

145 FERC ¶ 61,178
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 26, 2013

In Reply Refer To:
Texas Gas Transmission, LLC
Docket No. RP14-90-000

Texas Gas Transmission, LLC
9 Greenway Plaza, Suite 2800
Houston, Texas 77046

Attention: E. Adina Owen, Senior Counsel

Dear Ms. Owen:

1. On October 31, 2014, Texas Gas Transmission, LLC, (Texas Gas) filed revised tariff records¹ to modify its pooling provisions set forth under Rate Schedule TAPS (Transportation Aggregation Pooling Service) and certain sections of its General Terms and Conditions. As discussed below, we accept and suspend the tariff records for five months, subject to condition, to become effective May 1, 2014.

2. Texas Gas proposes three primary changes to the pooling provisions set forth in certain sections of its tariff.² Texas Gas states that it is making these proposals in response to shipper requests for a simplified pooling service. First, Texas Gas proposes to consolidate the separate firm and interruptible pools of each rate zone into a single combination pool for each rate zone. It states that doing so will increase the liquidity of Texas Gas' pooling delivery points by allowing shippers to utilize one pool for both firm

¹ See Appendix.

² Texas Gas states that, as part of its proposal, it is submitting changes to: (1) section 3.3 of its tariff (Zone 1 Map); (2) section 5.14 of its tariff (Rate Schedule TAPS); (3) section 6.12 of its tariff (Nominations, Confirmations, Scheduling and Curtailment of Services); and (4) section 4.4 of its tariff (*pro forma* service agreement for Rate Schedule TAPS).

and interruptible transportation service, and will ease the shippers' administrative burdens in managing separate pools for their transportation contracts.

3. Texas Gas also proposes to split Zone 1 of its system into two pooling areas (Pooling Area 1 North Louisiana and Pooling Area 1 Mainline), each with its own combination pool. Texas Gas explains that historical capacity constraints exist on Zone 1's North Louisiana lateral, but not on Zone 1's mainline, and splitting the zone into distinct zones will allow it to allocate pooling supplies based upon priority of service in a timely manner by ensuring that the Zone 1 mainline pool will not be impacted by the constrained area. It states that this pool configuration makes pooling areas more manageable for both Texas Gas and its shippers, particularly now that both firm and interruptible transactions will be processed through the same pool. Texas Gas states that splitting the existing Zone 1 pool will not adversely affect liquidity since each of the new pooling areas will have access to significant supply volumes.

4. Finally, Texas Gas proposes to allow inter-zone transfers. It states that Texas Gas' tariff currently provides for intra-pool transfers at no cost (i.e., transfers within the same pool), but it does not provide for inter-pool transfers, or transportation between two distinct pools. Texas Gas proposes to incorporate provisions into Rate Schedule TAPS that would allow shippers to transfer gas between pools. Texas Gas states that, to perform inter-pool transfers, a shipper must hold a transportation contract and pay the applicable transportation rate, fuel, and other surcharges. Texas Gas states that this proposal is consistent with the Commission-approved tariffs of Gulf South Company, LP,³ and Gulf Crossing Pipeline Company LLC,⁴ both of which allow inter-pool transfers through the use of transportation contracts. Texas Gas asserts that shippers will continue to be able to conduct intra-pool transfers without incurring any transportation or fuel charges.

5. Texas Gas also seeks a delayed implementation for its proposal. It requests that the Commission approve the proposal effective December 1, 2013, and if the proposal is approved on that date, also grant a delayed implementation date of May 1, 2014, for the proposal. Texas Gas explains that this delayed implementation will provide the time necessary to make changes to its computer system in order to administer the updated TAPS service. Texas Gas anticipates that it will need five months from the approval of

³ Section 2(e) of Gulf South's PS Rate Schedule, located at Gulf South Pipeline Company, LP, FERC NGA Gas Tariff, Tariffs, [Section 5.9, Rate Schedules - PS, 2.0.0](#).

⁴ Section 2(e) of Gulf Crossing's PS Rate Schedule, located at Gulf Crossing Pipeline Company LLC, FERC NGA Gas Tariff, First Revised Volume No. 1, [Section 5.3, Rate Schedule PS, 1.0.0](#).

this proposal to complete all necessary system changes, and requests that implementation commence on the first day of a month. Texas Gas states that if the necessary changes to the computer system are completed earlier, it will implement the updated TAPS service prior to May 1, 2014, after providing reasonable notice to shippers via its internet Web site.

6. Public notice of the filing was issued on October 31, 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 the proceeding or place additional burdens on existing parties. Tennessee Valley Authority filed comments in support of Texas Gas' proposal. No protests or adverse comments were filed.

