

151 FERC ¶ 61,201  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur,  
Tony Clark, and Colette D. Honorable.

MoGas Pipeline LLC

Docket No. RP15-276-000

ORDER FOLLOWING TECHNICAL CONFERENCE

(Issued June 4, 2015)

1. On December 22, 2014, MoGas Pipeline LLC (MoGas) filed tariff records for inclusion in its FERC Gas Tariff, Volume No. 1.<sup>1</sup> MoGas proposed, *inter alia*: (a) a new short-term imbalance management service (SBS); (b) a clarification to its authority to issue operational flow orders (OFO); (c) a clarification regarding the circumstances that may cause it to utilize flow control; and (d) a daily unauthorized overrun charge, a daily scheduling penalty, and a penalty on month-end imbalances. Parties to the proceeding filed comments and requested a technical conference. On January 30, 2015, the Commission issued an order (January 30 Order) accepting and suspending the tariff records subject to refund and conditions and established a technical conference.<sup>2</sup> On February 24, 2015, a technical conference was held whereby MoGas explained its proposal and the parties expressed their concerns. On March 12, 2015, MoGas filed comments and a revised proposal addressing the parties' concerns. On March 23, 2015, the parties filed comments on the revised proposal. On April 3, 2015, MoGas filed reply comments.

2. As discussed below, the Commission will accept the tariff records listed in the Appendix to become effective July 1, 2015, subject to MoGas' filing tariff records implementing the revisions it agreed to in its post-technical conference comments.

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<sup>1</sup> The tariff records are listed in the Appendix to this order.

<sup>2</sup> 150 FERC ¶ 61,062 (2015).

## **Discussion**

### **A. Tariff Revisions**

3. MoGas proposes various tariff revisions in its post-technical conference comments to address the concerns expressed by parties. These revisions pertain to: (1) overrun rates under Rate Schedules FT and IT; (2) Rate Schedule SBS service; (3) shipper obligations and penalties; (4) priority of service; (5) billing, invoices and payments; (6) OFOs; and (7) penalty revenue crediting. Laclede Gas Company and Union Electric Company d/b/a Ameren Missouri filed post technical conference comments supporting the changes proposed by MoGas and stating no further objection to the tariff records initially proposed by MoGas. However, the Missouri Public Service Commission (MoPSC) as well as the Municipal Intervenors<sup>3</sup> filed some adverse comments as discussed further below.

#### **1. Daily Scheduling Penalty Tolerance Level (Critical Period)**

4. MoPSC objects to proposed section 7.14.2 pertaining to daily scheduling penalty tolerances. MoPSC contends that the tolerance level for critical periods should be increased from the greater of three percent or 50 Dth to the greater of five percent or 50 Dth similar to the change proposed by MoGas for non-critical periods. MoGas responds that its proposed tolerance level for critical periods is consistent with Commission precedent<sup>4</sup> and is just and reasonable. MoPSC also states that proposed section 7.14.2(c) remains unclear. MoPSC proposes to add language to clarify that the only reconsideration of whether a shipper meets the criteria that the majority of its transported gas is under flow control is based on a calculation to determine just that. Specifically, MoPSC's proposed language reads:

Transporter will determine whether the majority of a Shipper's gas is transported through Delivery Point(s) operating under flow control equipment controlled by Transporter based on the 12-month period ending April 30, 2015, Transporter will post this determination on its Internet Website. Transporter reserves the right to reconsider the determination of whether the Shipper has the majority of its gas transported under flow control equipment controlled by Transporter if the Shipper's Delivery Point(s) change from flow control to pressure control or from pressure control to flow control. If a Shipper has delivery points in both Zone 1 and

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<sup>3</sup> Municipal Intervenors include the Cities of St. James, St. Roberts, and Waynesville, Missouri.

<sup>4</sup> MoGas cites *Millennium Pipeline Co., L.L.C.*, 130 FERC ¶ 61,074 (2010).

Zone 2, Transporter ~~will~~ shall make this calculation on a system-wide basis.  
*See* MoPSC March 23, 2015 reply comments at 4.

