

134 FERC ¶ 61,252
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 30, 2011

In Reply Refer To:
Transcontinental Gas Pipe Line
Company, LLC
Docket No. RP11-1832-000

Transcontinental Gas Pipe Line Company, LLC
2800 Post Oak Boulevard
P.O. Box 1396
Houston, TX 77251-4060

Attention: Charlotte Hutson
Manager, Rates

Reference: Transmission Electric Power Adjustment Filing

Ladies and Gentlemen:

1. On March 1, 2011, Transcontinental Gas Pipe Line Company, LLC (Transco) filed revised tariff records¹ to adjust its Transmission Electric Power (TEP) rates pursuant to section 41 of the General Terms and Conditions (GT&C) of its tariff. For the reasons discussed below, the Commission will accept the tariff records to be effective April 1, 2011.
2. Section 41 of Transco's GT&C requires Transco to file to modify the rates through which it recovers its TEP charges, incurred at electric compressor stations and gas coolers located at compressor stations, at least thirty days prior to each April 1, which is the beginning date for the TEP Annual Period. The costs underlying Transco's revised TEP rates consist of two components: the Estimated TEP costs for the period April 1, 2011, through March 31, 2012, plus the balance in the TEP Deferred Account as of January 21, 2011.

¹ See Appendix.

3. Transco is proposing increases in its TEP rates to: (a) recover \$32,539,763 of estimated electric power costs for compressor stations and gas coolers during the annual period April 1, 2011, through March 31, 2012, and (b) account for an under recovery of \$6,599,875 reflected in the TEP Deferred Account Balance as of January 31, 2011, based on projected billing determinants for the April 1, 2011, through March 31, 2012 annual period.

4. Public notice of the filing was issued on March 1, 2011. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.² Pursuant to Rule 214,³ all timely filed motions to intervene and any unopposed 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. Washington Gas Light Company (Washington Gas) filed comments in the nature of a protest and a request for a technical conference and BP Energy Company (BP) filed a conditional protest. On March 22, 2011, Transco filed an answer to both pleadings. The Commission's Rules of Practice and Procedure do not permit an answer to a protest unless otherwise ordered.⁴ However, the Commission finds good cause to accept Transco's answer because it will assist us in resolving the issues raised by the parties.

5. Both Washington Gas and BP assert that Transco does not justify why the TEP rates are significantly increasing. BP claims that neither the filing nor Transco's tariff provide any explanation as to how Transco determines what the estimated electric costs, contract demand, and commodity volumes should be to derive the TEP for this next period. In addition, BP seeks clarification as to whether this increase in rates is consistent with historical cost levels in Transco's prior period adjustments. Washington Gas avers that Transco makes no statement as to any actions that are being taken, or could be taken, to minimize the increased expenses. Both parties request that the Commission require Transco to provide an explanation as to the causes of the increase in the TEP rate and its determination of its estimated power costs, contract demand, and commodity volumes used to derive the TEP. Additionally, Washington Gas requests a Technical Conference to provide a review of Transco's use of its electric-driven compressors and a forum to investigate the detail of these rate increases.

6. In response, Transco states that contrary to BP's assertion, section 41 of its GT&C provides a step-by-step description of the manner in which TEP rates are calculated, which it contends complies with section 154.403 of the Commission's regulations

² 18 C.F.R. § 385.210 (2010).

³ 18 C.F.R. § 385.214 (2010).

⁴ 18 C.F.R. § 385.213(a)(2) (2010).

governing periodic rate adjustments. Further, Transco states that the TEP filing was prepared and submitted in accordance with section 41 of the GT&C and includes the workpapers necessary to support the calculation and allocation of the TEP costs reflected in that filing. Transco argues that, pursuant to the procedures set forth in section 41.4 of the GT&C, it has projected the electric power costs for each of its electric compressor stations and gas coolers located at compressor station locations for the upcoming annual period April 1, 2011, through March 31, 2012, based on the provider's electric pricing plans that apply to each station. Specifically, Transco states that: (a) Appendix B contains workpapers supporting the derivation of the revised TEP rates proposed in the March 1 filing; (b) Appendix C contains schedules detailing the Estimated TEP Costs for the period April 1, 2011, through March 31, 2012; and (c) Appendix D details the calculation of the TEP Deferred Account balance and reflects the resulting amount of transmission electric power costs that are allocated to rate zones (based upon the contract demand and commodity volumes) for the period April 1, 2011 through March 31, 2012, and the TEP rates designed accordingly.

