

152 FERC ¶ 61,158  
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.

Golden Triangle Storage, Inc.

Docket No. RP15-132-000

ORDER ON PETITION FOR DECLARATORY ORDER

(Issued August 28, 2015)

1. On October 31, 2014, Golden Triangle Storage, Inc. (GTS) filed a petition for declaratory order requesting that the Commission grant GTS the authority to provide firm wheeling transportation service at market-based rates. To support its request, GTS filed a market power study and *pro forma* tariff records setting forth the terms and conditions of service necessary to implement its proposed firm wheeling transportation service. On May 6, 2015, GTS filed a revised market power study and exhibits in response to the Commission's February 5, 2015 data request. As discussed below, the Commission grants the market-based rate authority for firm wheeling service as requested by GTS and directs GTS to file actual tariff records to implement its proposal.

**Background**

2. GTS states that it owns an interstate natural gas storage facility located in Jefferson and Orange counties, Texas. GTS asserts that the Commission granted certificate authorization for it to construct and operate these facilities and to provide storage and certain transportation services at market-based rates.<sup>1</sup> GTS states that these services include (1) firm and interruptible storage services, (2) interruptible parking, loaning, and balancing services, and (3) interruptible wheeling service.<sup>2</sup>

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<sup>1</sup> *Golden Triangle Storage, Inc.*, 121 FERC ¶ 61,313 (2007); *Golden Triangle Storage, Inc.*, 138 FERC ¶ 61,036 (2012) (Certificate Orders).

<sup>2</sup> Response to February 5, 2015 Data Request, Attachment A, Revised Prepared Statement of James S. Diemer at 13.

GTS states that its interruptible wheeling transportation service, (Rate Schedule IW) allows shippers, to transport natural gas quantities on an interruptible basis among six pipeline interconnects along the GTS pipeline header system using market-based rates.<sup>3</sup> GTS points out that its current storage header system consists of approximately nine miles of dual 24-inch diameter pipeline with bidirectional meters at each of the six pipeline interconnects which allows Rate Schedule IW shippers the flexibility to either receive or deliver natural gas quantities at each interconnect.

3. In the instant petition, GTS requests authority to add a new firm wheeling transportation service pursuant to Rate Schedule FWS to its existing storage and transportation services and to charge market-based rates for this new service. GTS states that its proposal is in response to several requests received by GTS from existing and potential customers for firm wheeling transportation service on the header system. For example, GTS states that it has a request pending from an industrial facility being developed on a site adjacent to its header, for firm wheeling transportation service to access natural gas supply sources.

4. GTS states that to determine the level of interest on its system for firm wheeling transportation service and to provide notice to all interested parties of its intent to offer a new firm service under market-based rates, GTS held an open season on its system. GTS states that this open season, which commenced on July 23, 2014 and closed on August 5, 2014, did not result in binding commitments for firm wheeling transportation service, but did produce expressions of interest from potential customers. Given this interest, GTS asserts that the potential market for firm wheeling transportation service is more than sufficient to justify the addition of such a service.

5. GTS asserts that Commission policy provides for the approval of market-based rates where applicants demonstrate, under the criteria established by the *Alternative Rate Policy Statement*, that they lack significant market power or have adopted conditions that significantly mitigate market power.<sup>4</sup> GTS further asserts that consistent with this policy

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<sup>3</sup> GTS states that the interstate pipelines interconnected with the GTS header system are Golden Pass Pipeline, LLC, Texas Eastern Transmission, LP, and Florida Gas Transmission Company, LLC. The intrastate interconnected pipelines are Kinder Morgan Texas Pipeline LLC, Centana Intrastate Pipeline, LLC, and Houston Pipe Line Company, LP.

<sup>4</sup> GTS Petition at 5, citing, *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines*, 74 FERC ¶ 61,076, order on reh'g, 75 FERC ¶ 61,024 (1996), review denied sub nom., *Burlington Resources Oil & Gas Co. v. FERC*, 172 F.3d 918

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its filing includes market power studies that demonstrate that GTS does not have the ability to increase prices or to discriminate unduly in either price or terms and conditions of service for firm wheeling service.