5. The Commission finds adequately clear both the edited and unedited versions, as there is only one typographical correction (its for it), and the other edits do not substantively change the meaning of the provision or the obligation it places on the pipeline. Specifically, even unedited, it is clear what “determination” is at issue, and the words “will” and “shall” when stating an obligation of the pipeline under the tariff are both mandatory.

6. The Commission finds that daily scheduling penalties during critical periods require more stringent penalties than during non-critical periods in order to deter inappropriate shipper behavior when the pipeline is in a critical situation. The Commission finds that MoGas has provided more flexibility to shippers by offering to increase the tolerance levels during non-critical periods when the pipeline is not in jeopardy of meeting its firm requirements. In addition, the Commission finds that MoGas’ proposal to set the tolerance level for critical periods at the greater of three percent or 50 Dth is just and reasonable and consistent with Commission precedent.<sup>5</sup>

## **2. Daily Scheduling Penalty (Non-Critical Period)**

7. Municipals state that much larger pipelines such as Panhandle Eastern Pipe Line Company (Panhandle) and Enable Mississippi River Transmission (MRT) manage their pipelines without scheduling penalties. Municipals states that the daily scheduling penalty MoGas has proposed is far more punitive than is necessary to encourage reliability and will inappropriately target only small shippers that the pipeline was designed and built to serve and which have a limited impact on overall pipeline operations. Municipals state that proposed section 7.14.2(a) would establish a penalty for shippers that deviate from their scheduled daily quantity by the greater of 50 Dth or 5 percent in non-critical periods. Municipals assert that while other pipelines have used a similar tolerance band, MoGas has not shown why this tolerance band is appropriate on its facilities which serve temperature-sensitive loads.

8. Municipals state that proposed section 7.14.2(c) completely exempts shippers from daily scheduling penalties so long as they take the majority of their gas through flow control points. Municipals assert that if a shipper takes 5,001 Dth of gas through a flow controlled point, the exemption appears to protect another 5,000 Dth of gas flowing through a point that is not flow controlled. Municipals explain that MoGas’ two largest customers have a combined 81,000 Dth of reserved capacity which under MoGas’ proposal would exempt as much as 40,000 Dth of these customers’ load if not under flow

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<sup>5</sup> *See Millennium Pipeline Co., L.L.C.*, 130 FERC ¶ 61,074 (2010).

control. Municipals assert that MoGas has not explained the need to penalize daily scheduling deviations as small as 50 Dth for small shipper loads when it is willing to exempt penalties for deviations in the hundreds to thousands for its two largest shippers. Municipals explain that small customers in Zone 2 can never operate under flow control since these customers serve heat loads that take inconsistently and with limited predictability and have no storage. Municipals contend that it is simply not possible to consistently schedule loads for small customers within a tolerance band that is the greater of 50 Dth or 5 percent of scheduled quantities since weather and temperature cannot be predicted accurately. Municipals further contend that the proposed daily scheduling penalty is nothing more than a transfer of additional dollars from small customers to large customers via the penalty structure. Municipals conclude that the Commission should reject the daily scheduling penalty or in the alternative require MoGas to expand the tolerance band within which the penalties do not apply.

9. MoGas responds that Municipals are seeking to avoid responsibility for accurate scheduling. MoGas states Municipals' assertion that both Panhandle and MRT are able to manage their pipelines without scheduling penalties is erroneous. MoGas states that section 12.11(h)(1) of Panhandle's tariff is similar to the daily scheduling penalty proposed by MoGas in section 7.14.2. MoGas further states that while MRT does not have daily scheduling penalties, MRT does use curtailment penalties listed in section 8.3(d) of the GT&C of its tariff, monthly cash-out penalties in section 10.3 of its GT&C and unauthorized gas penalties in section 13 of its GT&C to manage its system. With regard to MoGas' proposed tolerance band for daily scheduling penalties, MoGas states that it is simply asking both large and small shippers to submit accurate schedules. MoGas explains that shippers will no longer be able to continue the past practice of setting a nomination and leaving it at a particular level for weeks or months at a time regardless of their actual needs resulting in variations between scheduled quantities and actual deliveries. MoGas further explains that if Municipals have difficulty operating within the proposed tolerance level there are other options available to them, including use of SBS service, capacity release, or engaging an agent or asset manager to help them schedule gas. MoGas asserts shippers that have most of their gas delivered through delivery points operating under flow control should be exempt from the proposed daily scheduling penalty since it is the pipeline's responsibility to control the flow of gas. MoGas states that it could, if necessary, adjust the deliveries through the flow controlled point(s) to make up for a scheduling variance at a non-flow controlled point.<sup>6</sup>

