

134 FERC ¶ 61,241  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

March 28, 2011

In Reply Refer To:  
Equitrans, L.P.  
Docket No. RP11-1848-000

Equitrans, L.P.  
625 Liberty Avenue  
Suite 1700  
Pittsburgh, PA 15222-3111

Attention: Thomas Yeh, Manager, Rates and Commercial Analysis

Reference: Non-Conforming Service Agreement with Stand Energy Corporation

Dear Mr. Yeh:

1. On March 1, 2011, Equitrans, L.P. (Equitrans) filed revised and new tariff records<sup>1</sup> to report a non-conforming service agreement with Stand Energy Corporation (Stand). Equitrans's service agreement with Stand (Contract Number EQTR11372-553) is for firm storage service under Equitrans's Rate Schedule 115SS<sup>2</sup> with a primary term through March 31, 2012. The service agreement is a maximum rate agreement with a Total Annual Storage Quantity (TASQ) of 124,000 Dth.

2. Equitrans states that the service agreement contains a non-conforming provision that provides for a shortened written notice to terminate the storage contract. Specifically, section 6 of the form of service agreement is a fill-in-the-blank section allowing for 3 choices as to the expiration of the primary term of the contract. The third choice provides for the contract to continue year to year subject to termination upon "twelve" months prior written notice. The non-

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<sup>1</sup> See Appendix.

<sup>2</sup> Rate Schedule 115SS is a 115 day Firm Storage Service with Storage Injections beginning April 1 through October 31 and Storage Withdrawals beginning November 1 through March 31. Customer's daily withdrawals are calculated as  $1.1/115^{\text{th}}$  of the customer's Total Annual Storage Quantity (TASQ).

conforming provision of the contract modifies this third choice by changing the written termination notice period to two months, versus the twelve months in the *pro forma* contract.

3. Equitrans states that because the volumes associated with this contract are small – 124,000 Dth, which is less than 1 percent of Equitrans’s contracted firm storage space – the twelve month termination notice is not essential to allow Equitrans to re-market the capacity. Therefore, Equitrans agreed to reduce the termination notice period from twelve months to two months. Equitrans further states that a shortened termination notice would be considered for any future shipper requesting firm storage service containing a “minimal” TASQ compared to Equitrans’s contracted firm storage space.<sup>3</sup>

4. Public notice of the filing was issued on March 2, 2011. Interventions and protests were due on or before March 14, 2011. Pursuant to Rule 214,<sup>4</sup> all timely filed motions to intervene and any unopposed 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. No protests or adverse comments were filed.

5. If a pipeline and a shipper enter into a contract that materially deviates from the pipeline’s form of service agreement, the Commission’s regulations require the pipeline to file the contract containing the material deviations with the Commission.<sup>5</sup> In *Columbia Gas Transmission Corporation*,<sup>6</sup> the Commission clarified that a material deviation is any provision in a Transportation Service Agreement that (1) goes beyond filling in the blank spaces with the appropriate information allowed by the tariff, and (2) affects the substantive rights of the parties. One category of material deviation that is not permitted is negotiated terms and conditions of service that result in a shipper receiving a different quality of service than that offered other shippers under the pipeline’s generally applicable tariff or that affect the quality of service received by others.<sup>7</sup> The Commission has not provided pipelines with the authority to file for pre-approval of the right to

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<sup>3</sup> Equitrans Transmittal Letter at 2.

<sup>4</sup> 18 C.F.R. § 385.214 (2010).

<sup>5</sup> 18 C.F.R. § 154.1(d) (2010).

<sup>6</sup> *Columbia Gas Transmission Corp.*, 97 FERC ¶ 61,221 (2001).

<sup>7</sup> *Monroe Gas Storage Co., LLC*, 130 FERC ¶ 61,113, at P 28 (2010).

negotiate terms and conditions of service with individual customers because of the risk of undue discrimination among customers.<sup>8</sup>

6. Equitrans's non-conforming agreement modifies section 6 of Exhibit A to provide for a two month written notice rather than a twelve month written notice to terminate the contract. The Commission finds that the ability to terminate a service agreement with substantially less prior notice is a valuable right that should be offered pursuant to not unduly discriminatory conditions in the pipeline's generally applicable tariff. Therefore, the Commission will accept Equitrans's proposed tariff records effective April 1, 2010, subject to the following conditions. Within 30 days of this order, Equitrans must either revise its agreement with Stand to remove the shortened written notice period or revise its tariff so that all customers are on notice that parties with a "minimal" TASQ may negotiate the termination notice required to terminate each contract. Further, the "minimal" TASQ must be appropriately defined, so that there will be no confusion or ambiguity regarding which contracts would be eligible for reduced notice periods.

By the direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>8</sup> *Tennessee Gas Pipeline Co.*, 97 FERC ¶ 61,225, at 62,029 (2001); *ANR Pipeline Co.*, 97 FERC ¶ 61,223, at 62,017 (2001).

**Appendix**

Equitrans, L.P.  
Equitrans Tariff  
FERC NGA Gas Tariff

Tariff Records Accepted Effective April 1, 2011

Section 6.42, Non-Conforming Agreements, 4.0.0

Section 2.1, Stand Energy Corporation, EQTR11372-553, 0.0.