

130 FERC ¶ 61,265
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
and John R. Norris.

Columbia Gas Transmission, LLC

Docket No. RP10-401-000

ORDER CONDITIONALLY ACCEPTING AND SUSPENDING ANNUAL
TRANSPORTATION COST RATE ADJUSTMENT FILING SUBJECT TO REFUND,
ESTABLISHING HEARING AND SETTLEMENT JUDGE PROCEDURES,
CONSOLIDATING PROCEEDINGS AND GRANTING LIMITED WAIVER
REQUEST

(Issued March 31, 2010)

1. On February 26, 2010, Columbia Gas Transmission, LLC (Columbia Gas) filed revised tariff sheets¹ to reflect its annual Transportation Cost Rate Adjustment (TCRA), pursuant to the provisions of section 36 of the General Terms and Conditions (GT&C) of its tariff, with a proposed effective date of April 1, 2010. In addition, Columbia Gas requests a limited waiver of the Commission's directive requiring Columbia Gas to submit a report regarding capacity it holds on Millennium Pipeline Company, LLC (Millennium). As discussed below, the tariff sheets referenced in footnote no. 1 are accepted and suspended effective April 1, 2010, subject to refund and the outcome of hearing and settlement judge proceedings and an additional report filing. The Commission also grants the requested limited waiver to permit the Millennium capacity report to be filed no later than May 4, 2010.

I. Background

2. Section 36 of Columbia's GT&C provides for it to recover its "Operational 858 costs" through a tracking mechanism. Section 36.1(a) defines Operational 858 costs as "costs incurred for the transmission and compression of gas by others . . . including amounts paid to upstream pipelines for contracts retained as a result of Transporter's Order No. 636 restructuring, or utilized in Transporter's post-restructuring operations."

¹ Tenth Revised Sheet Nos. 25 and 26, Eighth Revised Sheet No. 27, Thirteenth Revised Sheet No. 28, and Tenth Revised Sheet Nos. 29 and 30 to FERC Gas Tariff, Third Revised Volume No. 1.

Section 36.2 requires Columbia to make an annual TCRA rate filing on or before March 1 of each year to be effective April 1. The TCRA rates include two components: (1) the “Current Operational TCRA Rate,” which recovers Operational 858 costs Columbia projects it will incur during the April to March annual period the TCRA rate will be in effect, and (2) the “Operational TCRA Surcharge,” which trues up over- and under-recoveries during the preceding calendar year. Section 36.4(a)(1) and (2) of the GT&C provides that each component of the TCRA rates shall be allocated to the applicable rate schedules “on an as-billed basis and in a manner consistent with Transporter’s currently effective cost allocation and rate design.” This filing comprises Columbia Gas annual filing pursuant to section 36 of the GT&C of its tariff to adjust its TCRA effective April 1, 2010.

3. The Current Operational TCRA Rate includes projected Operational Account No. 858 contract costs of \$35,731,026. Columbia Gas’ projects that it will incur these costs under firm and interruptible contracts with Algonquin Gas Transmission Co., Texas Eastern Transmission Corporation, National Fuel Gas Supply Corp., Tennessee Gas Pipeline Co., and its affiliate, Millennium. Columbia Gas’ proposed Operational TCRA surcharge reflects a net under-recovery, inclusive of interest, of \$5,792,691. Columbia Gas proposes to collect on an as-billed basis an under-recovery of \$4,240,381 in demand costs and to collect an under-recovery of \$1,552,310 in commodity costs. Columbia Gas also includes in its filing an appendix reflecting the billing determinants to be used to derive the Current Operational TCRA Rate and the Operational TCRA Surcharge reflected in this filing.

