

148 FERC ¶ 61,216
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 19, 2014

In Reply Refer To:
Gas Transmission Northwest, LLC
Docket No. RP14-1196-000

John A. Roscher
Director, Rates & Tariffs
Gas Transmission Northwest LLC
717 Texas Street, Suite 2400
Houston, TX 77002-2761

Dear Mr. Roscher:

1. On August 22, 2014, Gas Transmission Northwest, LLC (GTN) filed revised tariff records set forth in the Appendix to this letter, to revise several sections of its tariff pertaining to the sale of available firm capacity, the installation of new facilities, Right of First Refusal (ROFR), discount-type adjustments for negotiated rate agreements and other miscellaneous revisions. As discussed below, the Commission accepts the proposed tariff records to become effective September 22, 2014, subject to conditions as discussed in this order.

2. Public notice of GTN's filing was issued on September 2, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2014)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2014)), all timely filed motions to intervene and any unopposed motions 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. Pacific Gas and Electric Company (PG&E) and Puget Sound Energy, Inc. (Puget) filed comments, to which GTN filed an answer.¹ The details of the comments and GTN's answer are set forth below.

¹ Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits answers to protests or answers unless otherwise permitted by the decisional authority. The Commission will accept GTN's answer because it provides information that assisted the Commission in the decision-making process.

3. The comments of PG&E and Puget pertain only to GTN's proposed revisions to its ROFR provisions. PG&E and Puget both state their contracts provide for automatic annual renewal, unless the shipper provides several months' advance notice of termination. PG&E and Puget state the proposed tariff language could be interpreted so as to require an affirmative renewal notification (as opposed to automatic) and as much as twenty days earlier than under the existing provision.
4. PG&E and Puget both observe that GTN is proposing to allow a shipper holding capacity to avoid the ROFR process altogether by mutually agreeing with GTN to extend the contract term of an existing service agreement. PG&E and Puget state they are not opposed to the pipeline having the ability to negotiate contract term extensions, but that it is not clear as to whether the pipeline would be allowed to insist on some other compromise to the shipper's rights under the existing contract in order to retain the capacity. PG&E and Puget also contend that it is not clear why a customer should be expected to abandon its Commission granted ROFR rights in order to extend an existing capacity agreement.
5. In its answer, GTN states that following conversations it has had with PG&E and Puget, GTN proposes to modify the tariff filing to alleviate their concerns.
6. GTN states that it has agreed to propose modified tariff language that is intended to ensure that the ROFR and evergreen provisions do not conflict. Under the proposed language, the affirmative notice that a shipper must provide pursuant to a ROFR need not be provided more than twelve months in advance of the expiration of the original term of a firm service agreement, consistent with GTN's current tariff language. In addition, the proposed language clarifies that to the extent a contract is extended pursuant to an Evergreen Provision, a shipper would not be required to make an election under the ROFR provisions in order to continue service.
7. Both PG&E and Puget expressed concern that GTN will somehow require a shipper that mutually agrees with GTN to extend its contract term to abandon its ROFR. GTN explains it did not intend to make any such proposal and believes that confusion regarding this issue arose from the cover letter accompanying the instant filing, in which GTN stated that it was making a proposed tariff revision that would "allow an original capacity holder to avoid the right of first refusal process altogether." GTN clarifies that this language was simply intended to indicate that by extending the term of a service agreement through mutual agreement, the shipper need not engage in the ROFR process to effectuate the extension. GTN notes that any service agreement that is extended by mutual agreement will include a ROFR, provided that the shipper agrees to pay GTN's applicable maximum rate for a period of at least one year. GTN concludes that it need not make any change to this aspect of its tariff filing to alleviate this concern.

8. The Commission accepts the tariff records listed in the Appendix, effective September 22, 2014, subject to GTN's revising the tariff language consistent with the clarification GTN has provided in its answer to the parties' comments. GTN is directed to file revised tariff records within 15 days of the date of this order.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

Gas Transmission Northwest LLC FERC NGA Gas Tariff GTN Tariffs

Accepted, September 22, 2014, Subject to Conditions

- 6.4 - GT&C, Measuring Equipment, 3.0.0
- 6.18.2 - GT&C, Firm Service, 4.0.0
- 6.18.4.4 - GT&C, Collateral Requirements for Expansion Capacity, 4.0.0
- 6.18.4.7 - GT&C, Notification of Failure to Meet Creditworthiness, 4.0.0
- 6.18.6 - GT&C, Installation of Facilities, 3.0.0
- 6.28.1 - GT&C, Eligibility to Release, 4.0.0
- 6.28.3 - GT&C, Notice Requirements, 5.0.0
- 6.28.7 - GT&C, Allocation of Parcels, 4.0.0
- 6.33 - GT&C, ROFR Upon Termination of Firm Service Agreement, 4.0.0
- 6.37 - GT&C, Discount Policy, 3.0.0