

150 FERC ¶ 61,063  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

January 30, 2015

In Reply Refer To:  
Equitrans, L.P.  
Docket No. RP15-301-000

Equitrans, L.P.  
c/o EQT Corporation  
625 Liberty Avenue, Suite 1700  
Pittsburgh, PA 15212

Attention: Sarah A. Shaffer  
Rates Director

Dear Ms. Shaffer:

1. On December 31, 2014, Equitrans, L.P. (Equitrans) filed *pro forma* tariff records to establish a new interruptible balancing service (IBS) under Rate Schedule IBS.<sup>1</sup> Equitrans also requested a waiver of the requirement in section 154.202(a)(1)(viii) of the Commission's regulations<sup>2</sup> to provide a projection of the estimated effect on revenue and costs over the twelve-month period commencing on the proposed effective date. As discussed below, we grant waiver of section 154.202(a)(1)(viii) of the Commission's regulations and approve Equitrans' proposal. When Equitrans files to implement its proposal, it should file actual tariff records in compliance with section 154.207 of the Commission's regulations and consistent with the *pro forma* tariff records approved herein.

2. In its filing, Equitrans proposes a new optional interruptible balancing service under Rate Schedule IBS. According to Equitrans, the balancing service will allow over

---

<sup>1</sup> Equitrans requests that the tariff provisions to implement Rate Schedule IBS be approved no later than January 31, 2015 but state that the actual effective date is dependent on Equitrans completing computer system changes necessary to implement these provisions.

<sup>2</sup> 18 C.F.R. § 154.202(a)(1)(viii) (2014).

or under tendered balances created under a transportation service agreement to be transferred to the balancing service. Equitrans notes that proposed Rate Schedule IBS will give customers additional flexibility to manage their receipt point imbalances on Equitrans' system. Equitrans states that upon nomination by a customer it will receive or deliver a quantity of gas to balance the customer's account.

3. Equitrans proposes to use its currently effective rates for Rate Schedule Lending and Parking Service (LPS) as the applicable rates for service under Rate Schedule IBS. Equitrans states that, unlike its existing Rate Schedule LPS, service under Rate Schedule IBS is directly linked to transportation service provided under Rate Schedules Firm Transportation Service (FTS), No-Notice Firm Transportation Service (NOFT), Firm Transportation Storage Service (FTSS), Interruptible Transportation Service (ITS) and Transportation Service (STS-1). Additionally, Equitrans states that Rate Schedule IBS would permit customers to both park and receive loaned quantities of gas rather than being limited to one or the other. Equitrans proposes to include the right to agree to a discount that is between the maximum and minimum base tariff rate. In addition, Equitrans states that, pursuant to the terms of section 6.30 of its tariff, Equitrans will have the right to agree to a negotiated rate for IBS service.

4. Equitrans points out that it does not propose any reallocation of costs to this new service. Equitrans states it expects that prior customer imbalance activity may not be indicative of future behavior and therefore the costs and revenues associated with the new service are unknown and based upon future subscription to the service. Accordingly, Equitrans requests waiver of the requirement in section 154.202(a)(1)(viii) of the Commission's Regulations to provide a projection of the estimated effect on revenue and costs over the twelve-month period commencing on the proposed effective date of this filing.

5. Public notice of the filing was issued on January 7, 2015. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>3</sup> Pursuant to Rule 214,<sup>4</sup> all timely 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 this proceeding or place additional burdens on existing parties. On January 12, 2015, Peoples Natural Gas Company LLC, Peoples TWP LLC and Peoples Gas WV LLC (collectively Peoples) filed a motion to intervene and comments raising issues with several aspects of Equitrans' proposal. On January 21, 2015, Equitrans filed an answer to Peoples' comments.

---

<sup>3</sup> 18 C.F.R. § 154.210 (2014).

<sup>4</sup> 18 C.F.R. § 385.214 (2014).

6. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure<sup>5</sup> prohibits answers to protests or answers unless otherwise permitted by the decisional authority. The Commission will accept Equitrans' answer because it provides additional information that aids in resolving the specific issues raised in the comments. The details of the Peoples' comments and Equitrans' answer are set forth below.

7. In its comments, Peoples state that they support Equitrans' proposal to add an interruptible balancing service to its service options. However, Peoples request that Equitrans explain the differences in its proposed service from its service under Rate Schedule LPS, and the similarities of the proposed IBS service to the services of other pipelines relied on by Equitrans in support of its filing.<sup>6</sup>

8. In response to Peoples' inquiry regarding the differences between service under Rate Schedule LPS and Rate Schedule IBS, Equitrans explains that the proposed service under Rate Schedule IBS is linked directly to transportation service provided under Rate Schedules FTS, NOFT, FTSS, ITS, or STS-1, while Rate Schedule LPS does not require transportation service in order to effectuate a park or loan. Additionally, Equitrans states that Rate Schedule IBS permits a customer to both park and receive loaned quantities of gas, while under Rate Schedule LPS, a customer is restricted to either a park or a loan for the term of the Service Agreement.

