

146 FERC ¶ 61,032
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 17, 2014

In Reply Refer To:
El Paso Natural Gas Company, L.L.C.
Docket No. RP14-318-000

El Paso Natural Gas Company, L.L.C.
P. O. Box 1087
Colorado Springs, CO 80944

Attention: Francisco Tarin, Director
Regulatory Affairs Department

Dear Mr. Tarin:

1. On December 20, 2013, El Paso Natural Gas Company, L.L.C. (El Paso) filed a revised tariff record.¹ The revised tariff record allows shippers to pair flow path S/N2 with other paths thereby allowing shippers to schedule a primary firm contractual path from the Permian Basin to locations on El Paso's south mainline. The referenced tariff record is accepted effective January 20, 2014, as requested.

2. El Paso submitted a revised tariff record to modify the contract paths contained in section 8.1(e)(ii)(D)(1) of the General Terms and Conditions of its FERC Gas Tariff to allow shippers to pair flow path S/N2 with other paths. El Paso states that the original contract paths were established in a settlement in El Paso's Order No. 637 proceeding.² El Paso states that with the proposed modification, shippers will have access to an enhancement that improves their options for having gas transported from their preferred primary receipt points to their preferred primary delivery points. El Paso states that this enhancement will not change existing contracts or shippers' rights.

¹ El Paso Natural Gas Company, L.L.C., FERC NGA Gas Tariff, EPNG Tariffs, [Part IV: GT&C, Section 8 - Operating Provisions, 8.0.0.](#)

² *El Paso Natural Gas Company*, 109 FERC ¶ 61,292 (2004) (*El Paso*).

3. Public notice of the filing was issued on December 24, 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. Southern California Gas Company and San Diego Electric Company (Protestors) filed a protest. On January 13, 2014, El Paso filed an answer.³

4. Protestors state that in the Order No. 637 settlement, El Paso agreed to eliminate its reliance on displacement for 80 percent of its firm north-to-south capacity rights by February 28, 2003.⁴ Protestors state that it appears that the effect of El Paso's proposed tariff modification would be to increase El Paso's reliance on displacement in order to sell additional firm capacity for delivery to points on El Paso's south mainline because there are no physical flows over the S/N2 path. Protestors note that El Paso provides no support for its proposal. Specifically, they note that El Paso did not provide any analysis identifying the amount of additional firm capacity that El Paso intends to offer or how much it currently relies on displacement. Protestors argue that due to the absence of sufficient explanation and analysis of its proposal to expand the use of the S/N2 path, El Paso's proposed revision should be rejected.

5. In its answer, El Paso states that its proposed tariff revision will not increase its reliance on displacement or create any additional capacity. El Paso also states that it can flow gas west from the Permian area to the bi-directional Permian-San Juan crossover without relying on displacement. In addition, El Paso states that its proposed tariff modification neither increases its reliance on displacement to provide firm transportation nor creates any additional capacity.

6. In response to Protestors' contention that El Paso's filing lacks an explanation of why the proposed tariff modification is necessary, El Paso states its shippers have expressed interest in firm deliveries from the Permian Basin to El Paso's south system. Further, El Paso states that because it has relatively more unsubscribed capacity on its north mainline than its south mainline, providing shippers the ability to combine the S/N2 flow path with another path provides El Paso the possibility of providing additional service from the Permian Basin to the South mainline.

³ Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits answers to protests without leave of the decisional authority. (18 C.F.R. § 385.213(a)(2) (2013)). The Commission will grant El Paso's request for acceptance of its answer because the answer has aided us in our decision-making process.

⁴ Protest at 3-4 (citing *El Paso*, 109 FERC ¶ 61,292 at 11).

7. The Commission finds that El Paso's revised tariff record provides customers with additional flexibility without affecting El Paso's commitments to its existing firm customers. The Commission finds that the proposed tariff revision will not increase El Paso's reliance on displacement as displacement is not relied upon for contracting purposes.⁵ The Commission also finds that El Paso does not need to specify in this proceeding how much firm capacity that El Paso intends to offer because under the Commission's regulations El Paso is prohibited from offering capacity to which another shipper has a firm claim.⁶ Accordingly, the Commission approves the revised tariff record.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ See El Paso's Answer at 4, 5.

⁶ See 18 C.F.R. § 284.7(a)(3) (2013).