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<sup>6</sup> MoGas notes that imbalances on the scale of those in the Municipals' comments of 40,000 Dth are simply unrealistic, and if such a situation did occur, MoGas could resort to the use of Operational Flow Orders (OFOs) under which shippers failing to comply with the OFO would be subject to penalties regardless of their use of flow control.

10. With regard to the tolerance level for daily scheduling penalties during non-critical periods, the Commission finds that pipelines must have penalty provisions in place which are at a sufficient level to prevent impairment of reliable service. Determining the penalty tolerance levels necessary to deter certain conduct is an exercise of reasonable judgment. In response to parties' concerns raised at the technical conference, MoGas agreed to raise the tolerance level from the greater of 3 percent of MDQ or 50 Dth to the greater of 5 percent of MDQ or 50 Dth. The Commission finds this revised penalty tolerance level during non-critical periods just and reasonable and similar to that proposed by other pipelines and approved by the Commission.<sup>7</sup> The Commission finds that this revised tolerance level will require both large and small shippers to accurately schedule their gas needs. The Commission agrees with MoGas that shippers that have the majority of their gas delivered through delivery points operating under flow control should be exempt from the proposed daily scheduling penalty since in that situation, it is the pipeline's responsibility to control the flow of gas. In that scenario, MoGas could, if necessary, adjust the deliveries through the flow controlled point(s) to make up for a scheduling variance at a non-flow controlled point. The Commission finds that if shippers such as Municipals are unable to easily operate within the proposed tolerance level there appear to be adequate options to assist them in adjusting their MDQ by utilizing SBS service, capacity release, or engaging an agent or asset manager to help them schedule gas. Finally, the Commission finds reasonable the four-month transition period agreed to by MoGas, which will allow both shippers and MoGas time to gain experience with the new tariff provisions without shippers' experiencing penalties during the transition.

### **3. Critical Period Notices**

11. Municipals argue that if the Commission authorizes MoGas to assess penalties in some form, Municipals appreciate MoGas' additional clarification in defining the term "Critical Period." Municipals explain that with the provisions of section 7.14.3, customers should generally have notice of issues and more information as to why the critical period was issued. Municipals state they hope that critical periods are issued only to preserve the integrity of the pipeline facilities. Municipals also state that they appreciate MoGas' commitment that it will schedule nomination of overruns and imbalance make-up quantities. Municipals also anticipate that MoGas will accept nominations going forward when capacity is available.

12. MoGas responds that it adopted nearly verbatim language from the Columbia Gulf tariff detailing how a critical period notice would be issued. With regard to Municipals' request that MoGas provide more information why a critical period was issued, MoGas responds that its proposed section 7.14.3(a)(vii) as modified in its post technical

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<sup>7</sup> See *Columbia Gas Transmission Corp.*, 124 FERC ¶ 61,122, at P 73 (2008).

conference comments requires MoGas to describe the “operational need for the issuance of the critical period.” With regard to accepting nominations when capacity is available, MoGas responds that Municipals should not conclude that MoGas will accept nominations of make-up gas during critical periods. MoGas states, however, that it will provide authorized overrun service when it has the capacity to do so on the same basis as other interruptible services. MoGas further states that it will use critical periods only when necessary to preserve operational integrity and service reliability. MoGas explains that when critical periods are called, MoGas does not anticipate that system conditions will allow MoGas to accept nominations above a shipper’s MDQ. MoGas concludes that this restriction is just and reasonable since shippers retain other tools for addressing imbalances, including netting and trading, accurate scheduling, and the ability to schedule make-up gas for current month imbalances after any prior month’s imbalances have been cleared.