9. With respect to the similarities between proposed Rate Schedule IBS and Columbia's and Dominion's balancing services, Equitrans notes that the services of these two pipelines are interruptible services designed to assist customers in the management of daily and monthly imbalances as is Rate Schedule IBS. Equitrans states that the details of the services for Columbia and Dominion are included in their respective tariffs and are available for Peoples to review and compare, while noting that Columbia's and Dominion's balancing services are specific to their respective systems and other service offerings, just as Equitrans' proposed balancing service is specific to its system.

10. Peoples also seek clarification on the proposed availability language in section 1.1.d of Rate Schedule IBS. Peoples point to Equitrans' contention that service under proposed Rate Schedule IBS is directly linked to transportation service provided under Rate Schedules FTS, NOFT, FTSS, ITS or STS-1. However, Peoples note that the

---

<sup>5</sup> 18 C.F.R. § 385.213.(a)(2) (2014)

<sup>6</sup> In footnote 2 of its transmittal letter, Equitrans refers to Columbia Gas Transmission, LLC's (Columbia) Storage in Transit Service (Rate Schedule SIT) and Dominion Transmission, Inc.'s (Dominion) balancing service under its Rate Schedule MSC as services similar to that it proposes here.

proposed availability language at paragraph 1.1.d of Rate Schedule IBS states that the service will also be available, in the alternative, to a Customer who “operates a receipt point interconnect from which volumes are received into Equitrans’ Transmission System.” Peoples want Equitrans to clarify who this type of customer may be and whether this customer is required to have entered into a transportation service agreement.

11. Equitrans states in its answer that availability of service is governed by proposed Rate Schedule IBS section 5.16[1.1(d)], which states, “ a Customer must (a) have entered into a transportation service agreement under one of Equitrans’ Rate Schedules or (b) operate a receipt point interconnect from which volumes are received onto Equitrans’ Transmission System.” Equitrans interprets this provision to mean that a Rate Schedule IBS customer who is a receipt point operator is not required to have a transportation service agreement. Equitrans notes, however, that in order to transport such volumes across Equitrans’ transmission system, there must be a transportation service agreement either by the same customer or by a separate customer to transport volumes on their behalf.

12. Peoples also request that Equitrans clarify what “imbalances” can be addressed under Rate Schedule IBS. Specifically, Peoples would like Equitrans to clarify its statement on page 2 of its transmittal letter that “managing Customer imbalances effectively involves allowing customers to park volumes on Equitrans’ system when physical receipts exceed nominations and loaning volumes to Customers when nominations exceed physical receipts.” Peoples contend that the aforementioned language seems to describe a scheduling variance and seek clarification of exactly what the service will provide. In its answer, Equitrans offers language in Appendix A to modify proposed section 5.16[7.1] by clarifying that Rate Schedule IBS will assist customers in managing both imbalances and scheduling variances. Equitrans asserts that its clarification is consistent with the use of “imbalances” in its tariff. Equitrans proposes to submit this language in a compliance filing at the time Equitrans proposes to implement the proposed service.

13. Finally, Peoples recommend that the Commission require Equitrans to file an activity report, one year after Equitrans implements its new service under Rate Schedule IBS, containing: (1) dates of service volumes parked or loaned for each day by transaction; (2) monthly total volumes parked and loaned; (3) whether the shipper is an affiliate of Equitrans; (4) the point involved; and (5) the rate charged. In response, Equitrans states that it plans to submit an activity report, within 45 days of the conclusion of the first year of service under Rate Schedule IBS. Equitrans argues that because it does not propose to implement a new lending and parking service, however, the report should instead include, by contract, the volume balanced each day and total for each month with the associated average rate charged. Equitrans contends that the affiliation of the shipper and receipt point information is made available in executed service agreements filed with the Commission.

14. Based on our review of Equitrans' filing and its answer to Peoples' comments, the Commission finds Equitrans' proposed Rate Schedule IBS to be just and reasonable, subject to its filing to clarify the "imbalances" to which Rate Schedule IBS will apply as agreed in its answer. Equitrans should file actual tariff records in compliance with section 154.207 of the Commission's regulations, and consistent with the *pro forma* tariff records approved herein, when it files to implement Rate Schedule IBS.

15. For good cause shown the Commission grants Equitrans' request for waiver of section 154.202(a)(1)(viii) of the Commission's regulations. Equitrans states that it cannot precisely project the revenues it may receive from the proposed Rate Schedule IBS service. The Commission has granted such waivers in similar situations where there is insufficient data to project the revenues that may result from implementing a new service.<sup>7</sup> Consistent with our previous grants of waiver, the Commission will require Equitrans to file an activity report within 45 days after the end of the first year after service commences pursuant to Rate Schedule IBS.<sup>8</sup> The activity report should include: (1) the date service was rendered for each transaction; (2) the volume shipped under each transaction; (3) monthly volumes; (4) the name of the shipper for each transaction; (5) the rate charged for each transaction; (6) the revenues received for each transaction; and (7) the monthly revenues for this service. Such information will provide the Commission and interested parties with actual information that can be used to monitor Equitrans' activity and revenues for the new Rate Schedule IBS.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

---

<sup>7</sup> See, e.g., *Millennium Pipeline Co.*, 127 FERC ¶ 61,309, at P 26 (2009); *Texas Gas I*, 137 FERC ¶ 61,093, at P 49 (2011).

<sup>8</sup> *Id.*