7. We find that Texas Gas' proposal to modify its pooling provisions to: (1) consolidate the separate firm and interruptible pools of each rate zone into a single combination pool for each rate zone; (2) split Zone 1 into two pooling areas to address a constraint; and (3) permit inter-pool transportation, subject to applicable transportation charges is just and reasonable. Texas Gas proposed these changes at the request of shippers and no shipper filed a protest or adverse comments to the proposal. The proposal would provide Texas Gas shippers with more pooling flexibility, while reducing administration burdens.

8. The Commission, however, will not permit the proposed tariff changes to take effect on December 1, 2013, while granting a delayed implementation until May 1, 2014, as requested by Texas Gas. It is misleading and unreasonable for an effective tariff to set forth services which the pipeline is not prepared to provide. Accordingly, to allow time for Texas Gas' needed computer updates, we will suspend Texas Gas' proposed tariff records until the earlier of Texas Gas' completion of the computer updates or May 1, 2014. The Commission's policy regarding tariff filing suspensions is that 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.⁵ It is recognized, however, that shorter suspensions may be warranted in circumstances where

⁵ See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

suspension for the maximum period may lead to harsh and inequitable results.⁶ In this case, no such circumstances exist, and the tariff records shall be suspended for the maximum five-month period, effective May 1, 2014, which is Texas Gas' anticipated completion date for its computer system modifications to implement its proposal, or some earlier date if Texas Gas has completed its computer preparations earlier than expected, and re-files the tariff records to be effective that earlier date. This acceptance, however, is subject to the following conditions, related to moving the subject provisions into effect, and the Commission's concern that no active tariff record offer services that cannot be provided.

9. In its transmittal, Texas Gas "moves to place the proposed tariff records into effect on December 1, 2013. Texas Gas, however, reserves the right to file a later motion to move the tariff records into effect at the end of the suspension period if the Commission orders any changes to the tariff records or imposes conditions on their acceptance." Section 154.7(a)(9) of the Commission's regulations⁷ provides the pipeline with two options regarding the filing of a motion to place suspended rates into effect pursuant to section 4(e) of the Natural Gas Act (NGA). The pipeline may include in its filing "a motion, in case of minimal suspension, to place the proposed rates into effect at the end of the suspension period," or it may reserve the right to file a later motion. In this case, Texas Gas includes with its filing a motion to place the proposed tariff provisions into effect at the end of any suspension period. Pursuant to section 154.7(a)(9), such motion only applies to minimal suspensions and cannot apply to five-month suspensions. Accordingly, the motion included in Texas Gas' filing is ineffective for purposes of moving the proposed tariff sheets into effect at the end of the five-month suspension imposed by this order.

10. Therefore, Texas Gas must file a new motion to place its tariff records into effect when its preparations to provide the proposed services under the revised tariff records are completed and the services are actually implementable. If Texas Gas wishes to proceed with its proposal on May 1, 2014, Texas Gas must file this motion on or before the end of the suspension period which ends May 1, 2014, using a Type of Filing Code (TOFC) of 610. If the computer upgrades to provide the service are completed before May 1, 2014 and Texas Gas desires to put its proposed tariff records into effect on such earlier

⁶ See *Valley Gas Transmission Co.*, 12 FERC ¶ 61,197 (1980) (minimum suspension).

⁷ Section 154.7(a)(9) provides that "A motion, in case of minimal suspension, to place the proposed tariff rates into effect at the end of the suspension period; or, a specific statement that the pipeline reserves its right to file a later motion to place the proposed rates into effect at the end of the suspension period."

date, it must re-file its proposed tariff records to be effective on that earlier date using a TOFC of 580. If the computer upgrades to provide the service are not available May 1, 2014, Texas Gas may delay the effective date of the suspended tariff provisions by not filing the required motion to place the tariff records into effect until such time as the computer upgrades are completed, using a TOFC of 610. Whenever Texas Gas does move the tariff records into effect, it must provide all the services offered thereunder.

By the direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

Texas Gas Transmission, LLC FERC NGA Gas Tariff Tariffs

Tariff Records Accepted and Suspended to Become Effective May 1, 2014

[Section 3.3, System Map\(s\) - Zone 1 Map, 4.0.0](#)

[Section 3.9, System Map\(s\) - Allocation Area Pooling Points Map, 0.0.0](#)

[Section 5.14, Rate Schedules - TAPS, 3.0.0](#)

[Section 6.12, G T & C - Nominations, Confirmations, and Scheduling, 5.0.0](#)

[Section 7.7, Form\(s\) of Serv Agmts - TAPS, 2.0.0](#)