4. Columbia Gas holds transportation capacity on Millennium under (1) a lease (Leased Capacity) and (2) its service agreement for 24,600 Dth per day of firm capacity under Rate Schedule FT-1 (Millennium FT-1 Capacity). The Commission issued Columbia Gas a certificate to obtain the leased capacity in 2006 when Columbia Gas abandoned its Line 5-A and needed the Millennium capacity to serve customers previously served through Line 5-A.² In the certificate order, the Commission directed that Columbia Gas not include the cost of the Leased Capacity in its TCRA until it submits a section 4 filing to remove the costs of the Line A-5 facilities from its base rates to prevent double recovery.³ Columbia purchased the FT-1 capacity on Millennium pursuant to section 48 of its GT&C which permits it to obtain off-system capacity on other pipelines.

² See *Millennium Pipeline Co., LLC, et al.* 117 FERC ¶ 61,319 (2006).

³ *Id.*

5. Columbia Gas first proposed to recover costs associated with its capacity on Millennium in its 2009 TCRA filing. Consistent with the directive in the certificate order, Columbia Gas only proposed to include the costs of its Millennium FT-1 Capacity. In addition, Columbia Gas stated that the annual cost of service savings associated with the abandonment of the Line A-5 facilities is \$6,381,235. Columbia Gas contended that the annual cost associated with the Leased Capacity was \$5,029,766, for a so-called “Net Remaining Savings Balance” of \$1,351,469. Therefore, Columbia Gas proposed to reduce the cost recovery for the Millennium FT-1 Capacity by \$1,351,469 to assure the Commission and its shippers that Columbia Gas will not double recover any portion of equivalent costs associated with the Line A-5 facilities while these costs are still part of base rates.

6. The Commission approved Columbia Gas’ proposed inclusion of the cost of the Millennium FT-1 capacity in its 2009 TCRA, as reduced by the Net Remaining Savings Balance of \$1,351,469 to avoid double recovery of the costs of the Leased Capacity.⁴ The Commission also approved Columbia Gas’ proposal, in a compliance filing, to retain 8,000 Dth of it’s Millennium FT-1 Capacity for operational purposes at least through March 31, 2010, but to make the remaining 16,600 Dth per day of the FT-1 Capacity available to shippers for primary firm service for a term of up to one full year, subject to various conditions.⁵ Columbia Gas stated that after the first one-year term, it would reexamine how much of the Millennium Capacity it needed for operational purposes, and then offer any remaining capacity for sale on a primary firm basis. The Commission required Columbia Gas to include a report in its 2010 TCRA filing on its continuing need for the term limitation as well as updating the quantity of Millennium Capacity available on a primary firm basis.

7. Columbia Gas requests a waiver of its obligation to include in this filing a report on the continuing need for the term limitation⁶ as well as updating the quantity of Millennium capacity available on a primary basis in this year’s annual TCRA filing and in an Electric Bulletin Board (EBB) posting for its customers to review. In a previous compliance filing, Columbia Gas explained that it would reevaluate its need for the Millennium capacity after the 2009-2010 winter season. Columbia Gas requests this limited waiver due to the fact that the winter season will not conclude until March 31, 2010, after which Columbia Gas will need additional time to complete its engineering

⁴ *Columbia Gas Transmission, LLC*, 126 FERC ¶ 61,319 (2009).

⁵ *Columbia Gas Transmission, LLC*, 128 FERC ¶ 61,071, at P 15 (2009).

⁶ Primary-point access is currently limited to one-year, annually auctioned transactions.

analysis regarding its need for this capacity. Columbia Gas asserts that a waiver deferring the obligation to file this report until May 4, 2010 will provide Columbia Gas with sufficient time to evaluate its operational needs and could benefit shippers because it may ultimately result in more of the Millennium capacity being offered to shippers.⁷

II. Public Notice, Intervention, and Comments

8. Public notice of Docket No. RP10-401-000 was issued on March 1, 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 all 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.

9. Protests were filed by Piedmont Natural Gas Company, Inc. (Piedmont); Orange and Rockland Utilities, Inc. (O&R); Baltimore Gas and Electric Company (BGE); and the Cities of Charlottesville and Richmond, Virginia (Cities). A limited protest was filed by the United States Gypsum Company (USGC) and Washington Gas Light Company (Washington Gas) filed comments.

