

143 FERC ¶ 61,027
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 8, 2013

In Reply Refer To:
Saltville Gas Storage Company, LLC
Docket No. RP13-677-000

Saltville Gas Storage Company, L.L.C.
PO Box 1642
Houston, TX 77251-1642

Reference: Tariff Revisions – Additional Nomination Cycles

Attention: Janice K. Devers General Manager,
Tariffs and Commercial Development

Dear Ms. Devers:

1. On March 7, 2013, Saltville Gas Storage Company, L.L.C. (Saltville) filed a revised tariff record¹ proposing additional nomination opportunities beyond the standard nomination timeline, set forth in North American Energy Standards Board (NAESB) Wholesale Gas Quadrant (WGQ) Standard 1.3.2, to be effective June 1, 2013. For the reasons discussed, the Commission accepts Saltville's proposed tariff records and suspends them to be effective the earlier of five months after the proposed June 1, 2013 effective date or further order of the Commission, subject to the conditions described below.

2. Saltville states that the proposed scheduling procedures are designed to better align the nomination timelines of Saltville and other Spectra Energy Corporation (Spectra

¹Saltville Gas Storage Company L.L.C., FERC NGA Gas Tariff, Saltville Database 1, [8., Nominations, 2.0.0](#)

Energy) entities.² Specifically the proposed changes allow customers to submit revised, or intra-day, nominations at any time during the gas day for the same day flow, including the ability to reduce nominations below the elapsed prorated scheduled quantity if the changes are also confirmed by the upstream and downstream parties. Saltville contends that it will continue to provide its current confirmation schedule in the event the more flexible procedures are not available.

3. Saltville notes that the proposed change will require reconfiguration of all existing meters to allow for automatic confirmation. Saltville further notes that its customers will have the ability to deactivate this functionality for existing meters and activate this functionality for any new meters added in the future. Saltville states that it will continue to provide its current confirmation schedule because it shares interconnections with other natural gas pipelines that strictly adhere to the standard NAESB confirmation timelines. Saltville has interconnections with one affiliate pipeline East Tennessee Natural Gas, LLC (East Tennessee) which is also owned by Spectra Energy. Further, Saltville also interconnects with non-affiliated pipeline Virginia Gas Pipeline Company. Saltville explains that nominations utilizing off system points are still subject to reduction by those parties and their ability to confirm a shipper's requested nomination.

4. Public notice of Saltville's filing was issued on March 11, 2013. Interventions were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), 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. Adverse comments were filed by the East Tennessee Group (ETG).³

5. In its comments, ETG expresses concern that the proposed changes are designed to favor Saltville's affiliated pipelines over non-affiliates. ETG contends that the intended incentives could result in shippers choosing paths on Saltville from Texas

² Spectra Energy states that it owns and operates several natural gas pipeline companies as defined by the Natural Gas Act including: Algonquin Gas Transmission, LLC; Big Sandy Pipeline, LLC; Gulfstream Natural Gas, LLC; Maritimes & Northeast Pipeline, LLC; Ozark Gas Transmission, LLC; Southeast Supply Header, LLC; Texas Eastern Transmission, LLC (Texas Eastern); Steckman Ridge, LP; Bobcat Gas Storage, LLC; Egan Hub Storage, LLC; Moss Bluff Storage, LLC; and Saltville Gas Storage Company, L.L.C.

³ According to their filing, the ETG is an ad hoc, voluntary association of jurisdictional customers of East Tennessee, each of which is engaged in the distribution of natural gas at retail.

Eastern that are either already capacity constrained or outside that shipper's contracted path on Saltville. ETG alleges that Saltville's tariff should not put the interests of its affiliated pipelines ahead of the interest of Saltville itself and its shippers.

6. We find that the proposed additional nomination opportunities are generally consistent with the Commission's policy that pipelines may provide additional nomination opportunities beyond the standard nomination timeline.⁴ We also reject the claim that Saltville's proposal would favor its affiliates. Saltville's nomination enhancement is offered equally to all shippers taking service under any of Saltville's rate schedules at no cost. Moreover, Saltville's proposal does not limit the additional nomination opportunities to transactions on affiliated interconnecting pipelines. Thus, we are not persuaded that additional nomination opportunities proposed would create an undue preference for Saltville and its affiliate pipelines owned or operated by Spectra Energy.

7. We also find, however, that Saltville's filing fails to address how its proposal aligns with the Commission's regulations regarding bumping of interruptible shippers. Specifically Saltville's proposal is vague as to when interruptible shippers may be bumped under the proposal, whether bumping can occur after the Intra-Day 2 cycle, and what advance notice will be provided to shippers bumped because of a nomination change made outside the traditional timeline, as required by § 284.12(b)(1)(i)(A) of our regulations.⁵ Accordingly, we accept and suspend Saltville's proposed tariff records effective the earlier of five months or further order of the Commission, subject to Saltville filing revised tariff records within 15 days of this order that clarify its policy with respect to bumping of interruptible service, as discussed above.

8. The Commission's policy is that tariff 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 inconsistent with other statutory

⁴ *Gulf South Pipeline Co.*, LP 141 FERC ¶ 61,262 (2012); *Florida Gas Transmission Co., LLC*, 141 FERC ¶ 61,161 (2012); *Texas Gas Transmission LLC*, 137 FERC ¶ 61,093 (2011); *order on compliance*, 138 FERC ¶ 61,176 (2011); *El Paso Natural Gas Co.*, 114 FERC ¶ 61,305 (2006); *Tennessee Gas Pipeline Co.*, 104 FERC ¶ 61,063 (2003); *Reliant Energy Gas Transmission Co.*, 93 FERC ¶ 61,141 (2000).

⁵ Compare the "no-bump" provisions of Saltville's affiliates, Texas Eastern Transmission, LP (Texas Eastern) and Algonquin Gas Transmission, LLC (Algonquin), which provide specifically that the pipelines will not bump nominated and scheduled interruptible service during or after the Intra-day 2 Nomination Cycle. Texas Eastern FERC Gas Tariff, General Terms and Conditions, section 4.1(J); Algonquin FERC Gas Tariff, General Terms and Conditions, section 23.3.

standards.⁶ 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.⁷ Such circumstances do not exist here. Therefore, the Commission shall exercise its discretion to suspend the proposed tariff sheets to be effective the earlier of November 1, 2013 or further order of the Commission, subject to the conditions discussed herein.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁶ See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

⁷ See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension).