

144 FERC ¶ 61,124  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Equitrans, L.P.

Docket No. RP13-1073-000

ORDER ACCEPTING TARIFF RECORDS

(Issued August 12, 2013)

1. On July 15, 2013, Equitrans, L.P. (Equitrans) filed revised tariff records<sup>1</sup> revising its notice and reporting obligations associated with its issuance of an Operational Flow Order (OFO).<sup>2</sup> As discussed below, the Commission accepts the proposed tariff records to become effective August 14, 2013, as proposed.

**Details of the Instant Filing**

2. Equitrans states that its tariff provides it with the authority to issue an OFO in order to direct customers under any rate schedule to adjust receipts or deliveries to eliminate daily natural gas imbalances. Equitrans states that it proposes to identify this type of OFO as a Balancing Alert and to provide for the authority to issue such Balancing

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<sup>1</sup> Equitrans, L.P., FERC NGA Gas Tariff, Equitrans Tariff, [Section 6.11, Operational Flow Orders, 4.0.0](#); and [Section 6.12, Determination of Deliveries and Imbalances, 3.0.0](#).

<sup>2</sup> Generally, a pipeline issues an OFO to respond to adverse operational events on its system. Consistent with section 284.12 of the Commission's regulations, a pipeline must set forth in its tariff clear standards for when such measures will begin and end and must provide timely information that will enable shippers to minimize the adverse impacts of these measures. *See* 18 C.F.R. § 284.12(b)(2)(iv) (2013). The North American Energy Standards Board Wholesale Gas Quadrant (NAESB WGQ) defines an OFO as "an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of the transportation service provider's system or to maintain operations required to provide efficient and reliable firm service." NAESB WGQ Standard 1.2.6.

Alerts upon a shortened, four hour notice period, rather than the previous eight hour notice period, which remains the period required for all other types of OFOs. Equitrans asserts that the proposed Balancing Alerts are consistent with the Action Alert and Hourly OFO provisions previously approved by the Commission which require point operators to balance nominations with physical flows within four hours after being provided notice.<sup>3</sup>

3. Equitrans also proposes to remove a current tariff provision that requires Equitrans to file written reports with the Commission detailing the cause of an OFO, the customers affected, the action required, the actual or expected duration of the OFO, and such other information necessary to justify issuance of the OFO. Equitrans argues that this filing requirement places an undue burden on Equitrans that is not required of other pipelines. Equitrans states that it will continue to post notice of all OFOs on its Electronic Bulletin Board (EBB) System, including periodic updates on the action being taken to alleviate the cause of the OFO, as well as provide notice to all affected shippers, producers and local distribution companies that have provided Equitrans with contact information.

4. Equitrans states that the proposed tariff revisions provide it with greater ability to manage its system in a timely manner, and to ensure operational reliability and system integrity when the quantity of gas received from a customer deviates significantly from the nominated quantity.

### **Public Notice, Interventions and Protests**

5. Public notice of the filing was issued on July 16, 2013. Interventions and protests were due as provided by section 154.210.<sup>4</sup> Pursuant to Rule 214,<sup>5</sup> all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the 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 Independent Oil & Gas Association of West Virginia, Inc. and the Pennsylvania Independent Oil & Gas Association (Protestors) filed a joint protest. On August 2, 2013, Equitrans filed an answer to the protest. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest unless otherwise ordered by the decisional

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<sup>3</sup> Texas Eastern Transmission, LP, FERC NGA Gas Tariff, Texas Eastern Database 1, 4.3, Action Alerts and Operational Flow Orders, 0.0.0; Dominion Transmission, Inc., FERC NGA Gas Tariff, DTI Tariffs, Tariff Record 20.2, FTNN Rate Schedule, 0.1.0.

<sup>4</sup> 18 C.F.R. § 154.210 (2013).

<sup>5</sup> 18 C.F.R. § 385.214 (2013).

authority.<sup>6</sup> We will accept Equitrans' answer because it provided information that assisted us in our decision-making process.

## **Discussion**

### **Balancing Alerts**

6. Protestors urge the Commission to reject Equitrans' proposal to establish Balancing Alerts. In the alternative, Protestors suggest that Equitrans revise its filing so that it expressly excludes service under Rate Schedule Appalachian Gathering Service (Rate Schedule AGS),<sup>7</sup> or to receipts from its regulated gathering systems, or those owned by such shippers' affiliates that feed into Equitrans' transmission system without real time measurement and without the ability to remotely adjust the quantity of natural gas produced at the wellhead. Alternatively, Protestors urge the Commission to find that Equitrans has not demonstrated that its proposal is just and reasonable, suspend the tariff filing for the full five-month period, and establish a technical conference.

7. Protestors argue that Equitrans' proposed Balancing Alerts are not workable for small Appalachian natural gas producers and their marketers that purchase Appalachian natural gas, since they do not have access to daily measurement equipment or the ability to control the flow of natural gas into gathering systems owned by Equitrans or its unregulated affiliates. Further, Protestors explain that most of the wells on Equitrans' gathering system do not produce natural gas in quantities to support real time measurement data, or affect Equitrans' system integrity. Protestors also state that most of these wells cannot be remotely shut-in nor can the flow be otherwise controlled.

8. Protestors assert that the instant proposal would permit the use of Balancing Alerts under any firm or interruptible rate schedule. Protestors state that Equitrans' gathering service under Rate Schedule AGS is interruptible and also subject to OFOs.<sup>8</sup> Protestors thus assert that the proposed Balancing Alerts would appear to apply to natural gas

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<sup>6</sup> 18 C.F.R. § 385.213(a)(2) (2013).