6. Moreover, on May 6, 2015, GTS submitted revised market information in response to the Commission's February 5, 2015 data request. GTS states that the market study methodologies used to support its October 31, 2014 filing remain the same, but that it has updated the data used to support its request for market-based rates. GTS states the new information reinforces the conclusions reached in its previous studies. In sum, GTS maintains that its header system is only nine miles long; therefore its origin and destination markets are one and the same, namely, the Gulf Coast Production Area. GTS also points out that the capacity available for firm wheeling service on the GTS header system represents only a small fraction of the total Gulf Coast Market pipeline capacity. GTS states that it has only a 5.48 percent market share of pipeline capacity available for firm transportation service in the competitive market near its facilities. GTS points out that its revised Herfindahl-Hirschman Index (HHI) calculated value for the total pipeline capacity is 1,695.

7. GTS states that its updated market hub analysis indicates that the total receipt and delivery capacity in the Gulf Coast Production geographic market is competitive, with revised HHI-calculated values of 1,135 and 1,311, respectively. GTS states that the receipt and delivery capacity of the GTS header system constitutes only 5.12 percent and 5.10 percent, respectively, of the total capacity of the various hubs and market centers in the Gulf Coast Production geographic market. GTS points out that there are at least 118 delivery points and 92 receipt points among the various hubs and market centers. Therefore, GTS maintains that its revised market analysis reflects that given such a small market share, and low concentration of the market for wheeling services, GTS would not be able to exercise market power for either interruptible or firm wheeling service relative to the other hubs in the market with which it competes.

### **Notice and Interventions**

8. Public notice of the filing was issued on November 4, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2015)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2015)), all timely filed motions to intervene and any unopposed motion to intervene out-of-time

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(D.C. Cir. 1998) (*Alternative Rate Policy Statement*); *modified, Rate Regulation of Certain Natural Gas Storage Facilities*, Order No. 678, FERC Stats. & Regs., ¶ 31,220, *order on reh'g*, Order No. 678-A, 117 FERC ¶ 61,190 (2006).

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. No protests or adverse comments were filed. On July 23, 2015, Natgasoline LLC (Natgasoline) filed comments in support of GTS' petition for declaratory order.

### **Discussion**

9. GTS requests authority to add a new firm transportation wheeling service to its existing storage and hub services and to charge market-based rates for its proposed service. The Commission's main concern in granting a pipeline the use of market-based rates for transportation is the presence that the pipeline has in the relevant marketplace. Simply put, if the pipeline has market power over a service in the relevant marketplace, then the Commission will not permit it to charge market-based rates for that service.

10. Pursuant to the *Alternative Rate Policy Statement*,<sup>5</sup> the Commission has developed a framework for evaluating requests for market-based rates. This framework has two principal purposes: (1) to determine whether the applicant can withhold or restrict services and, as a result, increase price by a significant amount for a significant period of time; and (2) to determine whether the applicant can discriminate unduly in price or terms and conditions of service. To find that an applicant cannot withhold or restrict services, significantly increase prices over an extended period, or unduly discriminate, the Commission must find either that there is a lack of market power<sup>6</sup> because customers have good alternatives,<sup>7</sup> or that the applicant or the Commission can mitigate the market power with specified conditions.

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<sup>5</sup> *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines*, 74 FERC ¶ 61,076, *reh'g denied*, 75 FERC ¶ 61,024 (1996), *petitions for review denied and dismissed sub nom. Burlington Resources Oil & Gas Co. v. FERC*, 172 F.3d 918 (D.C. Cir. 1998) (*Alternative Rate Policy Statement*), *criteria modified, Rate Regulation of Certain Natural Gas Storage Facilities* (Order No. 678), FERC Stats. & Regs. ¶ 31,220 (2006); *order on clarification and reh'g* (Order No. 678-A), 117 FERC ¶ 61,190 (2006).

<sup>6</sup> The Commission defines "market power" as "the ability of a pipeline to profitably maintain prices above competitive levels for a significant period of time." *Alternative Rate Policy Statement*, 74 FERC at 61,230.

<sup>7</sup> A "good alternative" is an alternative that is available soon enough, has a price that is low enough, and has a quality high enough to permit customers to substitute the alternative for an applicant's service. *Id.* at 61,231.