10. On March 16, 2010, Columbia Gas filed an answer to the protests. While the Commission's regulations do not permit the filing of answers to protests,⁸ the Commission will accept the answer because it provides additional information which aids in our decision making process.

III. Discussion

11. Based on a review of the filing, the Commission finds that the proposed tariff sheets referenced in footnote no. 1 have not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, the Commission shall accept the tariff sheets referenced in footnote 1 for filing and suspend their effectiveness for the period set forth below, subject to the conditions set forth in this order.

⁷ Columbia Gas February 26, 2010 Transmittal Letter at 3.

⁸ 18 C.F.R. § 385.213 (2009).

A. Millennium Cost Recovery

12. In the order approving Columbia Gas' 2009 TCRA filing, the Commission held that Columbia Gas was permitted to recover through the TCRA mechanism costs attributable to 24,600 Dth per day of firm capacity under Rate Schedule FT-1 that it holds on Millennium.⁹ In this filing, Columbia Gas again proposes to include the Millennium FT-1 Capacity costs. However, it asserts that the "Remaining Net Savings Balance" associated with the Leased Capacity is \$736,339, not the \$1,351,469 balance included in the 2009 TCRA filing, and therefore it proposes to credit that lesser amount against the claimed Millennium FT-1 Capacity costs.

1. Protests

13. O&R and the Cities raise concerns with the inclusion of Millennium's capacity costs in the TCRA mechanism. Both protestors ask Columbia Gas to provide an explanation for the decrease in the Remaining Net Savings Balance associated with the capacity that Columbia Gas leases from Millennium.¹⁰

14. The protestors also contend that Columbia Gas' sale of the 16,600 Dth per day of Millennium FT-1 Capacity not required for operational purposes may allow it to double recover those costs. The Cities encourage the Commission to require Columbia Gas to offset the revenues recovered from the sale of such capacity so that costs of that capacity are not double recovered.¹¹ The Cities also request that the Commission require Columbia Gas to explain how revenues from the remarketed capacity are handled under its TCRA mechanism.¹²

15. O&R similarly protests Columbia Gas' double collection of costs associated with capacity it purchased from Millennium Pipeline.¹³ Specifically, O&R raises concerns that Columbia Gas is now charging system customers for 16,600 Dth/day of the

⁹ See *Columbia Gas Transmission, LLC*, 126 FERC ¶ 61,319, at P 19 (2009).

¹⁰ Cities March 10, 2010 Motion to Intervene and Protest at 5; see also O&R March 10, 2010 Motion to Intervene and Protest at 5.

¹¹ Cities March 10, 2010 Motion to Intervene and Protest at 6.

¹² *Id.*

¹³ O&R March 10, 2010 Motion to Intervene and Protest at 2.

Millennium capacity sold to certain shippers through the proposed TCRA mechanism.¹⁴ O&R asserts that, unlike the previous year's filing, this filing does not contain any deductions to prevent the double collection of the entirety of the Millennium FT-1 demand charges.¹⁵ O&R also maintains that since Columbia Gas has sold its Millennium capacity to others, the costs associated with this capacity are not TCRA costs.¹⁶ Finally, O&R requests that if the Commission does not reject inclusion of the Millennium costs in the TCRA costs, it should require Columbia Gas to explain the changed Millennium Demand costs, in particular why the costs for January 2009 were so much higher than in any other month of 2009; and why it is no longer crediting the Millennium capacity savings.¹⁷

2. Answer

16. In its answer, Columbia Gas asserts that it has the right to be compensated for the use of its system that results from offering the Millennium capacity to shippers under the terms and conditions of its tariff.¹⁸ Columbia Gas states that it is appropriate to retain revenues related to third-party capacity used to provide service on Columbia Gas' system.¹⁹ Columbia Gas contends that requiring Columbia to credit revenues associated with the Millennium capacity is contrary to long-standing Commission precedent.²⁰

17. Crediting of these revenues, Columbia Gas argues is also inconsistent with the Commission holding that pipelines may retain revenues from secondary or interruptible service provided using off-system capacity.²¹ Columbia Gas alleges that to rule

¹⁴ *Id.* at 3.

¹⁵ *Id.* at 5.

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 5. O&R notes that in the previous year the costs were \$5,467,104 subtracted by \$1,351,469 in annual Millennium lease costs. O&R is concerned that such annual lease costs are not deducted from the costs in this year's filing.

¹⁸ Columbia Gas March 17, 2010 Answer at 8.

¹⁹ *Id.* at 9.

²⁰ *Id.*

²¹ *Id.* at 10 (citing *Millennium Pipeline Company, LLC*, 130 FERC ¶ 61,121, at P 11, n.8 (2010)).

otherwise would “essentially be requiring the pipeline to offer transportation service for free.”²² Further, Columbia Gas raises concerns that removing this capacity from the TCRA will result in a requirement to offer the Millennium capacity at an annual loss.²³ Columbia Gas’ also contends that the protestors’ arguments amount to a collateral attack on the Commission’s previous decision, which permits Columbia Gas to recover the costs of the Millennium capacity through the TCRA.²⁴

18. In its answer, Columbia Gas also provides an explanation for the decrease in the Remaining Net Savings Balance.²⁵ Columbia Gas contends that the previous year’s annual TCRA filing did not accurately calculate the balance to take into account the increase in the annual costs for the leased capacity on Line A-5.²⁶ Columbia Gas submits workpapers along with its answer, which it believes demonstrates that it is not double-recovering the costs of the Line A-5 facilities.²⁷

3. Determination

19. The Commission approves Columbia Gas proposed inclusion of the cost of the Millennium FT-1 Capacity in its TCRA, without any crediting of Columbia Gas revenues from the sale of such capacity against those costs. Columbia Gas has proposed to design both the Current Operational TCRA Rate and the Operational TCRA Surcharge based on its demand determinants projected to be effect on April 1, 2010, and projected throughput levels for the 12-month period ending March 31, 2010. Those volumes include any volumes associated with the sale of the Millennium FT-1 capacity not required for operational purposes. The inclusion of those volumes in the design of the TCRA rates effectively allocates a portion of the costs of the Millennium FT-1 Capacity to Columbia Gas sales of the capacity not required for operational purposes, and therefore Columbia

²² *Id.*

²³ *Id.* at 11. Columbia Gas’ estimates this annual loss to be \$2.06 million dollars, which represents the difference between Columbia Gas’ recourse rate and the rate it pays Millennium, applied to the 16,600 Dth/d it has offered to shippers on a primary firm basis.

²⁴ *Id.* at 12 (*citing Columbia Gas Transmission, LLC*, 126 FERC ¶ 61,319 (2009)).

²⁵ The Remaining Net Savings Balance reflects the costs Columbia Gas pays under the lease and the cost-of-service savings associated with Line A-5.

²⁶ *Id.* at 13.

²⁷ *Id.* at 13-14.

Gas is entitled to retain its revenues from those sales. Therefore, after reviewing the filing, the protests, and Columbia Gas' answer, we find that Columbia Gas has adequately justified the costs concerning the Millennium FT-1 Capacity.

20. Moreover, we believe that the workpapers submitted by Columbia Gas demonstrate that Columbia Gas' correction of an error in the cost of the lease explains the decrease in the Remaining Net Savings Balance. Therefore, Columbia Gas is not double-recovering the costs of the Line A-5 facilities and there is no need for a further explanation of the decrease in the Remaining Net Savings Balance.