13. The Commission finds proposed section 7.14.3(a)(vii) as modified by MoGas in its post technical conference comments requires MoGas to describe the “operational need for the issuance of the critical period,” and therefore satisfies Municipals’ concerns for more information. The Commission also finds MoGas’ proposal to provide authorized overrun service when it has the capacity to do so on the same basis as other interruptible services is just and reasonable. During critical periods, MoGas must use whatever tools are necessary to preserve operational integrity and service reliability. Therefore, it is reasonable for MoGas not to offer shippers the ability to schedule make-up gas for current month imbalances during critical periods when operational integrity and reliability of its system are at issue. Finally, the Commission finds that shippers retain other tools for addressing imbalances, including netting and trading, and the ability to schedule make-up gas for current month imbalances after any prior month imbalances have been cleared, and the operational integrity and reliability of MoGas’ system are not compromised.

#### **4. SBS Service**

14. MoPSC states that SBS service relies on MoGas’ linepack which is created through imbalances and compression on the pipeline. MoPSC asserts that some of the fuel used by MoGas should be assigned as a cost of providing SBS service. MoPSC states the Commission has indicated that a portion of the cost of service should be allocated to SBS service.<sup>8</sup> MoPSC requests that the Commission require MoGas to remove any fuel associated with providing SBS service from its calculation of its Fuel and Gas Loss Retention Percentage Adjustment. In addition, MoPSC proposes several tariff changes to prevent over-collection of fuel, and ensure that fuel related to SBS

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<sup>8</sup> MoPSC cites *Columbia Gulf Transmission Co.*, 134 FERC ¶ 61,082, at P 29 (2011).

service is excluded from MoGas' calculation of its Fuel and Gas Loss Retention Percentage Adjustment. Finally, MoPSC requests the Commission require MoGas to file a cost and revenue study after the SBS rate has been in effect for three years, so that actual revenues and expenses can be reviewed.<sup>9</sup>

15. MoGas responds that MoPSC cites no FERC precedent or other pipeline tariff to support its assertion that fuel associated with providing SBS service should be removed from MoGas' calculation of its Fuel and Gas Loss Retention Percentage Adjustment. MoGas states that other pipelines with SBS-like services do not have a separate fuel charge and do not remove from their fuel rate calculation fuel attributed to the SBS service.<sup>10</sup> MoGas further states that when an imbalance management service or park and loan service is an "adjunct" to transportation services that are already assessed a fuel charge, as is the case with SBS, an additional charge is not warranted.<sup>11</sup> MoGas explains that shippers receiving SBS service will continue to pay for fuel when they use their firm or interruptible transportation contracts to transport gas in a way that either adds or subtracts gas from the pipeline's linepack.

16. MoGas also submits that no cost and revenue study is required. MoGas states that MoPSC misreads the Commission's holdings in *Guardian* as requiring a cost and revenue study. MoGas explains that in *Guardian* the Commission granted a waiver request and noted that a *separate* Commission order, issued the year before, required a the pipeline to file a cost and revenue study for newly certificated facilities which is not the case with MoGas. MoGas states that its transmittal letter relied on five other cases in support of its request for waiver of section 154.202 and 154.204, and in those cases the Commission did not require a cost and revenue study.<sup>12</sup> Finally, MoGas argues against MoPSC's proposition that a portion of the cost of service should be allocated to SBS service.

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<sup>9</sup> MoPSC cites *Guardian Pipeline, LLC* 101 FERC ¶ 61,271 (2002).

<sup>10</sup> MoGas cites *Enable Gas Transmission, LLC*, FERC Gas Tariff, Rate Schedule SBS short-term balancing service, section 1-5; *Natural Gas Pipeline Company of America LLC*, FERC Gas Tariff, Rate Schedule IBS interruptible balancing service, Part 5.6. See also *Tallgrass Interstate Gas Transmission, LLC*, FERC Gas Tariff, Rate Schedule PALS.

<sup>11</sup> MoGas cites *Reliant Energy Gas Transmission Co.*, 100 FERC ¶ 61,290, at PP 7-10 (2002), *order on rehearing*, 101 FERC ¶ 61,299 (2002).