11. Consistent with the methodology provided by the *Alternative Rate Policy Statement*, the Commission's analysis of whether GTS has the ability to exercise market power includes three major steps. First, the Commission will review whether GTS has specifically and fully defined the relevant markets to determine which specific products or services are identified, and the suppliers of the products and services that provide good alternatives to the applicant's ability to exercise market power.<sup>8</sup> Additionally, as part of this first step, the Commission will identify the relevant geographic market. Second, the Commission will assess GTS' market share and market concentration. The Commission uses market share and the HHI as screens in assessing whether a pipeline has the ability to exercise market power in defined product and geographic markets. However, HHIs are just one factor the Commission may evaluate.<sup>9</sup> The *Alternative Rate Policy Statement* recognizes that having a large market share in a concentrated market does not constitute market power if ease of entry and other competitive factors can prevent the applicant from exercising significant market power.<sup>10</sup> Lastly, the Commission will evaluate other relevant factors.

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<sup>8</sup> The relevant product market consists of the applicant's service and other services that are good alternatives to the applicant's services. *Alternative Rate Policy Statement*, at 61,231.

<sup>9</sup> For example, the Commission has accepted an HHI of 1,800 as the threshold indicating the potential ability for an applicant to exercise market power. In cases where the HHI was higher than 1,800, the Commission has performed further review to determine whether other competitive factors nevertheless will prevent the applicant from being able to exercise market power. *See, e.g., UGI Storage Co.*, 133 FERC ¶ 61,073 (2010); *Arlington Storage Co., LLC*, 125 FERC ¶ 61,306 (2008); *Rendezvous Gas Services, L.L.C.*, 112 FERC ¶ 61,141, (2005).

<sup>10</sup> In the *Alternative Rate Policy Statement*, the Commission states that its consideration of a market based rate proposal will include an examination of market concentration. Further, it explained that:

[T]o measure market concentration, one generally considers the summary measure of market concentration known as the Herfindahl-Hirschman Index (HHI). If the HHI is small then one can generally conclude that sellers cannot exercise market power in this market. A small HHI indicates that customers have sufficiently diverse sources of supply in this market that no one firm or group of firms acting together could profitably raise market price. If the HHI is higher than

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### Relevant Markets

12. In its updated market power study, GTS identifies the relevant product market as interruptible and firm wheeling transportation service which will offer potential shippers access to natural gas supplies at various receipt points on the GTS system.<sup>11</sup> GTS asserts that such a service is obtainable from many other sources in the relevant geographic area because the Gulf Coast Production Area consists of a network of interconnecting pipelines and natural gas market centers offering comparable services.<sup>12</sup>

13. GTS identifies the relevant geographic market for its proposed service as the Gulf Coast Production Area which GTS states extends from east Texas to Louisiana, Mississippi and Alabama. GTS states that this Gulf Coast Production Area is the same geographic area utilized and accepted by the Commission in GTS' prior applications for market-based storage rate authority.<sup>13</sup> GTS asserts that because the GTS header

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additional analysis may be needed to determine if the seller can exercise market power.

**Error! Objects cannot be created from editing field codes.**The Commission will analyze the HHI calculation for the relevant markets. The HHI will be evaluated for each relevant path and/or origin market and each destination market utilizing the relevant data for each mainline receipt point (origin market) and each delivery point (destination market). If an applicant wishes to argue for either a broader or narrower market definition, it should also include calculations for its market definitions. Only sales or capacity figures associated with good alternatives should be used in calculating the HHI. In addition, applicants should aggregate the capacity of affiliated companies into one estimate for those affiliates as a single seller. **Error! Objects cannot be created from editing field codes.** 74 FERC at 61,234 (footnote omitted).

<sup>11</sup> Response to February 5, 2015 Data Request, Attachment A, Revised Prepared Statement of James S. Deimer at 14, 15, 19.

<sup>12</sup> *Id.* at 19, 20.

<sup>13</sup> *Golden Triangle Storage, Inc.*, 121 FERC ¶ 61,313 (2007); *Golden Triangle Storage, Inc.*, 138 FERC ¶ 61,036 (2012).

system is only nine miles in length, its “origin and destination markets are one and the same -- the Gulf Coast Production Area.”<sup>14</sup>

14. The Commission agrees that the relevant geographic market for GTS’s proposed service is the Gulf Coast Production Area which is the same geographic area utilized and accepted by the Commission in GTS’ prior applications for market-based storage rate authority. With respect to the product market, the Commission has traditionally used a matrix, referred to as a “bingo card,” in evaluating whether shippers of an applicant seeking market-based rate authority for interruptible wheeling transportation service could obtain the same services from alternative providers. The bingo card identifies all possible interconnections for pipelines attached to a hub and indicates whether good alternatives exist to the subject service. In essence, the Commission relies upon the bingo card analysis to determine whether shippers can avoid the pipeline interconnections provided by the applicant by utilizing alternative interconnections available between the pipelines that are directly or indirectly connected to the applicant.

15. Similar to the analysis used for determining market-based interruptible transportation wheeling, the Commission finds that a bingo card analysis should be used to determine whether good alternatives exist for the firm transportation wheeling service proposed by GTS. The Commission has relied on this type of analysis to determine whether shippers can avoid the pipeline interconnections described by GTS by using alternative interconnections between the pipelines that are directly or indirectly connected to the applicant.<sup>15</sup>

16. GTS includes a bingo card analysis as a part of its market power study for firm wheeling transportation service.<sup>16</sup> The bingo card analysis for the project is listed in Revised Exhibit No. 7 of the GTS application and reflects thirty direct and indirect interconnections and the available capacity at each interconnection. The bingo card as set forth by GTS is completely filled-in for each of the GTS pipeline interconnects.<sup>17</sup>

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<sup>14</sup> Response to February 5, 2015 Data Request, Attachment A, Revised Prepared Statement of James S. Deimer at 26.

<sup>15</sup> See *UGI Storage Co.*, 138 FERC ¶ 61,051, at P 12 (2012).

<sup>16</sup> Response to February 5, 2015 Data Request, Attachment A, Revised Exhibit No. 7.

<sup>17</sup> The three interstate pipelines interconnected with the GTS header system are Golden Pass Pipeline, LLC, Texas Eastern Transmission LP, and Florida Gas Transmission Company, LLC. The three intrastate pipelines interconnected with the

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Under this analysis, a completely filled in “bingo card” demonstrates that shippers will not be dependent on GTS to transport natural gas in the Gulf Coast Production Area, because the area contains a number of other pipeline interconnections and alternative paths available to shippers. The bingo card analysis also demonstrates that customers can avoid the GTS header system entirely by using other interconnections readily available between the pipelines that are now connected to the GTS header system.<sup>18</sup> The transportation alternatives available to potential shippers through the network of pipelines in the Gulf Coast Production Area mandates that the rates charged by GTS for firm wheeling service will remain at fully competitive levels. The Commission concludes that the market definition set forth by GTS properly identifies numerous good alternatives to the service proposed by GTS as reflected by the completely filled in bingo card presented by GTS.

### **Market Share and Market Concentration**

17. GTS contends that it has a small market share in the Gulf Coast Production Area and that it will not be able to exercise market power for firm wheeling service relative to the other hubs in the market with which it competes.<sup>19</sup> GTS asserts that it has determined that between 350 MMcf per day and 400 MMcf per day of firm capacity could be made available on its header system for firm wheeling transportation service, assuming full

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GTS header system are Kinder Morgan Texas Pipeline LLC, Centana Intrastate Pipeline, LLC, and Houston Pipe Line Company LP.

<sup>18</sup> Response to February 5, 2015 Data Request, Attachment A, Revised Exhibit Nos. 7 and 8. Revised Prepared Statement of James S. Diemer at 22-23 states that “[t]he close proximity of multiple potential pipeline interconnections available to the industrial facility offers the industrial facility good alternatives to the interruptible and firm wheeling services to be provided by the GTS Facilities that would be available soon enough (could be constructed under prior notice provisions of the Commission’s regulations or intrastate regulations), would have a price low enough (a relatively low-cost delivery lateral), and would have a quality high enough (firm transportation service) that would prevent GTS from exercising market power.” GTS also points out that “[t]he Gulf Coast region is characterized by a vast network of interconnecting interstate and intrastate natural gas pipelines, including multiple formal market centers and hubs providing both firm and interruptible transportation between pipeline facilities. Thus, shippers seeking to transport natural gas from one of the pipelines connected to the GTS Facilities can easily avoid the GTS Facilities altogether if they so desire.” *Id.* at 5-6.