7. According to Transco, the reason for the increase in the TEP rates is straightforward and reflects Transco's greater reliance on electric compressor stations in lieu of gas fueled compression in its operations as a result of shifting gas flow patterns on its system. Transco maintains that it operates all of its facilities on an integrated basis and determines the appropriate amounts and locations of compression horsepower necessary to meet expected loads. Transco states that trends in gas flows on its system have resulted in an increased use of compression that is electric powered rather than gas fueled.

8. Additionally, Transco asserts that its approach to operating its compression benefits its customers. Transco states that, when viewed in isolation, the March 1 filing reflects an increase in electric power rates. However, Transco contends that the proposed TEP rates taken in conjunction with its recently revised fuel retention percentages⁵ will result in a decrease in Transco's overall 100 percent load factor IT and FT rates for forward haul transactions, as reflected in the table below:⁶

⁵ Accepted to be effective April 1, 2011, by unpublished delegated letter order issued March 4, 2011, in Docket No. RP11-1787-000.

⁶ See Attachment 1 of Transco's Answer.

	Current	Proposed	Difference
Fuel Percentage	5.65%	4.62%	(1.03 %)
Fuel Rate	\$0.22600*	\$0.18480*	(\$0.04120)
Total 100% Load Factor Rate	\$0.75192	\$0.72335	(\$0.02857)

*Fuel rate converted from percentage to dollar amount assuming \$4.00 gas price.

9. The Commission finds that Transco's proposed TEP rates are based on costs and projected billing determinants that were derived in accordance with section 41 of Transco's tariff and are fully supported. We find reasonable Transco's explanation for the proposed increase in its TEP rates, i.e., that a shift in gas flow patterns has resulted in Transco's increased reliance on electric powered compression in lieu of gas fueled compression. In addition, Transco has clarified that the increase in the TEP rates will be more than offset, and Transco's customers will experience a net transportation rate decrease, when taken in conjunction with Transco's revised fuel retention percentages which are also effective April 1, 2011, and which likewise reflect Transco's decreased reliance on gas fueled compression. For these reasons, we deny the requests for additional information and Washington Gas' request to convene a technical conference. Accordingly, we accept Transco's tariff records listed in the Appendix to be effective April 1, 2011, as proposed.

By direction of the Commission.

Nathaniel J. Davis, Sr.
Deputy Secretary.

APPENDIX**Transcontinental Gas Pipe Line Company, LLC
FERC NGA Gas Tariff
Fifth Revised Volume No. 1****Tariff Records Accepted Effective April 1, 2011:**

Section 1.1.1, FT - Non-Incremental Rates, 3.0.0
Section 1.1.2, FT - SunBelt Expansion Rates, 3.0.0
Section 1.1.4, FT - Pocono Expansion Rates, 2.0.0
Section 1.1.5, FT - Cherokee Expansion Rates, 3.0.0
Section 1.1.6, FT - Southcoast Expansion Rates, 3.0.0
Section 1.1.7, FT - Market Link Expansion Rates, 2.0.0
Section 1.1.8, FT - Sundance Expansion Rates, 3.0.0
Section 1.1.9, FT - Leidy East Expansion Rates, 2.0.0
Section 1.1.10, FT - Momentum Expansion Rates, 3.0.0
Section 1.1.12, FT - Leidy to Long Island Expansion Rates, 2.0.0
Section 1.1.13, FT - Potomac Expansion Rates, 2.0.0
Section 1.1.14, FT - Sentinel Expansion Rates, 2.0.0
Section 1.1.15, FT - 85 North Expansion Rates, 3.0.0
Section 1.2, Rate Schedule FT-G Rates, 3.0.0
Section 1.3, Rate Schedule FTN Rates, 3.0.0
Section 2.1, Rate Schedule IT Rates, 3.0.0
Section 5.1, Rate Schedule SS-1 Section 7(c) Transportation Rates, 2.0.0
Section 5.2, Rate Schedules X-269, X-270, X-274 through X-276 Rates, 2.0.0
Section 6.1, Certificated Interruptible Transportation Rates, 3.0.0
Section 7.1, Rate Schedule GSS Rates, 4.0.0
Section 7.2, Rate Schedule LSS Rates, 3.0.0
Section 7.4, Rate Schedule SS-2 Rates, 2.0.0
Section 10.2, Trading Fees and Fuel Retention Percentages, 3.0.0