<sup>12</sup> MoGas cites *Tennessee Gas Pipeline Co.*, 87 FERC ¶ 61,375 (1999); *Columbia Gas Transmission Corp.*, 85 FERC ¶ 61,212 (1998); *Colorado Interstate Gas Co.*, 83 FERC ¶ 61,273 (1998); *ANR Pipeline Co.*, 83 FERC ¶ 61,087 (1998); and *Trunkline Gas Co.*, 77 FERC ¶ 61,169 (1996).

MoGas states in response to MoPSC's reference to *Columbia Gulf*, all the Commission did in that proceeding was to consolidate the issue of the justness and reasonableness of Columbia Gulf's proposed rates for scheduling variance service with a pending rate case. MoGas therefore argues that MoPSC has not established a basis for the reporting obligation it seeks.

17. The Commission finds that shippers receiving SBS service will continue to pay for fuel when they use their firm or interruptible transportation contracts to transport gas in a way that either adds or subtracts gas from the pipeline's linepack. Therefore, the Commission finds no basis for requiring removal of any fuel associated with providing SBS service from the calculation of MoGas' Fuel and Gas Loss Retention Percentage Adjustment. In addition, MoPSC's proposition that a portion of the cost of service should be allocated to SBS service and its cite to *Columbia Gulf* is not on point. In *Columbia Gulf*, the Commission consolidated the issue of the justness and reasonableness of Columbia Gulf's proposed rates for a scheduling variance service with an already pending rate case. However, this case is not clear precedent for the proposition of requiring pipelines to allocate a portion of their cost of service to any new service like SBS. Finally, only newly certificated pipelines in certificate proceedings are required to file a cost and revenue study after three years. MoGas however is not currently situated as a newly certificated pipeline, and there is no automatic requirement that a pipeline provide a three-year cost and revenue study for any new service offering such as SBS.

##### **5. Penalty Revenue Crediting**

18. MoPSC contends that MoGas is attempting to use its penalty provisions as a revenue source in violation of FERC Order No. 637<sup>13</sup> and 637-A.<sup>14</sup> MoPSC states that MoGas has eliminated the term "net of cost" from its tariff although the Commission has been clear that the transporter must account separately for costs that it wishes to net against penalty revenues and that the transporter must show that the costs to be netted are caused by shipper misconduct that is being penalized.<sup>15</sup> MoPSC explains that MoGas added language in section 7.40 of its tariff stating "Amounts collected for transportation service are not considered penalty revenue and shall be retained by Transporter," which MoPSC contends is likely to lead to double collection. MoPSC states that MoGas proposes multiple penalties that, while based on MoGas' IT rate, are still collected as penalty revenues and must be credited back to customers, net of costs, if any. MoPSC

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<sup>13</sup> MoPSC cites *Order No. 637*, 90 FERC ¶ 61,109 (2000).

<sup>14</sup> MoPSC cites *Order No. 637-A*, 91 FERC ¶ 61,169 (2000).

<sup>15</sup> MoPSC cites *Panhandle Eastern Pipe Line Co.*, 97 FERC ¶ 61,046 at 61,273 (2001).

contends that the proposed phrase “To the extent a Shipper’s penalty-causing conduct involved the transportation of gas, Transporter shall retain an amount equal to Transporter’s Rate Schedule IT rate multiplied by the total quantity of Dth transported...” appears to be an attempt by MoGas to retain more of the penalty revenues than its costs.

19. With regard to delivery point scheduling penalties, MoPSC claims that proposed section 7.14.2(a) does not differentiate between firm transportation customers and interruptible customers in order to determine lost opportunity cost to MoGas. MoPSC claims that only in the case of a shipper that contracts for IT service would there be a possible lost opportunity if the quantity delivered were less than the quantity scheduled. MoPSC asserts that before MoGas can penalize customers it should be required to demonstrate that there actually was a demand for the capacity before MoGas may retain any of the delivery point scheduling penalty from an IT shipper. MoPSC concludes that MoGas should be required to provide an accounting of the specific costs it retains from penalty revenues when crediting penalty revenues to shippers.<sup>16</sup>