<sup>19</sup> *Id.* at 25.

subscription of its firm storage service.<sup>20</sup> GTS states that the proposed firm wheeling transportation service will have no effect on the firm entitlements of customers using the currently authorized storage services.<sup>21</sup>

18. GTS asserts that the capacity available for firm wheeling transportation service on the GTS header system of 400 MMcf/day represents a small fraction of the total pipeline capacity of 7,295 MMcf/day that exists in the Gulf Coast Production market, amounting to only a 5.48 percent market share.<sup>22</sup> GTS points out that the revised HHI for pipeline capacity as listed in Revised Exhibit No. 11 is 1,695 which remains below the 1,800 threshold and indicates that the market for transportation services in the Gulf Coast Production Area is competitive.<sup>23</sup>

19. Revised Exhibit Nos. 9 and 10 of GTS' market power study shows 118 delivery points and 92 receipt points available to shippers at various hubs and market centers in the Gulf Coast Production region.<sup>24</sup> GTS asserts that this high number of receipt and delivery points indicates many choices among the competing alternative facilities. For example, it states that total delivery capacity provided by the hubs and market centers is approximately 38 Bcf/day of which GTS represents only 2 Bcf/day or 5.10 percent of the total delivery capacity. GTS also points out that the HHI for delivery capacity as listed in Revised Exhibit No. 9 is 1,311 which indicates that the market for transportation services

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<sup>20</sup> *Id.* at 19.

<sup>21</sup> *Id.* at 3.

<sup>22</sup> *Id.*; Response to February 5, 2015 Data Request, Attachment A, Revised Exhibit No. 11.

<sup>23</sup> The Commission uses the HHI to measure the likelihood of a pipeline exerting market power in concert with other sources of supply. *See, e.g., Shell Pipeline Co. L.P.*, 103 FERC ¶ 61,236, at P 35 & n.4 (2003); *Rendezvous Gas Services, L.L.C.*, 112 FERC ¶ 61,141 (2005). An HHI is derived by squaring the market shares of all the firms competing in a particular geographic market and adding them together. The HHI can range from just above zero, where there are a very large number of small competitors in the market, to 10,000, where the market is served by a single monopolist. A high HHI indicates significant concentration. This means that a pipeline is more likely to be able to exercise market power either unilaterally or through collusion with rival firms in the market.

<sup>24</sup> Response to February 5, 2015 Data Request, Attachment A, Revised Exhibit Nos. 9 and 10.

in the Gulf Coast Production Area is competitive. In addition, GTS maintains that the total receipt capacity provided by the hubs and market centers is approximately 31 Bcf/day of which GTS represents only 1.6 Bcf or 5.12 percent of the total receipt capacity. GTS asserts that the HHI for receipt capacity as listed in Revised Exhibit No. 10 is 1,135 which indicates that the market for transportation services in the Gulf Coast Production Area is competitive.<sup>25</sup>

20. GTS has satisfactorily shown that, within the relevant market, its prospective market share is low and that the market's concentration is below the threshold the Commission would require before it would need to undertake closer scrutiny. As set forth above, in order to ascertain whether additional scrutiny is needed, the Commission examines concentration in the relevant market using the HHI. The *Alternative Rate Policy Statement* states that a HHI of less than 1,800 indicates that sellers cannot exert market power because customers have sufficiently diverse alternatives in the relevant market.<sup>26</sup> If the HHI is above 1,800, the Commission will give the applicant more scrutiny in order to make a determination about a seller's ability to exercise market power because the market is more concentrated. Here, the HHI index for the proposal as presented by GTS for pipeline capacity is 1,695, the HHI for delivery capacity is 1,311 and the HHI for receipt capacity is 1,135. GTS also presents that its market share is approximately 5.48 percent of the Gulf Coast Production market.

21. This low market share and market concentration levels demonstrate that GTS lacks market power. The HHI reflected by GTS' study reflects that it is less likely to be able to exert market power because customers have sufficiently diverse alternatives in the relevant market. GTS' HHI levels of market concentration are below the 1,800 threshold level, which demonstrates that it will not be able to exercise market power in the relevant market area. Furthermore, GTS' market share of 5.48 percent supports a finding that it lacks market power.

### **Other Relevant Factors Mitigating Potential Market Power**

22. In addition to market share and concentration, GTS asserts that other factors support the conclusion that it will not be able to exercise market power in the Gulf Coast Production Area. For example, ease of entry into a market inhibits the potential for any given participant to exercise market power.<sup>27</sup> GTS asserts that the number of proposed

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<sup>25</sup> *Id.*

<sup>26</sup> *Alternative Rate Policy Statement*, 74 FERC ¶ 61,076 at 61,235.

