

152 FERC ¶ 61,103  
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.

Equitrans, L.P.

Docket No. RP15-673-000

ORDER ACCEPTING TARIFF RECORDS SUBJECT TO CONDITIONS

(Issued July 31, 2015)

1. On March 23, 2015, Equitrans, L.P. (Equitrans) filed tariff records to establish a new Rate Schedule FLPS (Firm Lending and Parking Service (FLPS)), update the existing Rate Schedule LPS (Lending and Parking Service (LPS)), modify the existing Lending and Parking Service Agreement and Exhibits, and make other conforming changes to its Tariff.<sup>1</sup> The Commission accepted and suspended the tariff records, subject to refund and conditions and further Commission action, effective September 23, 2015, or a date set forth in a subsequent order.<sup>2</sup> In this order, after further review, the Commission accepts the tariff records subject to the conditions set forth below to be effective August 1, 2015.

**The Filing**

2. Equitrans proposed to add a new Firm Lending and Parking Service to enhance flexibility to be provided pursuant to Rate Schedule FLPS on Equitrans' Mainline and Sunrise Transmission Systems. Equitrans stated that the proposed service will allow customers to borrow or park gas on its system on a firm basis consistent with other pipeline and storage companies' Commission-approved tariff provisions that offer firm lending and parking services.

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<sup>1</sup> See Appendix.

<sup>2</sup> *Equitrans, L.P.*, 151 FERC ¶ 61,063 (2015) (April 2015 Order).

3. Proposed Rate Schedule FLPS provides that FLPS service shall consist of (1) the receipt by Equitrans of gas, parking of gas, and return of parked quantities to Customer (parking service), or (2) the delivery of gas to Customer and subsequent return of gas to Equitrans (lending service). Equitrans stated that the firm reservation charges for Rate Schedule FLPS service will be based upon the existing Rate Schedule LPS rates in the updated Statement of Rates in section 4.4 of its tariff.<sup>3</sup> Equitrans proposed that the rates for Rate Schedule LPS and FLPS service on the Sunrise Transmission System be the same as for service on the Mainline System. Equitrans also proposed to modify the *pro forma* service agreement for Rate Schedule LPS to accommodate Rate Schedules FLPS and LPS. Equitrans proposed to make conforming changes and references in Rate Schedule LPS and its General Terms and Conditions to reflect the new service.

4. Equitrans also proposed to modify its existing LPS service. In order to clarify that it will charge the Storage Loss Retainage Factor only when incremental storage losses are incurred, Equitrans proposed to revise section 3.2 of Rate Schedule LPS to provide that “Equitrans will not retain gas for storage loss in those instances where the transaction does not cause Equitrans to incur incremental storage losses.” Equitrans also proposed to provide both LPS and FLPS service on its Sunrise Transmission System, as well as its Mainline System, in response to potential customer demand. Equitrans proposed to modify both the Form of Service Agreement and Exhibit related to LPS service to assist with the processing.

5. Equitrans contended that the proposed Rate Schedule FLPS will utilize existing storage and transmission facilities, and therefore may be provided to the extent that Equitrans is not already obligated to provide the capacity, injection capability, and deliverability to another Customer with an existing firm service agreement. Equitrans asserted that service under Rate Schedule FLPS will have the same priority of service as other firm services. Equitrans further asserted that the proposed service will not replace the existing firm or interruptible services on the Equitrans system. Equitrans concluded that the proposed service will have no adverse effect on receipt and delivery point flexibility, nominating and scheduling priorities, allocation of capacity, or operating conditions and will benefit existing shippers by increasing liquidity and service flexibility and facilitating the movement of natural gas to meet market requirements.

6. Equitrans asserted that because FLPS is a new service and the extent to which it will be utilized is not known, it is requesting a waiver of the requirement in sections

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<sup>3</sup> In addition, Equitrans proposes a Storage Loss Retainage Factor, which will be an in-kind retainage factor in order to reimburse Equitrans for lost and unaccounted for gas required to provide storage service for Customers. Equitrans asserted, however, if a transaction will not cause Equitrans to incur incremental storage losses, the Storage Loss Retainage Factor will not be charged.

154.202(a)(1)(v-viii) and 154.204(e) of the Commission's regulations that tariff filings for a new service include an estimate of the effect on revenues and costs for the ¶12 months after the new service begins. Equitrans asserted that the filing does not include such an estimate because it has no actual cost or revenue experience with these services at this time, and the Commission has previously granted such waivers to pipelines proposing to implement similar services.

### **Protest and Answer**

7. Peoples Natural Gas Company LLC, Peoples TWP LLC, and Peoples Gas WV LLC (Peoples LDCs) filed comments and a conditional protest. In general, Peoples LDCs argued that Equitrans has not provided an adequate explanation of its proposed FLPS service and how the Commission's requirements for such service are met. Equitrans filed an answer to the comments and conditional protest (Answer).

8. In its Answer, Equitrans disagreed with Peoples LDCs and stated, among other things, that it does not oppose submitting a report within 45 days after the end of the first twelve months that the proposed FLPS is effective. Equitrans further stated that such a report will include the following related to FLPS Contracts: dates of service; volumes parked or loaned; a monthly total of volumes parked and loaned; whether the shipper is an affiliate of Equitrans; the point(s) involved; and the associated parking/lending rate charged.

### **April 2015 Order**

9. In the April 2015 Order, the Commission noted that Equitrans had filed an Answer with detailed supporting information and a proposed modification to its original proposal. Accordingly, the Commission determined that it was necessary to provide the parties with the opportunity to respond to Equitrans' Answer. Therefore, the Commission accepted and suspended the tariff records subject to refund and conditions and further Commission action effective September 23, 2015, or a date set forth in a subsequent order.

### **Response and Answers**

10. Peoples LDCs filed a response to Equitrans' Answer. Equitrans filed a reply to the response (Reply).<sup>4</sup> In its Reply, Equitrans stated that it is willing to further revise its tariff to include the following language in section 1(d) of Rate Schedule FLPS:

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<sup>4</sup> 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.

(continued ...)

Equitrans shall not provide FLPS service that will result in the total contracted firm storage capacity exceeding Equitrans' peak operationally available capacity on the Mainline System unless Equitrans, exercising reasonable discretion, determines that an FLPS transaction will have a positive effect on its system. Equitrans shall not provide an FLPS service that will result in the total contracted firm storage capacity exceeding unsubscribed storage capacity. In addition, Equitrans shall not provide FLPS service if, in its reasonable discretion, providing such service would interfere with the primary rights of any Customer that holds firm capacity.

Subsequently, Peoples LDCs withdrew its protest to the filing.

### **Discussion**

11. We find that Equitrans' revised tariff records with the revisions to which it has agreed are consistent with Commission policy and just and reasonable. Therefore, we will remove the suspension of the revised tariff records and accept them to be effective August 1, 2015, subject to conditions. Equitrans is required to file revised tariff records including the revised language in section 1(d) of Rate Schedule FLPS and the additional reporting requirements to which it agreed. In addition, for good cause shown, we will waive the requirement of sections 154.202(a)(1)(v-viii) and 154.204(e) of the Commission's regulations that tariff filings for a new service include an estimate of the effect on revenues and costs for the 12 months after the new service begins. Consistent with our precedent, the Commission also requires Equitrans to file a report within 45 days after the first year of service providing the information specified in the ordering paragraph below.<sup>5</sup>

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18 C.F.R. § 385.213(a)(2) (2014). However, the Commission accepts Equitrans' Reply since it will not delay the proceeding, may assist the Commission in understanding the issues raised, and will ensure a complete record.

<sup>5</sup> See, e.g., *Millennium Pipeline Co., L.L.C.*, 127 FERC 61,309, at P 26 (2009) (granting waiver of section 154.202(a)(1)(v-viii), subject to pipeline filing an activity report following the first year of service, where the pipeline proposing a new rate schedule lacked experience necessary to provide a reliable projection of possible revenues and costs related to the new service).

The Commission orders:

(A) The suspension of the tariff records listed in the Appendix is removed and those tariff records are accepted to be effective August 1, 2015, subject to the conditions set forth below.

(B) Equitrans is directed to file revised tariff records within thirty (30) days of the date of this order consistent with the conditions set forth in this order.

(C) Within 45 days after the end of the first twelve months that the proposed Firm Lending and Parking Service is effective, Equitrans must file a report including the following related to FLPS Contracts: dates of service; volumes parked or loaned; a monthly total of volumes parked and loaned; whether the shipper is an affiliate of Equitrans; the point(s) involved; and the associated parking/lending rate charged.

(D) For good cause shown, the Commission grants waiver of the requirement in sections 154.202(a)(1)(v-viii) and 154.204(e) of the Commission's regulations that tariff filings for a new service include an estimate of the effect on revenues and costs for the 12 months after the new service begins.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

**Appendix**

Equitrans, L.P.  
FERC NGA Gas Tariff  
Equitrans Tariff

Section 1, Table of Contents, 13.0.0

Section 4.4, Other Service Rates FLPS, LPS & IWS, 5.0.0

Section 5.10, Rate Schedule LPS, 5.0.0

Section 5.17, Rate Schedule FLPS, 0.0.0

Section 6.1, Definitions, 9.0.0

Section 6.8, Scheduling of Services, 11.0.0

Section 6.9, Curtailment of Service, 7.0.0

Section 6.31, Transportation, Gathering & Storage Retainage Adjustment, 4.0.0

Section 7.7, Rate Schedules FLPS and LPS, 3.0.0

Section 7.7.1, Rate Schedule LPS - Exhibit A, 5.0.0

Section 7.7.2, Rate Schedule FLPS - Exhibit A, 0.0.0

Section 8.1, Service Request Form, 6.0.0