

131 FERC ¶ 61,175
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 26, 2010

In Reply Refer To:
CenterPoint Energy Gas Transmission Company
Docket No. RP10-642-000

CenterPoint Energy Gas Transmission Company
P.O. Box 21734
Shreveport, LA 71151

Attention: B. Michelle Willis, Manager, Regulatory & Compliance

Reference: Rate Schedule FSS Tariff Revisions

Ladies and Gentlemen:

1. On April 26, 2010, CenterPoint Energy Gas Transmission Company (CenterPoint) submitted Second Revised Sheet No. 196 to its FERC Gas Tariff, Sixth Revised Volume No. 1 to revise tariff provisions relating to in-field transfers of storage volumes. CenterPoint states that it is removing tariff language that is ambiguous and has led to confusion among the pipeline and its shippers. We accept Second Revised Sheet No. 196 effective May 26, 2010, as proposed.

2. CenterPoint states that section 8 of Rate Schedule FSS provides that a shipper may transfer title to all or part of its storage balance to either CenterPoint or another party.¹ Section 8 of Rate Schedule FSS also states that the shippers involved are responsible for “charges applicable to the transportation to Storage Points of Injection”² associated with those volumes, as well as “charges upon withdrawal for the transportation of such gas to its delivery point(s).”³ CenterPoint states that it is clear that transmission service into and out of storage will be required in connection with an in-field transfer, and the

¹ Second Revised Sheet No. 196.

² First Sheet No. 196.

³ *Id.*

transportation references in section 8 of Rate Schedule FSS are redundant and have led to confusion among the pipeline and its shippers.⁴ CenterPoint states that the ambiguous tariff language may discourage the use of asset managers because the tariff language may be interpreted to require duplicative charges for in-field title transfers of storage volumes, even when the transfer only involves one shipper who is utilizing an asset manager, not two shippers. CenterPoint proposes to delete references to transmission charges from section 8 of Rate Schedule FSS to eliminate the ambiguity of this tariff section.⁵ After the tariff revision, there will no longer be a doubling of transportation charges (i.e., one for the in-field transfer and a second for removal from storage) where transportation service is only provided once for a single shipper with an asset management arrangement.

3. Public notice of CenterPoint's filing was issued on April 27, 2010. Interventions and protests were due as provided in section 154.210 of the Commission's regulations,

⁴ In an April 26, 2010 motion in Docket No. RP10-240-000, CenterPoint indicates that the purpose of its filing here in Docket No. RP10-642-000 is to revise language in its tariff that gave rise to a previous request for waiver of that tariff language; CenterPoint now argues that the previous request for waiver was not necessary because it should not have interpreted the language as requiring CenterPoint to assess additional storage charges to an asset manager for its affiliate. In a February 2, 2010 Order (130 FERC ¶ 61,083), in Docket No. RP10-240-000, the Commission denied the waiver request as unsupported, but did not interpret the subject tariff language. The Commission disagrees with CenterPoint's assertion that a waiver was not necessary. As evidenced by the instant filing, the prior tariff language could be read to require additional charges for in-field title transfers of storage volumes, even where the transfer only involved the shipper's asset manager. Otherwise CenterPoint would not be seeking to amend the tariff language here. Accordingly, CenterPoint was correct to request waiver in Docket No. RP10-240-000. The Commission denied that request for waiver because it lacked support. CenterPoint may re-submit a request for waiver but in order to receive favorable action, such a filing must fully support the request so as to show good cause why a waiver should be granted.

⁵ CenterPoint proposes to revise section 8 of Rate Schedule FSS as follows (in red-line):

~~“If such transfer of title shall occur, the original shipper shall be responsible for charges all applicable to the transportation to Storage Points of Injection as if such quantities had been delivered to such Shipper's other Delivery points and for all storage charges up to the date of such transfer, and the succeeding Shipper shall be responsible for all storage charges applicable to such Gas under its Service Agreement on and after the date of transfer and for separately paying charges upon withdrawal for the transportation of such Gas to its Delivery Point(s).”~~

18 C.F.R. § 154.210. 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 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. On May 10, 2010, Arkansas Public Service Commission, Tenaska Marketing Ventures, Sequent Energy Management, L.P., and CenterPoint Energy Resources Corp. submitted motions to intervene and comments in support of CenterPoint's proposal. In addition, on May 10, 2010, Shell Energy North America (US), L.P. (Shell Energy) submitted a motion to intervene and protest. On May 17, 2010, CenterPoint submitted an answer to Shell Energy's protest. While the Commission's Rules of Practice and Procedure generally prohibit answers to protests,⁶ the Commission will accept CenterPoint's answer because it has aided us in our decision-making process.

