

137 FERC ¶ 61,111  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

November 4, 2011

In Reply Refer To:  
Tennessee Gas Pipeline Company  
Docket No. RP11-1942-000

Tennessee Gas Pipeline Company  
2101 L Street, NW, Suite 1000  
Washington, DC 20037

Attention: C. Todd Piczak, Senior Counsel

Reference: Uncontested Settlement

Dear Mr. Piczak:

1. On September 22, 2011, Tennessee Gas Pipeline Company (Tennessee) filed a Stipulation and Agreement (Settlement) that would resolve all pending issues in Docket No. RP11-1942-000.<sup>1</sup> The Settlement provides that all parties in this proceeding support or do not oppose the Settlement. As discussed below, the Commission approves the Settlement as proposed, including the contents of the *pro forma* tariff records attached as Appendix A to the Settlement. Upon the effective date of the Settlement, the proceeding in Docket No. RP11-1942-000 is terminated.

2. This proceeding concerns Tennessee's March 31, 2011 proposal to change the gas quality and interchangeability specifications in its tariff (March 31 Filing). The Commission accepted the filing and suspended the tariff records for five months subject

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<sup>1</sup> Tennessee's September 22, 2011 Filing also withdrew its motion filing to place the suspended tariff records into effect at the end of the suspension period, which would have been October 1, 2011.

to the outcome of hearing and settlement judge procedures.<sup>2</sup> The parties held Settlement conferences on May 19, June 30, and September 15, 2011.

3. On October 3, 2011, initial comments were filed by Independent Oil and Gas Association of West Virginia, Inc., Indicated Shippers,<sup>3</sup> NiSource Distribution Companies,<sup>4</sup> PSEG Energy Resources & Trade LLC, Tennessee Customer Group,<sup>5</sup> Tennessee, and Trial Staff. Tennessee filed reply comments on October 7, 2011. All initial and reply comments were in support of the Settlement. On October 14, 2011, the Presiding Judge certified the Settlement to the Commission as uncontested.<sup>6</sup>

4. The Settlement provides for a complete resolution of the gas quality and interchangeability issues raised during Tennessee's collaborative process and contained in the March 31 Filing. The following is a brief description of the terms of the Settlement.

5. Article I describes the collaborative process that Tennessee and its customers engaged in to consider and discuss modifications to the gas quality and interchangeability provisions in Tennessee's Tariff, and the March 31 Filing and subsequent procedural history in this proceeding.

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<sup>2</sup> *Tennessee Gas Pipeline Co.*, 135 FERC ¶ 61,098 (2011).

<sup>3</sup> The Indicated Shippers includes the following parties: Apache Corporation; BP Energy Company and BP America Production Company; Chevron U.S.A. Inc.; ConocoPhillips Company; ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation; Noble Energy, Inc., and Shell Offshore Inc.

<sup>4</sup> NiSource Distribution Companies consist of: Columbia Gas of Kentucky; Columbia Gas of Maryland, Inc.; Columbia Gas of Ohio, Inc.; Columbia Gas of Pennsylvania, Inc.; and Columbia Gas of Virginia, Inc.

<sup>5</sup> The Tennessee Customer Group includes: CenterPoint Energy; City of Clarksville Gas and Water Department; City of Clarksville; City of Corinth Public Utilities Commission; Delta Natural Gas Company, Inc.; Greater Dickson Gas Authority; Hardeman Fayette Utility District; Henderson Utility Department; Holly Springs Utility Department; Humphreys County Utility District; Town of Linden; Morehead Utility Plant Board; Portland Natural Gas System; City of Portland; Savannah Utilities; Springfield Gas System; City of Springfield; City of Waynesboro; and West Tennessee Public Utility District.

<sup>6</sup> *Tennessee Gas Pipeline Co.*, 137 FERC ¶ 63,004 (2011).

6. Article II provides that the parties in this proceeding listed on Appendix A to the Settlement either support or do not oppose the Settlement.

7. Article III provides that, upon the effective date of the Settlement, all of the matters raised in Docket No. RP11-1942-000 will be resolved and the proceeding is terminated with prejudice.

8. Article IV describes the gas quality and interchangeability Tariff specifications that are set forth on the *pro forma* Tariff records in Appendix B and summarized in the table below. No later than twenty days after the effective date of the Settlement, Tennessee shall file revised tariff records identical to the *pro forma* tariff records and shall request that the tariff records become effective on the first day of the first month following the expiration of thirty days from the date of the tariff filing.