<sup>27</sup> *Alternative Rate Policy Statement*, 74 FERC ¶ 61,076 at 61,234.

new storage facilities and expansions of existing storage facilities, as well as the number of pipeline expansions and proposed new pipelines in the Gulf Coast Production Area indicate that there are no significant barriers to entry into this market and that such ease of entry prevents any participant from exerting market power.<sup>28</sup>

23. The Commission agrees with GTS that barriers to entry are likely to be low in the relevant market and that alternative products are available to shippers in the relevant geographic area. Accordingly, upon examination of the material and studies presented by GTS, the Commission finds that GTS lacks significant market power in the relevant geographic area for the proposed market-based firm transportation service. Further, for the reasons discussed above and given the fact that the GTS proposal for market-based rates for a small header system intersected by six other pipelines is unopposed, the Commission accepts GTS' request to charge market-based rates for firm wheeling transportation service.

24. Nevertheless, the Commission will require GTS to notify the Commission if future changes in circumstances significantly affect its present market power status. Any event which would affect GTS' ability to withhold or restrict services or increase its ability to discriminate unduly in price or terms of service must be reported to the Commission within 10 days of acquiring knowledge of any such changes. For example, significant changes would include, but are not limited to: (1) an expansion of capacity; (2) the acquisition of additional transportation facilities; (3) an affiliate providing transportation services in the same market area; and (4) GTS or an affiliate acquiring an interest in or being acquired by an interstate pipeline. Failure to timely file a change in circumstance report or failure to comply with the reporting requirements would constitute a violation of the Commission's regulations. The Commission also reserves the right to require an updated market power analysis at any time.<sup>29</sup>

### **Tariff Provisions**

25. GTS proposes *pro forma* tariff records to incorporate its proposed firm wheeling service pursuant to Rate Schedule FWS and the corresponding FWS Service Agreement. GTS proposes numerous conforming changes to its existing tariff sections for Rate Schedule FWS service that refer to additional or modified defined terms that describe the

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<sup>28</sup> Response to February 5, 2015 Data Request, Attachment A, Revised Prepared Statement of James S. Diemer at 5, 29-30.

<sup>29</sup> See *Arlington Gas Storage Co. LLC*, 147 FERC ¶ 61,120, at P 39 (2014).

services provided by GTS or reference the individual rate schedules. GTS also proposes minor housekeeping revisions for formatting, typographical errors and consistent terminology.

26. The Commission finds the language as provided for by the *pro forma* tariff records acceptable and directs GTS to file actual tariff records reflecting such language not less than 30 days before the firm wheeling service at market-based rates is to commence. GTS is directed to comply with the Commission's electronic filing requirements set forth in Order No. 714<sup>30</sup> and Part 154 of the Commission's regulations.<sup>31</sup>

### **Waiver of Cost-Based Regulations**

27. GTS states that in authorizing market based rates for storage and certain hub services the Certificate Orders granted waivers of the Commission's cost-based rate regulations, including section 284.7, section 284.10, and the accounting and reporting requirements in Part 201 and sections 260.1 and 260.2. In the instant proceeding GTS requests that such waivers continue in effect.<sup>32</sup>

The Commission's action in the instant proceeding does not affect its previous waiver of the cost based rate regulations granted to GTS. Accordingly, the Commission will permit the continuation of the previously granted waivers and, for good cause shown, will also allow the cost based regulations<sup>33</sup> to be waived for the new market based rate transportation service accepted herein for the GTS system.

### **The Commission orders:**

(A) The petition for declaratory order requesting authority to provide firm wheeling transportation service at market-based rates on GTS' header system is granted subject to the conditions in this order.

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<sup>30</sup> *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).

<sup>31</sup> 18 C.F.R. § 154.4 (2015).

<sup>32</sup> GTS Petition at 9, *citing*, *Golden Triangle Storage, Inc.*, 121 FERC ¶ 61,313 at PP 35-36; *Golden Triangle Storage, Inc.*, 138 FERC ¶ 61,036 at P 23.

<sup>33</sup> *Id.*

(B) The language proposed in the *pro forma* tariff records is accepted subject to GTS filing actual tariff records reflecting the approved language at least 30 days prior to the date the firm wheeling transportation service is to commence.

(C) Waiver of certain cost-based regulations is granted as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.