

131 FERC ¶ 61,251  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 16, 2010

In Reply Refer To:  
MoGas Pipeline LLC  
Docket No. RP10-720-000

MoGas Pipeline LLC  
110 Algana Court  
St. Peters, MO 63376

Attention: Stephanie Morr, Vice President and General Counsel

Reference: Request for Waiver of NAESB index-based capacity release standards

Ladies and Gentlemen:

1. On May 7, 2010, MoGas Pipeline LLC (MoGas) filed a request for a waiver of the North American Energy Standards Board (NAESB) Version 1.9 index-based capacity release standards.<sup>1</sup> MoGas states that it has had no shipper requests and does not anticipate future requests for index-based pricing for capacity release on its system and that implementing the NAESB standards associated with index-based releases will result in a substantial burden for MoGas.

2. MoGas states that it is an interstate natural gas pipeline with a system that extends from an interconnection with Panhandle Eastern Pipe Line in Pike County, Missouri to an interconnection with CenterPoint Energy-Mississippi River Transmission Corporation in Madison County, Illinois. MoGas transports gas to local distribution companies and end-user delivery points. MoGas contends that there are no published gas indices tied to or developed based on the receipt and delivery points on the MoGas system and therefore no price index exists that could

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<sup>1</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order No. 587-U, FERC Stats. & Regs. ¶ 31,302 (2010) (Order No. 587-U).

represent the value of transportation on the MoGas system. Moreover, MoGas states that no shipper has ever requested index-based pricing for a capacity release and that MoGas itself has never sold capacity on its system using index prices. MoGas also asserts that unlike most pipelines that utilize indices for purposes of imbalance cash outs or penalties, its tariff does not include a reference to price indices.

3. MoGas argues that the time, cost and burden for MoGas to implement the requirements of the NAESB standards associated with index-based releases is in excess of the cost amounts described in Order No. 587-U.<sup>2</sup> MoGas states that complying with the NAESB standards will divert important resources from the services and initiatives that shippers and prospective shippers on MoGas's system have demonstrated an actual interest in pursuing. MoGas also notes that the Commission has previously granted MoGas a waiver from certain NAESB standards regarding EDI/EDM requirements based on the high cost of compliance and relatively small size of MoGas.<sup>3</sup>

4. MoGas offers to post information on the MoGas web site to direct any shipper desiring to make an index-based capacity release to a Customer Service Representative who will post notices of index-based release offers on its web site, manually evaluate bids, make awards by the deadlines prescribed by the NAESB standards, and post their winning bids on its website. MoGas states this process will work for non-biddable index-based releases as well.

5. Finally, MoGas requests a waiver of the 30-day time limit for submitting requests for waiver of the NAESB standards.<sup>4</sup>

6. Public notice of the filing was issued on May 11, 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 motion 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 the proceeding or place additional burdens on existing parties.

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<sup>2</sup> See MoGas Transmittal Sheet at 4 (citing Order No. 587-U at P 45-46).

<sup>3</sup> See *id.* at 5 (citing *Missouri Interstate Gas, LLC, et al.*, 119 FERC ¶ 61,074, at P 92 (2007)).

<sup>4</sup> See *id.* at 2 (citing Order No. 587-U at n.51).

7. The Commission finds that a limited waiver of the electronic requirements of the NAESB index-based capacity release standards is appropriate in this situation.<sup>5</sup> We grant waiver of the index-based capacity release NAESB standards for the electronic data interchange and Internet requirements based on the administrative burden and costs for MoGas, the low probability of a releasing shipper on the MoGas system wanting to utilize index-based pricing, and the commitment by MoGas to provide another mechanism for such pricing. However, to the extent MoGas requests waiver of NAESB's business practice standards for index-based capacity release, MoGas has not supported such request and we deny waiver of NAESB's business practices. MoGas is also required, when it files its Version 1.9 compliance filing, to amend its tariff to specify procedures for index-based capacity releases on its system to reflect the proposed procedures in its request for waiver.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

cc: Paul Korman  
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<sup>5</sup> We also find good cause to grant the waiver of the time limit for submitting requests for waiver of the NAESB standards.