

147 FERC ¶ 61,048
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

April 15, 2014

In Reply Refer To:
North Baja Pipeline, LLC
Docket No. RP14-627-000

North Baja Pipeline, LLC
717 Texas Street, Suite 2400
Houston, TX 77002-2761

Attention: John A. Roscher
Director, Rates and Tariffs

Ladies and Gentlemen:

1. On March 19, 2014, North Baja Pipeline, LLC (North Baja) filed revised tariff records¹ to its FERC NGA Gas Tariff, First Revised Volume No. 1 (Tariff) in order to streamline its tariff and its contracting process. The Commission accepts North Baja's revised tariff records effective April 21, 2014.
2. Among other things, North Baja proposes to revise the *pro forma* forms of service agreement and modify the firm and interruptible transportation service rate schedules of its Tariff. The proposed changes eliminate several terms which North Baja states duplicate the language contained within its General Terms and Conditions of Service (GT&C) and eliminates language incorporating by reference certain exhibits into the *pro forma* service agreement, since this will now be addressed elsewhere in the GT&C.
3. North Baja also proposes to add in its GT&C a provision within section 6.10 that allows North Baja to offer contractual rights of first refusal (ROFR) to shippers not otherwise eligible for a regulatory ROFR. North Baja also adds language to clarify that regulatory ROFR rights for multi-year seasonal contracts at North Baja's maximum rate shall only apply where the service is not available on North Baja's system for 12 consecutive months. North Baja proposes to consolidate receipt and delivery point

¹ See Appendix.

pressure provisions into a new section in the GT&C. North Baja also proposes other minor formatting and housekeeping changes.

4. Public notice of the filing was issued on March 19, 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 out-of-time 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. On March 31, 2014, Shell Energy North America (US), L.P. (Shell Energy) filed a protest.

5. Shell Energy expresses concern that North Baja has eliminated language from Article IV of its *pro forma* service agreements stating, "[North Baja] and Shipper agree not to initiate any proceeding before the FERC with respect to an increase or decrease in any negotiated rate set forth in Exhibit B hereto during the primary term." Shell Energy believes that the new language in North Baja's proposed *pro forma* service agreements may permit North Baja to file to change any rate applicable to any of its rate schedules and forms of service agreement. Shell Energy states that as a result of this change, North Baja may be able to change the negotiated rates set forth in its negotiated rate agreements while the applicable agreements remain effective.⁴ Shell Energy asks the Commission to either reject North Baja's proposed change or to specify that North Baja may not file to change the negotiated rates.

6. The Commission accepts North Baja's proposed tariff records to be effective April 21, 2014, as requested. Regarding the concerns raised by Shell Energy involving negotiated rates, section 6.24 of North Baja's GT&C provides:

During the period a Negotiated Rate is in place, the Negotiated Rate shall govern and apply to the Shipper's service under the Negotiated Rate Agreement and the otherwise applicable rate, rate component, charge or credit which the parties have agreed to replace with the Negotiated Rate shall not apply to, or be available to, the Shipper.

This provision is unchanged by North Baja's filing and any provisions elsewhere in its tariff and the *pro forma* service agreements are interpreted in light of the terms of section 6.24. Accordingly, the Commission confirms and specifies that the proposed

² 18 C.F.R. § 154.210 (2013).

³ 18 C.F.R. § 385.214 (2013).

⁴ Shell Protest at 2.

changes do not permit North Baja to file to change negotiated rates while the applicable negotiated rate agreement remains effective.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

Appendix

North Baja Pipeline, LLC
FERC NGA Gas Tariff
North Baja Tariffs

Tariff Records Accepted to be Effective April 21, 2014

PART 1, TABLE OF CONTENTS, 5.0.0

5.1.3-Rate Schedule FTS-1, Rates, 2.0.0

5.2.3-Rate Schedule ITS-1, Rates, 2.0.0

6.1 - GT&C, Definitions, 3.0.0

6.10 - GT&C, Right of First Refusal ("ROFR"), 2.0.0

6.11 - GT&C, Qualifying for Service, 2.0.0

6.43 - GT&C, Pressure at Point(s) of Receipt and Delivery, 0.0.0

7.1 - Service Agmts, Rate Schedule FTS-1, 3.0.0

7.1.2 - Service Agmts, Reserved for Future Use, 2.0.0

7.1.3 - Service Agmts, Reserved for Future Use, 2.0.0

7.2 - Service Agmts, Rate Schedule FTS-1 (LAT-1), 3.0.0

7.2.2 - Service Agmts, Reserved for Future Use, 2.0.0

7.2.3 - Service Agmts, Reserved for Future Use, 2.0.0

7.3 - Service Agmts, Rate Schedule ITS-1, 3.0.0

7.4 - Service Agmts, Rate Schedule ITS-1 (LAT-1), 3.0.0

7.5 - Service Agmts, Rate Schedule PAL-1, 3.0.0