B. Billing Determinants

21. In its filing, Columbia Gas included a discount adjustment to the billing determinants used to derive the Current Operational TCRA Rate and the Operational TCRA Surcharge. Columbia Gas asserts that the determinants are those projected to be in effect on April 1, 2010, consistent with section 36.4(a) of the GT&C of its tariff.²⁸

1. Protests

22. BGE expresses concern that the billing determinants used to derive the TCRA rates are different from the billing adjustments shown in Columbia Gas' Docket No. RP10-402-000 Electric Power Costs Adjustment (EPCA) filing made concurrently with the TCRA filing. BGE argues that since the EPCA proposed discount adjustment is incorporated in this filing, the TCRA filing is internally inconsistent by having individual adjustment components based on entirely different billing determinants.²⁹ BGE further asserts that the discounting adjustments are inconsistent with a prior Commission ruling.³⁰

2. Answer

23. In its answer, Columbia Gas asserts that the difference in the billing determinants used to derive the TCRA and EPCA rates is the result of a discount adjustment affecting the TCRA billing determinants.³¹ Columbia Gas points out that the Commission has

²⁸ Columbia February 26, 2010 Transmittal Letter at 3.

²⁹ BGE March 10, 2010 Motion to Intervene and Protest at 3.

³⁰ *Id.* at 4 citing *Columbia Gas Transmission Corp.*, 106 FERC ¶ 61,128, at P 47 (2004).

³¹ Columbia Gas March 17, 2010 Answer at 14.

permitted it to attribute discounts of its transportation rates to its base rates and its TCRA rates on a *pro rata* basis.³² Columbia Gas filed revised workpapers along with its answer, which it believes will resolve BGE's concerns regarding the billing determinants used to calculate the TCRA.³³ Columbia Gas also pledges to include workpapers showing the calculation of the discount adjustment in future TCRA filings.³⁴

3. Determination

24. After reviewing the filing, BGE's protest, and the revised working papers accompanying Columbia Gas answer, we conclude that Columbia Gas has adequately resolved the issue concerning the billing determinants. Section 20.2 of Columbia Gas GT&C provides that Columbia Gas may attribute discounts on a *pro rata* basis between its base rates and its TCRA rates. The same section provides that Columbia Gas may only attribute discounts to its EPCA rates after it has fully discounted its base rates and TCRA rates.³⁵ As a result, while Columbia Gas has discounted its TCRA rates, it has not discounted its EPCA rates. Therefore, it is appropriate that the billing determinants used to design the TCRA rates reflect a discount adjustment, but the billing determinants used to design the EPCA rates do not. We are also satisfied that the additional transparency concerning the workpaper calculations will lead to a better understanding of the billing determinants used to derive future TCRA rates. Therefore, we direct Columbia Gas to include workpapers showing the calculation of the discount adjustment in future TCRA filings.

C. Prudence of Emergency Transportation Costs

25. Columbia Gas proposes to include in its Operational TCRA Surcharge, the costs of emergency third-party transportation costs incurred during January 2009, in connection with the rupture of Columbia Gas Line 1278 on November 5, 2008.

³² Citing *Columbia Gas Transmission Corp.*, 70 FERC ¶ 61,364, at 62,065 (1995), approving section 20.2 of Columbia Gas' TCRA.

³³ Columbia Gas March 17, 2010 Answer at 14.

³⁴ *Id.*

³⁵ See *Columbia Gas Transmission Corp.*, 106 FERC ¶ 61,128, at P 47.

1. Protests

26. BGE, Washington Gas, Piedmont, and the Cities all raise concerns with the inclusion of this cost in the surcharge. The protestors point out that with respect to rupture costs for calendar year 2008, the Commission referred this issue to proceedings before a settlement judge, and absent settlement, set the prudence of the Line 1278 costs for hearing.³⁶ The protestors argue that the facts and circumstances underlying the incurrence of the rupture leading to the cost which Columbia Gas proposes to recover in this proceeding are the same as those underlying the Line 1278 rupture costs set for settlement judge and hearing proceedings in Docket No. RP09-792-000.³⁷ The protestors, therefore, encourage the Commission to consolidate this filing with Docket No. RP09-792-000 proceeding to permit a comprehensive consideration of all issues concerning the prudence of Columbia Gas' incurrence of third-party transportation costs.³⁸

