

135 FERC ¶ 61,084  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

April 28, 2011

In Reply Refer To:  
Texas Gas Transmission, LLC  
Docket No. RP11-1913-000

Texas Gas Transmission, LLC  
3800 Frederica Street  
Owensboro, KY 42304

Attention: J. Kyle Stephens, Vice President  
Regulatory Affairs and Rates

Reference: Letter Order Accepting Tariff Revision, Subject to Condition

Ladies and Gentlemen:

1. On March 29, 2011, Texas Gas Transmission, LLC (Texas Gas) filed General Terms and Conditions (GT&C), Billing and Payment, 3.0.0, to its FERC NGA Gas Tariff (Tariff), Fourth Revised Volume No. 1, modifying section 6.15[7] of the GT&C of its Tariff. Texas Gas requests that the proposed tariff record become effective April 28, 2011. We accept Texas Gas' revised tariff record effective April 28, 2011, subject to condition, as discussed below.
2. Texas Gas states that it is proposing to modify the time limitations for addressing billing errors and prior period adjustments caused by deliberate omissions, misrepresentations, and mutual mistakes of fact. Specifically, Texas Gas proposes to add the following language to section 6.15[7] of its GT&C: "In no event will any changes be made to a statement or invoice after twenty-four (24) months from the date of statements, billings or payment, based on actualized volumes, unless the parties mutually agree."
3. Texas Gas states that while its tariff contains the North American Energy Standards Board (NAESB) standard 3.3.15, which establishes a six-month time period for

corrections to invoices,<sup>1</sup> that provision does not address a time limitation for billing errors and prior period adjustment resulting from deliberate omissions, misrepresentations, and mutual mistakes of fact. Texas Gas states that the instant filing addresses this gap by requiring that changes to a statement or invoice be addressed within 24 months of the statement or invoice. Texas Gas asserts that this language is identical to the language approved for Texas Gas' sister pipelines, Gulf Crossing Pipeline Company LLC<sup>2</sup> and Gulf South Pipeline Company, LP.<sup>3</sup> Texas Gas further asserts that the Commission has previously approved nearly identical tariff language in several other pipeline tariffs.<sup>4</sup> Texas Gas contends that the proposed language will provide clarity and certainty to both parties with respect to stale claims resulting from deliberate omissions, misrepresentations, and mutual mistakes of fact in billing disputes and prior period adjustments.

4. Public notice of Texas Gas' filing issued on March 29, 2011. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2010)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2010)), 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 the proceeding or place additional burdens on existing parties. The Western Tennessee Municipal Group, the Jackson Energy Authority, City of Jackson, Tennessee, and the Kentucky Cities (together, Cities) filed a motion to intervene and comments.

5. In their comments, the Cities request that the Commission make the following clarification in its order on the proposal: "As long as a customer *raises a claim* with the pipeline prior to the 24-month deadline, the pipeline must promptly address the claim and, if appropriate, make the necessary statement or invoice changes – even if it means that the changes will not be made until after the deadline."

---

<sup>1</sup> See *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587, FERC Stats. & Regs. ¶ 31,038, *reh'g denied*, Order No. 587-A, 77 FERC ¶ 61,061 (1996).

<sup>2</sup> *Gulf Crossing Pipeline Co. LLC*, 130 FERC ¶ 61,159 (2010).

<sup>3</sup> *Gulf South Pipeline Co., LP*, 131 FERC ¶ 61,103 (2010).

<sup>4</sup> See *Rockies Express Pipeline LLC*, 121 FERC ¶ 61,130 (2007); *Natural Gas Pipeline Co. of America*, 79 FERC ¶ 61,421, at 62,772 (1997); *Trailblazer Pipeline Co.*, 79 FERC ¶ 61,042, at 61,192 (1997).

6. The Cities assert that this clarification would prevent the pipeline from sitting on timely claims until after the deadline, then responding by stating that it cannot make the requested changes pursuant to the tariff language. The Cities further assert that the requested clarification is consistent with the tariffs of other pipeline companies,<sup>5</sup> which contain the same 24-month deadline but each of which also provides that “[a]ny error discovered as a result of a timely claim shall be corrected within thirty (30) days of the determination thereof.”

7. The Cities’ request for clarification is reasonable. The scenario the Cities suggest – that the claim is left to languish by the pipeline – would be an implicit abrogation of the pipeline’s contractual and statutory duty to process claims without unreasonable delay, such that if this type of pipeline misconduct is shown, then the 24-month time limit would not apply.<sup>6</sup>

8. We find Texas Gas’ proposed tariff revision would be just and reasonable with the addition of language stating that “any error discovered as a result of a timely claim shall be corrected within 30 days of the determination thereof” as Cities suggest. Both Texas Gas and Cities have pointed out that the Commission has approved similar language for other pipelines. Texas Gas has indicated in its transmittal letter that it did not intend any substantive departure from these like provisions.<sup>7</sup> Accordingly, we accept Texas Gas’ proposed revision effective April 28, 2011, subject to Texas Gas filing a revised tariff

---

<sup>5</sup> See, Trailblazer Pipeline Company LLC, FERC Gas Tariff, GT&C § 16.5(d); Natural Gas Pipeline Company of America LLC, FERC Gas Tariff, GT&C § 15.5(d); Rockies Express Pipeline LLC, FERC Gas Tariff, GT&C § 12.5(d).

<sup>6</sup> We note that in the cases cited above any error discovered as a result of a timely claim shall be corrected within 30 days of the determination thereof. Moreover, Texas Gas itself discusses these companies’ tariff provisions and states that “differences between the language being proposed by Texas Gas and that contained in the above-referenced tariffs are non-substantive and result from tailoring the proposed provision to the particular section in which it is being inserted in Texas Gas’ tariff.” March 29, 2011 Transmittal Letter at 2, n.5. Accordingly, the Commission understands Texas Gas is committed to promptly process valid claims in the same manner.

<sup>7</sup> Id.

record within 30 days of this order inserting the language discussed above as it appears in these other pipelines' similar provisions.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.