20. MoGas responds that the only revenue MoGas will retain relates to transportation costs, not penalties. MoGas states that it revised section 7.40 to ensure that the pipeline is compensated for the transportation service it provides in connection with conduct that incurs a penalty. MoGas asserts that it will not double-collect as MoPSC alleges. MoGas states that its unauthorized overrun charge, for example, is defined in Rate Schedules FT and IT as two times the IT rate. MoGas explains that if the full amount of this penalty were returned to shippers, MoGas would not be compensated for the transportation it provides when an unauthorized overrun occurs. MoGas further explains that under its proposed section 7.40.1, MoGas would retain one times the IT rate as compensation for the transportation it provided, while the remaining one times the IT rate would go into the pool of penalties to be credited back to shippers. MoGas states that similarly, the non-critical period delivery point scheduling penalty is set at one times the IT rate for quantities exceeding the tolerance. MoGas explains that when a shipper takes more than its scheduled and confirmed quantity, MoGas’ retention of the IT rate compensates MoGas for the unscheduled transportation. MoGas further explains that when a shipper takes less than its scheduled and confirmed quantity, the retention of the IT rate penalty compensates MoGas for the lost opportunity to sell that capacity as IT. MoGas asserts that this is consistent with Commission precedent.<sup>17</sup>

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<sup>16</sup> MoPSC cites *Panhandle Eastern Pipe Line Co.*, 97 FERC ¶ 61,046, at 61,273 (2001); *Millenium Pipeline Co., LLC*, 117 FERC ¶ 61,319, at P 148 (2006); and *Calypso U.S. Pipeline, LLC*, 110 FERC ¶ 61,157, at P 15 (2005).

<sup>17</sup> MoGas cites *Millenium Pipeline Co., LLC*, 130 FERC ¶ 61,074, at P 20 (2010); and *Columbia Gas Transmission Corp.*, 124 FERC ¶ 61,122, at P 43 (2008), *rehearing denied*, 133 FERC ¶ 61,217, at P 43 (2010).

21. The Commission finds MoGas' retention of transportation costs involved in providing firm or interruptible service at one times the IT rate is reasonable. Further, MoGas has agreed to provide parties during the four month transition period with information about what penalties would have been assessed during the month. In addition, the four month transition period will allow shippers and MoGas time to gain experience with the new tariff provisions without financial impact. Finally, section 7.40.4 of MoGas' tariff requires MoGas to file an annual report on penalty revenue crediting, as do other pipelines.

## **6. Multiple Penalties**

22. MoPSC states the Commission has held that pipelines are prohibited from applying multiple penalties for the same infraction.<sup>18</sup> MoPSC requests that MoGas clarify that it does not intend to charge a shipper for two penalties when the cause of the penalty is the result of same conduct. MoGas responds that it will add language to section 7.14.2(c) in a compliance filing clarifying that it will impose whichever penalty is greater (either the OFO penalty or the scheduling penalty), but not both for the same conduct.

23. The Commission finds that MoGas' agreement to add language to section 7.14.2(c) in a compliance filing to clarify that it will impose the greater of either the OFO penalty or a scheduling penalty, but not both for the same conduct, is just and reasonable and addresses MoPSC's concerns. Accordingly, MoGas is directed to revise section 7.14.2(c) of its tariff as described above.

## **7. Affiliate Concerns**

24. MoPSC states that MoGas' recent sale of the pipeline assets to CorEnergy Infrastructure Trust, Inc. which also owns Omega Pipeline, a contract holder and marketer on the MoGas pipeline, raises concerns that the opportunity for affiliate abuse may arise from some of the MoGas tariff changes being proposed. MoPSC further states that the proposed SBS rate provides for steep discounting that may also lead to affiliate abuse. MoPSC requests that MoGas be required to include language in its tariff stating that it will not give undue preference to its own balancing services over like services that are provided by a third party. MoGas responds that the Commission's regulations require MoGas to post, for all pipeline interruptible service including SBS service, the name of the shipper receiving service, the rate charged, any special details pertaining to the agreement, including conditions applicable to a discounted transportation contract, whether the agreement deviates from the pipeline's tariff, and whether the shipper is

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<sup>18</sup> MoPSC cites *Columbia Gas Transmission Corp.*, 119 FERC ¶ 61,267, at 62,515 (2007) and 100 FERC ¶ 61,084, at P 201 (2002).

affiliated with the pipeline.<sup>19</sup> MoGas submits that MoPSC thus will be able to monitor the provision of discounts by MoGas, and therefore no further tariff revision is necessary.