27. Piedmont asserts that Columbia Gas through its approved rates is already compensated for maintaining its facilities and the replacement of such facilities as required. Piedmont, therefore, argues that the third-party transportation costs associated with Line 1278 were not prudently incurred and therefore should not be passed on to Columbia Gas shippers by way of a surcharge.³⁹

2. Answer

28. In its answer, Columbia Gas agrees with the protestors that the costs associated with the rupture of Line 1278 should be subject to refund and the outcome of the settlement and/or hearing procedures in Docket No. RP09-792-000.⁴⁰ Columbia Gas, however, encourages the Commission to refrain from consolidating this proceeding with Docket No. RP09-792-000 due to concerns with the potential for an increase in costs to

³⁶ *Columbia Gas Transmission, LLC*, 129 FERC ¶ 61,037, at P 25 (2009).

³⁷ *See, e.g.*, Cities March 10, 2010 Motion to Intervene and Protest at 3.

³⁸ *See, e.g.*, Piedmont March 10, 2010 Motion to Intervene and Protest at 4.

³⁹ Piedmont March 10, 2010 Motion to Intervene and Protest at 4.

⁴⁰ Columbia Gas March 16, 2010 Answer at 4.

shippers due to interest incurred over the course of an expanded proceeding.⁴¹ Moreover, Columbia Gas asserts that arguments regarding its ability to recover third-party transportation costs resulting from the Line 1278 rupture are a collateral attack on a prior Commission order.⁴²

3. Determination

29. In Docket No. RP09-792-000, the Commission determined that Columbia Gas may be able to recover the emergency third-party transportation costs through its TCRA, but only to the extent that those costs were prudently incurred.⁴³ The emergency third-party transportation costs included in the instant filing arise out of the same events as the costs at issue in Docket No. RP09-792-000. Accordingly, the Commission consolidates the filing here with the ongoing settlement and hearing procedures established in Docket No. RP09-792-000 for purposes of resolving all issues concerning the prudence of Columbia Gas's incurrence of the third-party transportation costs. We encourage the parties to comprehensively consider the prudence issue during the course of ongoing settlement discussions. The Commission will therefore, as requested, condition the outcome in this proceeding on the conclusion of the consolidated hearing and settlement proceedings. Because we are accepting and suspending this filing for the minimum period, as discussed below, the consolidation of these proceedings should not affect the timing of Columbia Gas' recovery of these costs, and therefore Columbia Gas' concern about increased interest costs is unsupported.

D. Limited Waiver Request

30. In an order accepting Columbia Gas 2009 TCRA filing, the Commission required Columbia Gas to include a report on the continuing need for a one-year term limitation capacity on the Millennium line as well as updating the quantity of Millennium capacity available on a primary firm basis in this year's annual TCRA filing and in an EBB posting for its customers to review.⁴⁴ Columbia Gas requests a limited waiver of this reporting requirement due to the fact that the winter season will not conclude until

⁴¹ *Id.* at 4-6. Columbia Gas notes that only seven percent of Columbia Gas' total third-party transportation costs concerning the Line 1278 rupture are included in this filing.

⁴² *Id.* at 6-7.

⁴³ *Columbia Gas Transmission, LLC*, 129 FERC ¶ 61,037, at P 25 (2009).

⁴⁴ *Columbia Gas Transmission, LLC*, 128 FERC ¶ 61,071, at P 20 (2009).

March 31, 2010, after which Columbia Gas will need additional time to complete its engineering analysis regarding its need for this capacity.

