

146 FERC ¶ 61,181
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 14, 2014

In Reply Refer To:
Texas Eastern Transmission, LP
Docket No. RP14-379-000

Texas Eastern Transmission, LP
5400 Westheimer Court
Houston, TX 77056-5310

Attention: Marcy F. Collins
Associate General Counsel

Dear Ms. Collins:

1. On January 22, 2014, Texas Eastern Transmission, LP (Texas Eastern) filed revised tariff records¹ proposing changes to its *pro forma* service agreements under Rate Schedules CDS, FT-1, and SCT which would permit it to include additional details regarding the transportation path and transportation quantity, thereby eliminating the requirement to file a non-conforming agreement with the Commission. Texas Eastern requests that the changes to the tariff records be accepted and propose an effective date of April 1, 2014.
2. Notice of the filing was issued on January 23, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.² Pursuant to Rule 214,³ all timely-filed motions to intervene and any unopposed motions to intervene

¹ Texas Eastern Transmission, LP, FERC NGA Gas Tariff, Texas Eastern Database 1, [1.1, Exhibit A for CDS Service Agreement, 2.0.0](#); [1.3, Exhibit C for CDS Service Agreement, 2.0.0](#); [2.1, Exhibit A for FT-1 Service Agreement, 2.0.0](#); [2.3, Exhibit C for FT-1 Service Agreement, 2.0.0](#); [3.1, Exhibit A for SCT Service Agreement, 2.0.0](#); [3.3, Exhibit C for SCT Service Agreement, 2.0.0](#).

² 18 C.F.R. § 154.210 (2013).

³ 18 C.F.R. § 385.214 (2013).

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.

3. On February 3, 2014 the Municipal Defense Group (MDG) filed a motion to intervene and protest asserting that Texas Eastern did not provide a detailed explanation of the proposed changes, and had not explained the impact of the proposed changes on firm and interruptible customers. MDG is the sole protesting party. On February 7, 2014, Texas Eastern filed an answer to the protest and request for additional information of MDG.⁴

4. Texas Eastern proposes to modify Exhibits A and C to its *pro forma* service agreements for Rate Schedules CDS, FT-1, and SCT. Exhibit A contains spaces for setting forth the shipper's Maximum Daily Receipt Obligation (MDRO), its transportation path, and its transportation path quantity. Texas Eastern proposes to modify Exhibit A to include a notice that additional information may be included where the transportation path applicable to a customer's service agreement cannot be clearly identified from the MDRO and the transportation path set forth in Exhibit A and/or the Maximum Daily Delivery Obligation (MDDO) reflected on Exhibit B to such agreement. Texas Eastern states that these additional details will provide the parties to the service agreement with information that will correspond to the entitlement information reflected in its electronic LINK system.

5. Texas Eastern is also proposing to modify the signature block for Exhibit A to the *pro forma* service agreement for Rate Schedule FT-1 by replacing the blank space used to identify the exhibit being superseded with a specific reference to Exhibit A. Texas Eastern states that this modification will ensure that the format of the referenced exhibit conforms to the format of the other exhibits in the tariff.

6. Exhibit C to the *pro forma* service agreements for Rate Schedules CDS, FT-1 and SCT contains matrices which provide for the specification of the shipper's zone boundary entry and exit entitlements into and out of Texas Eastern's Market Area rate zones (Zones M1, M2 and M3). Texas Eastern proposes to modify Exhibit C to create additional spaces in the matrices which will be used to specify the applicable zone boundary entry and exit quantities in Texas Eastern's Access Area rate zones (Zones

⁴ Under Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2)(2013), answers to protests are not permitted unless otherwise ordered by the decisional authority. While the Commission's regulations prohibit answers such as that submitted by Texas Eastern, the Commission will accept Texas Eastern's present answer because it provides additional, clarifying information that assists the Commission in addressing Texas Eastern's filing in this proceeding.

STX, ETX, WLA and ELA). Texas Eastern also proposes to add bracketed instructional language that describes how the matrices will be populated.

7. Texas Eastern states that its proposed revisions to Exhibits A and C of its *pro forma* service agreements will allow for additional flexibility when preparing a customer's service agreement and thereby reduce the need to file with the Commission any new service agreements which, under the current *pro forma* service agreements, could be considered non-conforming. Texas Eastern proposes the revised tariff records become effective April 1, 2014, and requests that the Commission issue an order by March 15, 2014, to provide Texas Eastern with the time necessary to make the required changes to its electronic LINK System prior to the proposed effective date.