<sup>7</sup> Rate Schedule AGS applies to the gathering of natural gas from designated receipt points in the Appalachians for delivery to Gathering Aggregation Points. The Gathering Aggregation Points are not physical delivery points on the Equitrans' gathering system but are locations where Appalachian supplies are aggregated for downstream transportation. Service under Rate Schedule AGS applies to all gas nominated by a customer under Rate Schedule AGS for delivery into a Gathering Aggregation Point up to the Gathering Quantity established in the customer's AGS Service Agreement.

<sup>8</sup> Equitrans, L.P., FERC NGA Gas Tariff, Equitrans Tariff, Section 5.9[2.6], Rate Schedule AGS, 0.0.0.

Equitrans receives into its gathering systems, and into the gathering systems operated by its unregulated affiliates, from hundreds of small producer wells.

9. In addition, Protestors assert that Equitrans' gathering systems and those owned by its affiliates are known for high levels of lost and unaccounted-for gas (LAUF)<sup>9</sup> that make it impossible for a shipper receiving natural gas from such points to determine with any certainty the quantity of flowing natural gas on a given day. Therefore, Protestors argue that if Equitrans loses the quantities of natural gas reported without valid explanation, the Commission cannot find that it is just and reasonable for Equitrans to claim that a gathering shipper's nomination and receipt quantity (into the transmission system) are out of balance and direct that shipper on four hours' notice to modify its nominations, in order to meet receipts that have little to do with the quantities of natural gas produced at the wellhead and delivered into Equitrans' systems.

10. In its answer, Equitrans argues that the protests are unfounded. Specifically, Equitrans asserts that the Protestors are already adequately protected under its current tariff, because in instances where real time measurement data is not available, the shipper would not be subject to a Balancing Alert and would continue to be subject to traditional OFOs.<sup>10</sup> Equitrans further asserts that due to the number of points on the gathering system owned by Equitrans and lack of daily measurement, it is not possible to manage shipper imbalances by adjusting physical flow, and thus Balancing Alerts would not be utilized for such receipt points.

11. The Commission accepts the tariff records proposed by Equitrans to establish a shorter notice period and a new name for its existing Balancing Alert OFO authority. The Commission finds that the shorter notice period for this type of system alert will provide Equitrans with greater ability to ensure system integrity. Further, Equitrans' proposed Balancing Alerts are similar to the Action Alert and Hourly OFOs in other pipelines' NGA Gas Tariffs, in that there is a four hour notice period to require shippers to balance nominations with physical flows.

12. In addition, because Equitrans has explained that Balancing Alerts will not be utilized for gathering aggregation points which do not have real time measurement capability, we find that Equitrans' current tariff fully addresses the concerns of the Protestors.

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<sup>9</sup> LAUF is calculated by taking the difference of inlet volumes minus outlet volumes.

<sup>10</sup> In accordance with section 6.12(7)(b) of the General Terms and Conditions of Equitrans' FERC NGA Gas Tariff, Equitrans monitors daily imbalances "to the extent permitted by the real time measurement capability of its system."

### **Cancellation of OFO Reporting Requirement**

13. Protestors urge the Commission to retain Equitrans' tariff obligation to file written reports with the Commission to provide details to justify the OFOs it issues. They argue that such filings serve as a check to permit parties to question the need for a particular OFO which prevents the pipeline from overreaching and ensures that OFOs are used only as a last resort. Protestors assert that the burden should be on the pipeline, not shippers or others, to inform the Commission of the details of an OFO. Protestors further assert that posting on Equitrans' EBB is not sufficient and would require the filing of a complaint if a shipper or interested party believed the OFO was not warranted or unduly discriminatory. Lastly, Protestors argue that Equitrans' claim of an undue burden that this requirement causes cannot be supported based on the requirement to report the details of a total of two OFOs issued by the pipeline since 2011.

14. In its answer, Equitrans asserts that it will continue to post relevant information on its EBB system relating to any OFOs that are implemented, which Equitrans asserts is consistent with how other interstate pipelines treat these events.

15. The Commission accepts Equitrans' proposal to remove the tariff provision requiring the filing of OFO reports with the Commission. We see no need to subject Equitrans to a greater reporting obligation than necessary or than that incurred by other pipelines. Further, the Commission finds that because, as Equitrans explains in its filing and answer, Equitrans will continue to post relevant information on its EBB system relating to any OFOs that are implemented, all the information that is necessary for interested parties to analyze an OFO issued by Equitrans will be available. The Commission reminds Equitrans that it must comply with the requirements prescribed in section 284.12(b)(3)(v) and (vi) of the Commission's regulations,<sup>11</sup> which require Equitrans to, among other things, post notices of OFOs on its web site and notify affected parties directly.

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<sup>11</sup> See 18 C.F.R. §§ 284.12(b)(3)(v) and (vi) (2013) ("A pipeline must maintain, for a period of three years, all information displayed and transactions conducted electronically ... and be able to recover and regenerate all such electronic information and documents. The pipeline must make this archived information available in electronic form for a reasonable fee."). ("A pipeline must post notices of [OFOs] ... on its Internet web site and must notify affected parties of such notices in either of the following ways to be chosen by the affected party: Internet E-Mail or direct notification to the party's Internet URL address.").

The Commission orders:

The tariff records listed in footnote no. 1 are accepted effective August 14, 2013, as proposed.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.