151 FERC ¶ 61,041
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 15, 2015

In Reply Refer To:
Texas Eastern Transmission, LP
Docket No. RP15-460-000

Texas Eastern Transmission, LP
P.O. Box 1642
Houston, TX 77251-1642

Attention: Janice K. Devers, General Manager
Tariffs and Commercial Development

Dear Ms. Devers:

1. On February 18, 2015, Texas Eastern Transmission, LP (Texas Eastern) filed a tariff record[1] to address a potential fuel issue that may occur when a firm customer nominates service on both a mainline service agreement and a lateral service agreement. Texas Eastern requests waiver of section 154.207 of the Commission's regulations to allow the tariff record to become effective May 1, 2015, and requests a Commission order by April 15, 2015 so that it can make required changes to its electronic communication LINK® System prior to the effective date. As more fully discussed below, the Commission grants waiver of section 154.207 of the Commission's regulations[2] and accepts the tariff record listed in footnote No. 1, effective May 1, 2015, subject to the condition discussed below.

2. Texas Eastern states that currently, to effectuate deliveries from the mainline to a lateral or to a mainline extension, a shipper may need to modify the Maximum Daily

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[1] Texas Eastern Transmission, LP, FERC NGA Gas Tariff, Texas Eastern Database 1, 2., Rate Schedule FT-1, 10.0.0.

[2] Section 154.207 of the Commission's regulations provides, in pertinent part, that all proposed changes in tariffs "must be filed with the Commission and posted not less than 30 days nor more than 60 days prior to the proposed effective date thereof, unless a waiver of the time periods is granted by the Commission."

Quantity (MDQ) under its mainline service agreement each time the fuel rate changes under its lateral service agreement. Accordingly, to alleviate this burden, Texas Eastern seeks to allow a customer that uses a mainline service agreement to deliver quantities of natural gas to the head of a Texas Eastern delivery lateral or to a mainline extension, and a separate lateral service agreement for further delivery to a point on that lateral or mainline extension, to submit a single combined fuel reimbursement nomination even if the nomination causes the quantity to exceed the MDQ under the mainline contract. Specifically, Texas Eastern is proposing to revise section 2.2(B) of Rate Schedule FT-1 to allow a customer to submit a nomination under its mainline service agreement for the full required fuel reimbursement amount under both agreements.

3. Public notice of Texas Eastern's filing was issued on February 18, 2015. 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. National Grid USA (National Grid)[3] submitted comments, and on March 3, 2015, Texas Eastern filed an answer to the comments (Answer)[4] which are discussed below.

4. In its comments, National Grid submits that it would be unjust and unreasonable for Texas Eastern to afford shippers providing natural gas in excess of their mainline MDQs a scheduling or curtailment priority equal to that of firm shippers delivering or transporting gas within their firm MDQs.[5] National Grid contends that, to the extent that Texas Eastern is affording mainline firm shippers the ability to exceed their MDQs, it is providing a form of overrun service, which National Grid asserts must be provided lower scheduling and curtailment priorities than firm service.[6]

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[3] The National Grid USA companies are: The Brooklyn Union Gas Company d/b/a National Grid NY; KeySpan Gas East Corporation d/b/a National Grid; Boston Gas Company, Colonial Gas Company, collectively, d/b/a National Grid; Niagara Mohawk Power Corporation d/b/a National Grid; and The Narragansett Electric Company d/b/a National Grid.

[4] 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. 18 C.F.R. § 385.213(a)(2) (2014). However, the Commission accepts Texas Eastern's Answer because it assisted the Commission in its decision-making process.

[5] National Grid Comments at 4.

[6] National Grid Comments at 4.

5. National Grid thus requests that Texas Eastern modify its tariff language to either: (i) clearly provide that receipts of natural gas in excess of mainline MDQs will be afforded lower scheduling and curtailment priorities than firm service that is within shippers' MDQs; or (ii) eliminate the provision of the proposed tariff records that permits Texas Eastern to accept nominations that would permit Texas Eastern to exceed the MDQ of its mainline service agreements.[7] With respect to the latter alternative, National Grid submits that elimination of the phrase "...where for certain combinations of nominations between the two agreements the MDQ on the Mainline Service Agreement may be exceeded for that Gas Day..." from proposed Section 2.2(B) of Rate Schedule FT would address National Grid's concerns.[8]

6. In its Answer, Texas Eastern states that it did not intend for its proposal to afford customers with related mainline lateral service agreements to combine the fuel reimbursement under the agreements in a manner that would provide the customer greater firm contractual entitlements.[9] Texas Eastern states that it only intends to allow customers under these circumstances to combine the fuel reimbursement requirement between the two agreements and apply that volume to the shipper's mainline contract.[10] Texas Eastern argues that the scheduled quantity for delivery will not exceed the contracted MDQ, and the customer will be responsible for the entire fuel requirement under both agreements.[11]

7. Accordingly, Texas Eastern proposes to revise the language in proposed Section 2.2(B) in accordance with National Grid's suggested edit.[12] Specifically, Texas Eastern states that it will revise proposed Section 2.2(B) to eliminate the phrase "where for certain combinations of nominations between the two agreements the MDQ on the Mainline Service Agreement may be exceeded for that Gas Day."[13] Texas Eastern requests that the Commission accept the tariff filing to be effective May1, 2015, subject to it submitting a compliance filing containing the proposed revision.

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[7] National Grid Comments at 5.

[8] National Grid Comments at 5.

[9] Texas Eastern Answer at 2.

[10] Texas Eastern Answer at 2-3.

[11] Texas Eastern Answer at 3.

[12] Texas Eastern Answer at 3.

[13] Texas Eastern Answer at 3.

8. For good cause shown the Commission grants waiver of section 154.207 of our regulations and accepts the tariff record listed in footnote No. 1 to be effective May 1, 2015, subject to Texas Eastern submitting a compliance filing within 10 days of the date of this order with revisions to proposed Section 2.2(B) as described in Texas Eastern's Answer to National Grid's comments.

By direction of the Commission.

Kimberly D. Bose,
Secretary.