1. Protests

31. Washington Gas filed comments and USGC filed a limited protest concerning Columbia Gas limited waiver request. USGC asserts that the report requirement is necessary for the Commission to make an informed assessment of the TCRA filing.⁴⁵ USGC believes that it is important that the parties and the Commission have an opportunity to evaluate the complete application and disaggregating the report from this filing leaves the parties and the Commission in no position to evaluate the filing.⁴⁶ USGC requests that the Commission give parties an opportunity to file comments and protests once Columbia Gas has supplied its report regarding the Millennium capacity.⁴⁷ Both USGC and Washington Gas, therefore, encourage the Commission to make any approval of the 2010 TCRA subject to a comprehensive evaluation of that report.⁴⁸

2. Answer

32. In its answer, Columbia Gas states that it does not oppose granting parties additional time to submit comments on its report on Millennium capacity.⁴⁹ Columbia Gas, however, objects to accepting the revised TCRA rates subject to the evaluation of the report, because they argue that the evaluation is not related to whether Columbia properly included these costs in its TCRA rates.⁵⁰

⁴⁵ USGC March 10, 2010 Motion to Intervene and Limited Protest at 3.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*; see also Washington Gas March 10, 2010 Motion to Intervene and Comments at 3.

⁴⁹ Columbia Gas March 17, 2010 Answer at 15.

⁵⁰ *Id.*

3. Determination

33. The Commission will grant Columbia Gas request to defer the obligation to file the Millennium report until May 4, 2010.⁵¹ Such an extension is necessary to permit Columbia Gas to comprehensively evaluate the operational needs for the Millennium capacity.

34. As we have previously stated “Columbia Gas can only offer service that it knows it can provide.”⁵² The Commission agrees with Washington Gas and USGC that the report is necessary to evaluate the amount of Millennium capacity which should be factored into the TCRA filing. Therefore, the Commission will make the approval of this filing subject to the outcome of that evaluation. Furthermore, as requested, the report will be publicly noticed, which will provide parties with an opportunity to comment on the contents of the report.

E. Other Matters

1. Request for a Technical Conference

35. BGE requests that the Commission conduct a technical conference to resolve issues concerning billing adjustments and prudency costs on Line 1278.⁵³ The Commission will deny BGE’s request for a technical conference. As discussed above, the issues raised here can be resolved based on the information in the record or through the hearing and settlement judge proceeding ordered above. Therefore, the Commission finds that a technical conference is unnecessary.

2. Suspension Period

36. 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.⁵⁴ BGE and Piedmont encourage the

⁵¹ Of note, no parties contested the practical considerations used to justify the waiver request.

⁵² *Columbia Gas Transmission, LLC*, 128 FERC ¶ 61,071, at P 18 (2009).

⁵³ BGE March 10, 2010 Motion to Intervene and Protest at 4.

⁵⁴ See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

Commission to suspend the proposed rate increase for the maximum statutory period.⁵⁵ 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.⁵⁶ Here, where Columbia Gas is filing its annual TCRA, the Commission will exercise its discretion to accept and suspend the tariff sheets for a minimal period, to become effective April 1, 2010, subject to refund and other conditions set forth above.

The Commission orders:

(A) The tariff sheets listed above are accepted and suspended, to be effective April 1, 2010.

(B) The limited waiver request is hereby granted and Columbia Gas has until May 4, 2010 to file the report mentioned above.

(C) Pursuant to the authority of the Natural Gas Act, particularly sections 4, 5, 8, 9, and 15 thereof, and the Commission's rules and regulations, a public hearing shall be held in the captioned docket concerning the lawfulness of Columbia Gas' proposed rates.

(D) This proceeding is consolidated with the proceeding in Docket No. RP09-792-000, including the ongoing settlement judge proceedings in that docket for purposes of resolving all issues concerning the prudence of Columbia Gas's incurrence of the third-party transportation costs.

(E) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge for both consolidated proceedings, shall, within fifteen (15) days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is

⁵⁵ See BGE March 10, 2010 Motion to Intervene and Protest at 4; *see also*, Piedmont March 10, 2010 Motion to Intervene and Protest at 4.

⁵⁶ See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension).

authorized to establish procedural dates and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.