A
Thirty-First Revised Sheet No. 11	First Revised Sheet No. 209
Sheet Nos. 12-19	First Revised Sheet No. 210
Original Sheet No. 20	Second Revised Sheet No. 211
Original Sheet No. 21	Third Revised Sheet No. 215
Sheet Nos. 22-99	Second Revised Sheet No. 216
Second Revised Sheet No. 100	Second Revised Sheet No. 217
First Revised Sheet No. 101	Original Sheet No. 217A
Second Revised Sheet No. 102	Original Sheet No. 217B
Second Revised Sheet No. 103	Fifth Revised Sheet No. 218
Third Revised Sheet No. 105	Third Revised Sheet No. 219B
Fifth Revised Sheet No. 106	Second Revised Sheet No. 220A
Fifth Revised Sheet No. 107	Second Revised Sheet No. 227
Fifth Revised Sheet No. 108	Second Revised Sheet No. 228
Fourth Revised Sheet No. 109	First Revised Sheet No. 234
Second Revised Sheet No. 131	Third Revised Sheet No. 235
First Revised Sheet No. 132	Second Revised Sheet No. 238
Second Revised Sheet No. 133	Second Revised Sheet No. 240
Third Revised Sheet No. 134	Second Revised Sheet No. 240A
Original Sheet No. 134A	Third Revised Sheet No. 240B
Third Revised Sheet No. 135	Fourth Revised Sheet No. 241
Fifth Revised Sheet No. 200	Original Sheet No. 242A
First Revised Sheet No. 201	Third Revised Sheet No. 247
Original Sheet No. 201A	First Revised Sheet No. 248
Eleventh Revised Sheet No. 202	Original Sheet No. 248A
Tenth Revised Sheet No. 203	First Revised Sheet No. 249
Fifth Revised Sheet No. 203A	First Revised Sheet No. 256
First Revised Sheet No. 204	First Revised Sheet No. 266
First Revised Sheet No. 205	Sheet Nos. 267-272
First Revised Sheet No. 206	Original Sheet No. 273
Original Sheet No. 206A	Original Sheet No. 274
Original Sheet No. 206B	Original Sheet No. 275
First Revised Sheet No. 207	Original Sheet No. 275A

## Appendix

Mojave Pipeline Company  
Docket No. RP10-330-000  
Filed January 27, 2010

### FERC Gas Tariff, Second Revised Volume No. 1 **Tariff Sheets Conditionally Accepted Effective March 22, 2010**

Original Sheet No. 275B	First Revised Sheet No. 470
Original Sheet No. 276	First Revised Sheet No. 471
Original Sheet No. 277	First Revised Sheet No. 472
Original Sheet No. 278	First Revised Sheet No. 473
Original Sheet No. 279	First Revised Sheet No. 474
Original Sheet No. 280	First Revised Sheet No. 475
Original Sheet No. 281	First Revised Sheet No. 476
Original Sheet No. 282	First Revised Sheet No. 477
Original Sheet No. 283	Third Revised Sheet No. 487
Original Sheet No. 284	Fourth Revised Sheet No. 490
Sheet Nos. 285-399	Third Revised Sheet No. 491
Original Sheet No. 431A	Third Revised Sheet No. 492
First Revised Sheet No. 432	Third Revised Sheet No. 493
Third Revised Sheet No. 433	
Second Revised Sheet No. 434	
Second Revised Sheet No. 435	
Second Revised Sheet No. 436	
First Revised Sheet No. 436A	
Second Revised Sheet No. 437	
First Revised Sheet No. 437A	
Fourth Revised Sheet No. 438	
Original Sheet No. 450A	
First Revised Sheet No. 451	
Third Revised Sheet No. 452	
Second Revised Sheet No. 453	
Second Revised Sheet No. 454	
Second Revised Sheet No. 455	
First Revised Sheet No. 456	
First Revised Sheet No. 457	
First Revised Sheet No. 458	
First Revised Sheet No. 466	
First Revised Sheet No. 467	
First Revised Sheet No. 468	
First Revised Sheet No. 469	