4. Shell Energy states that while it does not oppose the elimination of two charges for the same service, it does oppose the fact that this proposal is limited only to Rate Schedule FSS. Shell Energy notes that the basis of CenterPoint's filing is that a Rate Schedule FSS customer should pay once for the services it uses. Shell Energy requests the Commission to require CenterPoint to implement the same principle in the context of the activity rate for Rate Schedule Perryville Hub Service (Rate Schedule PHS).

5. Shell Energy states that prior to May 4, 2010, CenterPoint interpreted Rate Schedule PHS to provide that CenterPoint could assess the activity rate only once per parking or loan transaction: either 1) one charge for parking and removing gas, or 2) one charge for receiving loaned gas and redelivering it. Shell Energy states that on May 4, 2010, it received notification from CenterPoint that CenterPoint would begin assessing the activity rate for both the act of parking gas (or receiving loan gas) and the act of removing parked gas (or redelivering loaned gas) under Rate Schedule PHS. Shell Energy notes that CenterPoint did not make a tariff filing to revise Rate Schedule PHS and CenterPoint's explanation as to why it has started assessing two activity rates per parking or loaning transaction is that there is a high demand for the parking and loan service.

6. Shell Energy requests that the Commission require CenterPoint to revert back to its prior practice of not charging twice for parking and loan service. In the alternative, Shell Energy requests the Commission convene a technical conference to explore all issues related to CenterPoint's storage services.

7. In its answer, CenterPoint states that Shell Energy's protest is unrelated to the tariff filing made in this docket and the protest should be denied. CenterPoint notes that Shell Energy has misrepresented the circumstances that have resulted in it now paying

⁶ See 18 C.F.R. § 385.213(a)(2) (2009).

the full recourse rate for parking and loan services under Rate Schedule PHS. CenterPoint states that prior to May 7, 2010, demand for interruptible intraday parking and loan service was relatively light and Shell Energy was provided a discount in an intraday interruptible service contract under Rate Schedule PHS. CenterPoint states that market demand for this intraday service has resulted in a discount no longer being available and Shell Energy was not offered the same discount in connection with a new intraday interruptible service contract executed by the parties.

8. CenterPoint also states in its answer that this filing is amending a different portion of its tariff that deals with firm services that are totally different from the interruptible services being received by Shell Energy. CenterPoint argues that Shell Energy's protest is a contract dispute that it is fully prepared to discuss with Shell Energy. CenterPoint states that this contract dispute has no place in this unrelated tariff change docket. Therefore, CenterPoint states the Commission should deny Shell Energy's protest and grant without delay all of the relief requested in its April 26, 2010 tariff filing.

9. The Commission finds that CenterPoint's tariff changes are beneficial because they remove tariff language that would otherwise cause duplicative charges to be imposed when a shipper is utilizing an asset manager, which may discourage the use of asset management arrangements. Therefore, we accept Second Revised Sheet No. 196 effective May 26, 2010, as proposed.⁷

10. We find that Shell Energy's protest is beyond the scope of this proceeding and is denied without prejudice to Shell Energy further pursuing its concern.

The Commission orders:

The Commission accepts Second Revised Sheet No. 196 effective May 26, 2010.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁷ The Commission will waive the thirty-day notice requirement of section 4 of the Natural Gas Act to permit the tariff sheet to take effect May 26, 2010. CenterPoint filed the tariff sheet April 26, 2010 and requested a May 26, 2010 effective date, which provides only twenty-nine days notice prior to the requested effective date.