

148 FERC ¶ 61,248
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 30, 2014

In Reply Refer To:
Discovery Gas Transmission LLC
Docket No. RP14-1194-000

Discovery Gas Transmission LLC
2800 Post Oak Blvd.
Houston, Texas 77056

Attention: Larry Jensen
Regulatory Affairs Manager

Dear Mr. Jensen:

1. On August 21, 2014, Discovery Gas Transmission LLC (Discovery) filed revised tariff records¹ to comply with the May 24, 2013 Commission order in Docket No. CP12-516-000 granting Discovery's certificate application to construct and operate new natural gas facilities in the Gulf of Mexico (Junction Facilities).² The proposed tariff records include changes reflecting the proposed incremental recourse rate and revisions to the *pro forma* tariff filed with Discovery's certificate application. Discovery also seeks a waiver of the 60-day filing deadline in Ordering Paragraph (D) of the Certificate Order. As discussed below, the Commission finds that good cause exists to grant Discovery's requested waiver and accepts the proposed tariff records listed in the Appendix, effective October 1, 2014, or the date on which the Junction Facilities are placed into service if that date is different, subject to the conditions discussed below. When Discovery files in compliance with section 157.20(c)(2) of the Commission's regulations, it should also make this informational filing with the Commission through

¹ See Appendix.

² *Discovery Gas Transmission LLC*, 143 FERC ¶ 61,171 (2013), *order on reh'g*, 145 FERC ¶ 61,145 (2013) (Certificate Order). The Junction Facilities comprise a new junction platform in South Timbalier Block 283 offshore Louisiana in the Gulf of Mexico, new pipeline facilities that will extend Discovery's existing system to the new platform, an emergency outage lateral pipeline, and other appurtenant facilities.

the eTariff portal using a Type of Filing Code 620. In addition, Discovery is advised to include as part of the eFiling description, a reference to Docket No. CP12-516-000, and the actual in-service date for the Junction Facilities.³

2. Discovery states that the purpose of the instant filing is to incorporate into Discovery's tariff the pro forma tariff revisions that were included as part of the Junction Facilities' certificate application. Discovery states that most of the changes relate to incorrect references or typographical errors that occurred in the *pro forma* sections. Discovery also states that it revised two of the pro forma provisions pertaining to nominating and scheduling gas movement on the emergency outlet lateral (sections 5.6 and 6.9), consistent with the Certificate Order.

3. Discovery also states that in its certificate application it reserved the right to propose recovery of certain Junction Facilities costs associated with system pigging facilities through its Hurricane Mitigation and Reliability Enhancement Surcharge (HMRE Surcharge) pursuant to section 27 of the General Terms and Conditions (GT&C) of its tariff. Discovery states that, in its application, it stated that, in the event that some Junction Facilities costs are recovered through the HMRE Surcharge, Discovery would eliminate such costs from the incremental recourse rates for the Junction Facilities. Discovery states that subsequently, in its November 15, 2013 HMRE Surcharge filing in Docket No. RP14-173-000, it proposed recovery of \$25.4 million of Junction Facilities costs as Qualifying HMRE Expenditures. Discovery states that, to the extent the Commission finds that Discovery may recover such Junction Facilities costs through the HMRE Surcharge, Discovery will file to eliminate such costs from the incremental recourse rates and make any appropriate refunds.

4. Lastly, Discovery seeks a waiver of the 60-day deadline in Ordering Paragraph (D) of the Certificate Order, as may be necessary.⁴ Discovery states that it anticipates service will commence on or around October 15, 2014; however, when dealing with the offshore environment during the traditional hurricane season, forecasting dates for specific events is imprecise. Discovery states that, currently, it is commissioning and testing its new facilities and this work is being scheduled in conjunction with the producer-shippers' efforts to commission and test their production facilities that will produce the gas to be transported through Discovery's new facilities. Discovery states that although the actual in-service date might be before October 15, it might actually

³ *Electronic Tariff Filings*, 130 FERC ¶ 61,047, at P 17 (2010).

⁴ Ordering Paragraph (D) of the Certificate Order reads as follows: "(D) Discovery shall file actual tariff records with the revised incremental rates and changes to its tariff no earlier than 60 days, and no later than 30 days, prior to the date the Junction Platform goes into service."

occur later – possibly by several weeks, due to weather delays or unanticipated operational issues associated with the producer-shippers pre-production activities. Discovery states that no stakeholder will be harmed by a waiver because the proposed tariff revisions apply primarily to the shippers using the new facilities constructed on their behalf.

5. Public notice of Discovery'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 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. On September 2, 2014, the Indicated Shippers⁵ filed comments. The Indicated Shippers argue that Commission approval of the submitted tariff revisions should be subject to the outcome of the HMRE Surcharge proceeding in Docket No. RP14-173-000.

6. The Commission finds that good cause exists to grant Discovery's requested waiver and accepts Discovery's proposed tariff records, effective October 1, 2014, or the date on which the Junction Facilities are placed into service if that date is different, subject to Discovery filing to remove from the incremental recourse rate any Qualifying HMRE Expenditures associated with the Junction Facilities and making any appropriate refunds. Such condition is consistent with the Commission's order in Docket No. RP14-173-000 wherein the Commission accepted Discovery's November 15, 2013 HMRE Surcharge filing, subject to the condition that Discovery remove any Qualifying HMRE Expenditures associated with the Junction Facilities from the incremental recourse rate for the Junction Facilities.⁶

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ The Indicated Shippers are Anadarko U.S. Offshore Corporation and ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation.

⁶ *Discovery Gas Transmission LLC*, 148 FERC ¶ 61,183, at P 39 (2014).

Appendix

Discovery Gas Transmission LLC
FERC NGA Gas Tariff
First Revised Volume No. 1

[Section 1, Statement of Rates and Fuel, 11.0.0](#)

[Section 2, Footnotes, 4.0.0](#)

[Section 1, FT-1 Rate Schedule, 1.0.0](#)

[Section 2, FT-2 Rate Schedule, 1.0.0](#)

[Section 3, IT Rate Schedule, 1.0.0](#)

[Section 1.1, Definitions: A - F, 3.0.0](#)

[Section 1.2, Definitions: G - M, 1.0.0](#)

[Section 1.3, Definitions: N - R, 1.0.0](#)

[Section 1.4, Definitions: S - Z, 1.0.0](#)

[Section 2, Operating Provisions for Firm Service, 2.0.0](#)

[Section 3, Operating Provisions for Interruptible Service, 1.0.0](#)

[Section 5, Nomination Procedures, 1.0.0](#)

[Section 6, Scheduling and Curtailment, 1.0.0](#)

[Section 12, Pregranted Abandonment and Right of First Refusal, 1.0.0](#)

[Section 27, Hurricane Mitigation and Reliability Enhancement Surcharge, 1.0.0](#)

[Section 1, Form of Service Agreement: FT-1 Rate Schedule, 1.0.0](#)

[Section 1.1, Form of Service Agreement: FT-1 Rate Schedule; Exhibits, 2.0.0](#)

[Section 2, Form of Service Agreement: FT-2 Rate Schedule, 2.0.0](#)

[Section 2.1, Form of Service Agreement: FT-2 Rate Schedule; Exhibits, 2.0.0](#)

[Section 3, Form of Service Agreement: IT Rate Schedule, 1.0.0](#)

[Section 3.1, Form of Service Agreement: IT Rate Schedule; Exhibits, 2.0.0](#)

[Section 4, Form of Service Agreement: Capacity Release Transactions, 1.0.0](#)

[Section 5, Request for Service, 1.0.0](#)