

137 FERC ¶ 61,164
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
and Cheryl A. LaFleur.

Paiute Pipeline Company

Docket No. RP12-130-000

ORDER ACCEPTING AND SUSPENDING TARIFF SHEETS
AND ESTABLISHING TECHNICAL CONFERENCE

(Issued November 30, 2011)

1. On November 2, 2011, Paiute Pipeline Company (Paiute) submitted numerous revisions to its existing tariff.¹ As discussed below, the Commission will accept and suspend the proposed tariff records, to be effective May 3, 2012,² or an earlier date set by subsequent Commission order, subject to the outcome of a technical conference.

The Subject Filing

2. Paiute describes the purpose of its filing as follows: (1) to update its tariff with respect to various Commission policies and accepted principles and to reflect contemporary industry practices; (2) to add, enhance, clarify, improve, update, and/or remove various tariff provisions; and (3) to make miscellaneous minor housekeeping changes.

3. The specific tariff revisions intervenors objected to are discussed in the succeeding paragraphs. Paiute states that its shippers are concerned that the numerous changes will take effect during the winter season. Accordingly, Paiute is amenable to a five-month suspension.

¹ See Paiute Pipeline Company FERC Gas Tariff, Fourth Revised Volume No. 1-A.

² Paiute requested a December 2, 2011 effective date for the filing, which provided one day less than the 30-day notice required by section 4(d) of the Natural Gas Act and the Commission's regulations. 18 C.F.R. § 154.207 (2011). Accordingly, the earliest possible effective date would be December 3, 2011, and a five-month suspension results in an effective date of May 3, 2012.

Public Notice, Intervention, and Comments

4. Public notice of the filing was issued on November 4, 2011. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2011)). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2011), 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. On November 15, 2011, the Southwest Gas Corporation (Southwest), Sierra Pacific Power Company d/b/a NV Energy (Sierra), and Northern Nevada Industrial Gas Users (NNIGU) filed comments or protests. On November 15, 2011, the Public Utilities Commission of Nevada also filed stating it will file comments later in this proceeding.

Southwest's Comments

5. Southwest indicated that it is supportive of Paiute's efforts to modernize and update its tariff, but neither supports nor protests the filing as it stands. Southwest supports a five-month suspension of Paiute's filing to allow shippers to ascertain the potential impact of the proposed revisions.

Sierra's Comments

6. Sierra objected to a number of Paiute's proposed revisions to its Rate Schedule FT-1 including proposed changes to Paiute's discounting policies, the pipeline's modifications to its reservation charge crediting policies, and the pipeline's proposed changes to its transportation service.

7. Sierra also objected to a number of Paiute's proposed changes to Paiute's General Terms and Conditions (GT&C) including the removal of language that sets forth certain NAESB standards, the aggregation of delivery points on Paiute's system, the proposal to charge shippers with supplying odorant for gas, the *pro rata* allocation of LNG withdrawals among all LNG customers, Paiute's proposed imbalance penalty modifications, proposed modifications to Paiute's creditworthiness policies, and Paiute's proposed changes to its Right of First Refusal (ROFR) and evergreen rights in its tariff.

8. Sierra requests that the Commission convene a technical conference to allow the Commission and the shippers to conduct a thorough review and analysis of the multitude of changes Paiute has proposed.

NNIGU's Comments

9. NNIGU joins Sierra in challenging Paiute's proposed modifications to its reservation charge crediting policies, ROFR and evergreen rights, as well as Paiute's changes to its creditworthiness policies. As such, NNIGU also asks that the Commission suspend the proposed tariff for the maximum five month period subject to refund and conditions.

Commission Determination

10. The Commission has reviewed Paiute's tariff filing, as well as the comments and protests, and finds that Paiute's proposed tariff modifications raise numerous issues that are best addressed at a technical conference. Accordingly, the Commission directs its staff to convene a technical conference to address all issues raised by Paiute's filing and to report the results of the conference to the Commission within 120 days of the date this order issues. At the technical conference, Staff and all parties will have an opportunity to further discuss all issues raised by Paiute's tariff revisions.

11. Paiute should be prepared to address all concerns raised by the parties in their comments and to provide support for its proposed revisions.

Suspension

12. Based on a review of the filing, the Commission finds that the proposed tariff records have not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, the Commission will accept the tariff sheets for filing, and suspend their effectiveness for the maximum period to be effective May 3, 2012, or an earlier date set by subsequent Commission order.

13. The Commission's policy regarding tariff filing suspensions is that such filings generally should be suspended for the maximum period permitted by statute where preliminary study leads the Commission to believe that the filing may be unjust, unreasonable, or that it may be inconsistent with other statutory standards.³ Therefore, the Commission will exercise its discretion and suspend the proposed tariff sheets for the maximum period and permit them to become effective May 3, 2012, or some earlier date set forth in a subsequent order, subject to the outcome of the technical conference established herein and further orders of the Commission.

³ See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension). It is recognized, however, that shorter suspensions may be warranted in circumstances where suspension for the maximum period may lead to harsh and inequitable results. See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (minimum suspension). No such circumstances exist here.

The Commission orders:

The tariff records referenced in footnote one listed above are accepted and suspended, to be effective May 3, 2012, or an earlier date set by subsequent Commission order, subject to the outcome of the technical conference established in this proceeding and further order of the Commission.

By the Commission. Commissioner Spitzer is not participating.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.