Specification	Receipt Point	Delivery Point
Heating Value	Safe Harbor = 967 Btu – 1110 Btu	Minimum = 967 Btu Maximum = 1110 Btu
Wobbe Number	Safe Harbor = 1314 – 1400	Minimum = 1314 Maximum = 1400
Non-Methane Hydrocarbons – C2+ (Ethane)	Safe Harbor = 12%	Not more than 12%
Heavier Hydrocarbons – C4+	Safe Harbor = 1.5%	Not more than 1.5%
Total Diluents	Safe Harbor = 4%, combined CO <sub>2</sub> , N and O <sub>2</sub> CO <sub>2</sub> does not exceed 3%, O <sub>2</sub> does not exceed 0.2%, N and O <sub>2</sub> combined do not exceed 2.75%	Not more than 4 % combined CO <sub>2</sub> , N and O <sub>2</sub> , CO <sub>2</sub> does not exceed 2%, N and O <sub>2</sub> combined do not exceed 2.75%
Carbon Dioxide (CO <sub>2</sub> )	Safe Harbor = 2% ,CO <sub>2</sub> not more than 3%	Not more than 2%
CO <sub>2</sub> and Nitrogen (N) combined	CO <sub>2</sub> and N combined not more than 4%, CO <sub>2</sub> shall not exceed 3%	See Total Diluents
Oxygen (O <sub>2</sub> )	O <sub>2</sub> not more than 0.2%	O <sub>2</sub> not more than 0.2%
Total Sulfur (S)	Safe Harbor = 5 grains per 100 cf S not more than 10 grains per 100 cf	S not more than 5 grains per 100 cf
Hydrogen Sulfide (H <sub>2</sub> S)	H <sub>2</sub> S not more than .25 grain per 100 cf	H <sub>2</sub> S not more than .25 grain per 100 cf
Water (H <sub>2</sub> O) Vapor	H <sub>2</sub> O not more than 7 pounds per MMcf	H <sub>2</sub> O not more than 7 pounds per MMcf

9. Article V provides that Tennessee shall use commercially reasonable efforts to install oxygen analyzers and sulfur analyzers at certain points on its system by certain dates.

10. Article VI provides that Tennessee and the Supporting and Non-Opposing Parties agree that the oxygen specification at receipt and delivery points shall be 0.2 percent. Article VI also provides that, to the extent Tennessee has installed oxygen analyzers as provided for in Article V, Tennessee shall provide to the Supporting and Non-Opposing Parties and other customers and interested parties information on oxygen levels for a

11. Article VII provides that Tennessee shall post on a daily basis on the Informational Postings page of its internet website gas quality and interchangeability data for the gas characteristics and constituents at the Monitoring Points listed in Appendix C of the Settlement. Tennessee shall also use commercially reasonable efforts to post additional gas quality data as new equipment is added pursuant to the terms of the Settlement. Article VII also states that, to the extent Tennessee has chromatographs or other monitoring equipment in place, Tennessee is willing to share this data with a Supporting or Non-Opposing Party on terms and conditions mutually agreeable to Tennessee and the Supporting or Non-Opposing Party.
12. Article VIII establishes the date on which the Settlement will become effective.
13. Article IX describes the effect of the Settlement. Under this Article, the Settlement is a negotiated settlement of the proceeding and no Supporting or Non-Opposing Party shall be deemed to have approved any principle relating to gas quality or interchangeability underlying any of the gas quality specifications established by the Settlement.
14. Article X provides that the standard of review for proposed modifications to the Settlement sought by any entity shall be the just and reasonable standard.
15. Articles XI and XII set forth the representations and warranties of the Consenting Parties, as well as miscellaneous provisions of the Settlement.
16. The Commission approves the Settlement as proposed, including the contents of the *pro forma* tariff records attached as Appendix B to the Settlement, under Rule 602(g). The Settlement is fair and reasonable and in the public interest. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. Upon the effective date of the Settlement, the proceeding in Docket No. RP11-1942-000 is terminated.

17. Tennessee is directed to file actual tariff records to implement the Settlement within twenty days following the Settlement Effective Date, pursuant to Article IV.B of the Settlement.

By direction of the Commission. Commissioner Spitzer is not participating.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.