8. In its protest, MDG contends that Texas Eastern's filing is deficient under section 154.204(c) of the Commission's regulations, which requires the pipeline to explain why the change is being proposed at this time. MDG states that while the modification may allow for additional flexibility or reduce the need to file non-conforming agreements with the Commission, the filing does not explain why changes to Exhibits A and C of the *pro forma* service agreements have become necessary and important, much less just and reasonable.

9. MDG states that with respect to Texas Eastern's application to modify Exhibit A to the *pro forma* service agreement for Rate Schedules CDS, FT-1 and SCT to include additional details regarding the transportation path and the transportation path quantity applicable to a customer's service agreement in the event that the transportation path cannot be readily identified by referring to the MDRO and the MDDO, this language suggests there is a transportation path currently unidentifiable, unlike all others to date. MDG suggests that the reason for this filing appears to be that Texas Eastern has, and is continuing to change its system configuration to allow new paths or combinations of receipt and delivery points that are no longer tracked by the status quo *pro forma* service agreement. However, MDG states that, in the absence of a better explanation by Texas Eastern of its filing, this is just conjecture.

10. MDG states that Texas Eastern's application is further deficient under section 154.204(d) of the Commission's regulations for failure to explain the impact of the proposed tariff revision on both firm and interruptible customers, "including any changes in a customer's rights to capacity in the manner in which a customer is able to use such capacity, receipt or delivery point flexibility, nominating and scheduling, curtailment, [or] capacity release[.]"

11. In its answer, Texas Eastern provides additional explanation of the reasons for its filing. Texas Eastern states that it proposed to modify its *pro forma* service agreements to address its concern "that the existing forms in the tariff do not adequately provide for

all potential transaction paths on Texas Eastern's system."⁵ Texas Eastern states that significant new sources of gas have emerged, particularly in the Marcellus Shale area, located in the Market Area of Texas Eastern's system. Also, new markets for that gas have developed in Texas Eastern's Access Area.⁶ In addition, Texas Eastern is developing new projects, including its TEAM 2014 Project that will provide project shippers with transportation paths from Texas Eastern's Zone M2 to Zone WLA in its Access Area. Therefore, Texas Eastern must accommodate contract paths from requesting customers that are counter to the historical flow of the system. In light of new supply and market configurations, Texas Eastern requests modification to its *pro forma* service agreements to include additional information reflecting the most accurate description of a customer's transportation path.⁷

12. Texas Eastern further affirms that there will be no adverse effect on firm or interruptible customer's right to capacity, pursuant to 18 C.F.R. § 154.204(d), because the changes to the *pro forma* service agreements are merely administrative, rather than substantive and allow Texas Eastern to more accurately reflect a customer's transportation path while eliminating the need to file with the Commission the service agreement as non-conforming.

13. The Commission agrees with MDG that Texas Eastern failed to adequately explain the reasons for its filing in its original filing in this proceeding. However, Texas Eastern's answer has provided the information which it should have included in its original filing. As Texas Eastern explains, the administrative changes to Exhibits A and C to the *pro forma* service agreement for Rate Schedules CDS, FT-1 and SCT are necessary to address new gas supply originating from the Marcellus shale entering Texas Eastern's system at points that run counter to the historical flow of the system. The proposed changes will enhance the clarity and accuracy of the service agreement by including additional information to reflect transportation paths that were previously unavailable to customers.

14. The Commission finds that the changes proposed by Texas Eastern to its *pro forma* service agreements under Rate Schedules CDS, FT-1, and SCT are just and

⁵ Motion for Leave to Answer and Answer of Texas Eastern Transmission, LP, Docket. No. RP14-379-000, at 3 (February 6, 2013).

⁶ See *Texas Eastern Transmission, LP*, 144 FERC ¶ 61,039, at P 4 (2013) (stating that new gas flows from the Marcellus Shale necessitated revisions to certain portions of Texas Eastern's tariff).

⁷ Texas Eastern explains that it is developing projects that will provide transportation paths from Texas Eastern's Zone M2 to Zone WLA in its Access Area. *Id.*

reasonable. The Commission finds this proposal to include additional details regarding the transportation path and transportation quantity provides for equal treatment to all customers.

15. Finally, the Commission agrees that eliminating the need to file as non-conforming, contracts executed in accordance with Exhibit A to the *pro forma* service agreement for Rate Schedules CDS, FT-1 and SCT is desirable, in light of the fact that the modifications eliminate an administrative burden on the Commission, provide more information rather than less, and do not affect a customer's right to capacity pursuant to 18 C.F.R. § 154.204(d).

16. The tariff records listed in footnote No.1 are accepted to be effective April 1, 2014, as proposed.

By Direction of the Commission.

Kimberly D. Bose,
Secretary.