145 FERC ¶ 61,012
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

October 2, 2013

In Reply Refer To:
Colorado Interstate Gas
Company, L.L.C.
Docket No. RP13-1304-000

Colorado Interstate Gas Company, L.L.C.
PO Box 1087
Colorado Springs, CO 80944

Attention: Francisco Tarin, Director
Regulatory Affairs

Dear Mr. Tarin:

1. On August 30, 2013, Colorado Interstate Gas Company, L.L.C. (CIG) filed a request for waiver of its tariff requirement concerning the financial liability associated with a prearranged permanent release of capacity under three transportation service agreements (TSA) which have discounted rates. CIG states that EP Energy E&P Company, L.P. (EP Energy) recently notified it of the plan to sell certain natural gas assets to ARP Production Company, LLC (ARP). CIG further states EP Energy and ARP desire to effectuate the permanent capacity releases through biddable prearranged transactions for the remainder of the TSA terms at their current reservation rates. [1] CIG states the TSAs will be subject to bid per the capacity release rules found in section 9 of its General Terms and Conditions (GT&C). As discussed below, the Commission grants the requested waiver.

[1] TSA Nos. 33274000 and 33275000 have maximum delivery quantities (MDQ) of 50,000 and 10,000 dekatherms (Dth) and terms expiring on March 31, 2016; TSA No. 33689000 has a MDQ of 7,500 Dth and term expiring on September 30, 2014. EP Energy is also releasing TSA No. 33477000, a maximum rate contract.

2. To facilitate the transfer of the TSAs to ARP, CIG requests a waiver of section 9.14(b) of its GT&C.[2] CIG states that approval of its request to waive GT&C section 9.14(b) will allow ARP to assume all financial liability or payment of the released capacity and not hold EP Energy responsible following the permanent release of the three discounted TSAs. Since the permanent release transactions will occur at the contracted rate, CIG states that it will remain financially indifferent to these transactions. CIG further states that approval of its request would support the Commission's objective of not unnecessarily inhibiting the permanent release of capacity that a shipper no longer needs or wants.[3]

3. Public notice of the filing was issued on September 4, 2013. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2013)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2013)), all timely filed motions to intervene and any unopposed motion 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 this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

4. The EP Energy discounted contracts will be subject to bidding pursuant to the pipeline's capacity release rules. CIG indicates that it is financially indifferent to the transactions. Accordingly, the Commission will grant waiver of the financial liability provision found in section 9.14(b) of CIG's tariff. Thus, EP Energy will no longer be financially responsible for the transportation contracts even though they are released at less than the maximum rate. The waiver will facilitate the releasing shipper's transfer of capacity it no longer wants while the pipeline is financially neutral. The waiver is

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[2] Section 9.14(b) of CIG's GT&C provides that the releasing shipper will remain bound by and liable for payment of the reservation charge under the TSA unless the replacement shipper is paying the maximum reservation rate for the entire contract term.

[3] *See Questar Overthrust Pipeline Co.*, 141 FERC ¶ 61,060 (2012); *Kerr McGee Energy Services Corp., Kerr McGee Nevada LLC, Western Gas Resources, Inc., and Anadarko Energy Services Co.*, 139 FERC ¶ 61,175 (2012); and *Cheyenne Plains Gas Pipeline Co.*, L.L.C., 142 FERC ¶ 61,153 (2013).

effective on the issuance date of this order and will remain in effect for 90 days following the closing date of the transaction described in this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.