25. The Commission finds that section 284.13(b)(2) of the Commission's regulations requires pipelines to post, for all interruptible service including SBS service, sufficient information to enable adequate monitoring of affiliate and non-affiliate transactions. Therefore, the Commission finds no further revision to MoGas' tariff is necessary.

### **B. Transition Period**

26. The Commission in its January 30 Order accepted and suspended the proposed tariff records for five months to be effective July 1, 2015. While the five-month suspension provided parties some time to anticipate operating under the new tariff provisions, parties at the technical conference expressed continued interest in a transition period, since the final contours of the new provisions would not be known or effective until the Commission's order following the technical conference. MoGas has agreed in its post-technical conference comments to provide a four-month transition period following the July 1, 2015 effective date of the tariff provisions until October 31, 2015. During that period, MoGas states that it will operate pursuant to the tariff revisions but will waive any penalty charges incurred in that period. Following the close of each month in the transition period, MoGas will provide a statement to each shipper showing what, if any, penalties would have been assessed during the month. MoGas states that to the extent necessary, MoGas requests permission to grant this waiver to all shippers for the four-month transition period beginning on the first day the new provisions are effective.

27. The Commission finds the four month transition period agreed to by MoGas will allow shippers and MoGas time to gain experience with the new tariff provisions without shippers experiencing financial hardships in the form of penalties. The Commission finds good cause to grant MoGas waiver of its proposed tariff provisions to the extent necessary to allow implementation of the four-month transition period.

#### **The Commission orders:**

(A) The tariff records listed in the Appendix are accepted to become effective July 1, 2015, subject to MoGas' filing revised tariff records to implement the revisions agreed to by MoGas and the parties as described herein.

(B) MoGas must make the compliance filing referenced in Ordering Paragraph (A), within 30 days of the date this order issues.

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<sup>19</sup> MoGas cites 18 C.F.R. § 284.13(b)(2)(2014).

(C) Waiver of the subject penalty charges is granted for the transition period July 1, 2015 through October 31, 2015, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

**APPENDIX**

MoGas Pipeline LLC  
Docket No. RP15-276-000  
Baseline Tariff, FERC NGA Gas Tariff

[Tariff Records Effective July 1, 2015, Subject to Conditions  
Tariff, Title Page, 1.0.0](#)

[Section 1, Table of Contents, 2.0.0](#)

[Section 3, System Map, 2.0.0](#)

[Section 4, Schedule of Rates for Transportation, 10.0.0](#)

[Section 6.1, Rate Schedule FT, 1.0.0](#)

[Section 6.2, Rate Schedule IT, 1.0.0](#)

[Section 6.3, Rate Schedule SBS, 0.0.0](#)

[Section 7.6, GT&C - Procedures for Requesting Service, 1.0.0](#)

[Section 7.14, GT&C - Shipper Obligations and Penalties, 1.0.0](#)

[Section 7.24, GT&C - Information and Communications, 1.0.0](#)

[Section 7.26, GT&C - Billing, Invoices and Payments, 1.0.0](#)

[Section 7.38, GT&C Operational Flow Orders, 0.0.0](#)

[Section 7.39, GT&C Flow Control, 0.0.0](#)

[Section 7.40, GT&C Penalty Revenue Crediting for Non-Offending Shippers, 0.0.0](#)

[Section 8.3, Form of Service Agreement FT, 1.0.0](#)

[Section 8.4, Form of Service Agreement IT, 1.0.0](#)

[Section 8.5, Form of Released Transportation Service Agreement, 1.0.0](#)

[Section 8.6, Form of Pre-Assignment Agreement, 1.0.0](#)

[Section 8.7, Form of Release Request, 1.0.0](#)

[Section 8.9, Form of Service Agreement SBS, 0.0.0](#)