

136 FERC ¶ 61,081
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 4, 2011

In Reply Refer To:
Cranberry Pipeline Corporation
Docket No. PR11-113-000

Cranberry Pipeline Corporation
Three Memorial Plaza
840 Gessner, Suite 1400
Houston, TX 77024

Attention: Lisa A. Machesney, Managing Counsel

Reference: Request for Waiver

Ladies and Gentlemen:

1. On June 6, 2011, Cranberry Pipeline Corporation (Cranberry) filed a request for limited waiver of the requirement in Form No. 549D to specify the receipt point for each jurisdictional transaction (Receipt Point Reporting Requirement),¹ which took effect pursuant to Order Nos. 735 and 735-A.² For good cause shown, we grant waiver of the Receipt Point Reporting Requirement, limited in the manner discussed below.

2. In Order No. 735, the Commission revised the contract reporting requirements for intrastate pipelines performing interstate service under section 311 of the Natural Gas Policy Act (NGPA) and Hinshaw pipelines with limited jurisdiction blanket certificates under § 284.224 of the Commission's regulations. The Final Rule revised section 284.126(b) of the Commission's regulations and created a new Form No. 549D:

¹ 18 C.F.R. § 284.126(b)(1)(iv) (2011).

² *Contract Reporting Requirements of Intrastate Natural Gas Companies*, Order No. 735, 75 Fed. Reg. 29,404 (May 26, 2010), FERC Stats. & Regs. ¶ 31,310 (2010), *order on reh'g*, Order No. 735-A, 75 Fed. Reg. 80,685 (Dec. 23, 2010), FERC Stats. & Regs. ¶ 31,318 (2010).

Quarterly Transportation and Storage Report for Intrastate Natural Gas and Hinshaw Pipelines. As part of that order, the Commission included a Receipt Point Reporting Requirement at section 284.126(b)(1)(iv) of the Commission's regulations, which states that as part of each quarterly report, the respondent must detail "the primary receipt and delivery points covered by the contract, identified by the list of points that the pipeline has published with the Commission." The Commission also acknowledged the particular challenges in reporting receipt points for systems that perform a gathering function. Accordingly, the Commission declared, "for gas received from dedicated wells or gathering lines, respondents may instead note as the receipt point the common point where the gathered gas is considered to enter the pipeline's transmission system."³

3. Public notice of Cranberry's filing was issued on June 8, 2011. Interventions and protests were due June 17, 2011, as provided in section 154.210 of the Commission's regulations.⁴ Pursuant to Rule 214,⁵ 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. No protests were filed.

4. In its request for waiver, Cranberry argues that it cannot identify receipt points. Cranberry states that it has over 2,300 receipt points. Its system has been constructed in phases over decades, and continues to be constructed to "tie-in" natural gas production from newly completed wells. Cranberry states that the locations of compression facilities on Cranberry's system are designed to facilitate the delivery of gas from these wells into the downstream markets through the various pipeline interconnections with Cranberry's facilities. Accordingly, Cranberry argues, its pipeline system is not a typical "long-line" system; rather, Cranberry's pipeline system more closely resembles a web-like configuration that tracks the gas production developed in the areas in which Cranberry operates. Cranberry states that only three of its receipt points connect with interstate pipelines; it has one connection each with Columbia Gas Transmission Corporation, Dominion Transmission, Inc., and Tennessee Gas Pipeline Company.

5. Cranberry states that it currently has only one customer for which it provides interruptible transportation service pursuant to section 311 of the NGPA, and that it does not provide any Commission-jurisdictional firm service. Cranberry states that a shipper is entitled to service at all Cranberry receipt and delivery points. Because of the configuration of Cranberry's system, Cranberry claims it can only track deliveries of

³ Order No. 735, FERC Stats. & Regs. ¶ 31,310 at P 60.

⁴ 18 C.F.R. § 154.210 (2011).

⁵ 18 C.F.R. § 385.214 (2011).

NGPA Section 311 gas based on the quantities of gas measured at the delivery points where it interconnects with the three interstate pipelines.

6. We grant Cranberry limited waiver of the Receipt Point Reporting Requirement. Since Cranberry's sole current customer has (and any future customers would have) rights to all internal receipt points at all times, there is no marketing distinction among any of its internal common points. Any section 311 customers would draw gas without regard to where on Cranberry's system the gas is produced. Therefore, for wellhead gas, the Receipt Point Reporting Requirement would not generate data that we expect would be useful to market participants.

7. Where Cranberry's system is gathering and transporting gas produced within its own service area, we find Cranberry has provided sufficient evidence to show good cause for waiver. Accordingly, Cranberry may designate its internal receipt points as "production pool" on Form No. 549-D. Where Cranberry receives gas from a third-party pipeline, Cranberry does not seek and we do not grant waiver of the Receipt Point Reporting Requirement.

8. The Commission has previously held that "Cranberry must file a new petition for rate approval pursuant to 18 C.F.R. § 284.123(b)(2) to justify its current rate or to propose a new rate applicable to NGPA section 311 service on or before December 15, 2012."⁶ Unless Cranberry requests in that petition that the waiver be extended and demonstrates that its circumstances have not changed, our grant of waiver shall expire 150 days thereafter.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁶ *Cranberry Pipeline Corp.*, Docket No. PR10-4-000 (March 30, 2010) (unpublished letter order). Cranberry remains eligible under Order No. 735 to extend the deadline for its next petition for rate approval to December 15, 2014. If Cranberry does motion for this extension of time, the Commission shall automatically extend its waiver of the Receipt Point Reporting Requirement to December 15, 2014 as well.