

152 FERC ¶ 61,238
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.

Great Lakes Gas Transmission Limited Partnership

Docket No. RP11-1723-003

ORDER ON REHEARING

(Issued September 29, 2015)

1. On April 1, 2013, NJR Energy Services Company (NJRES) and BG Energy Merchants LLC (BGEM) filed requests for rehearing of the Commission's February 2013 Order, which affirmed the Commission's prior rejection of Great Lakes Gas Transmission Limited Partnership's (Great Lakes) proposal to allocate firm secondary out-of-path transportation on an economic basis.¹ For the reasons discussed below, the Commission denies NJRES and BGEM's rehearing requests as moot.

I. Background

2. On January 26, 2011, Great Lakes filed revised tariff records to modify the scheduling priority provisions set forth in section 6 of its tariff's general terms and conditions of service (GT&C). Among other changes, Great Lakes proposed to allocate firm secondary out-of-path transportation capacity based upon the "confirmed price"² paid by each shipper. Under Great Lakes' proposal, the shipper paying a higher confirmed price received a higher priority over shippers paying a lower confirmed price.³

¹ *Great Lakes Gas Transmission Ltd. P'ship*, 142 FERC ¶ 61,160 (2013) (February 2013 Order).

² Great Lakes' proposal defined "confirmed price" as "the Transportation rate inclusive of all applicable fees and surcharges agreed upon by Transporter and Shipper computed at one hundred percent load factor, if applicable."

³ Great Lakes further explained that for those shippers nominating at an equivalent price, capacity would be allocated *pro rata* based upon nominations.

3. On February 28, 2011, the Commission issued an order accepting and suspending Great Lakes' revised tariff records for five months and directing Great Lakes to file additional information to clarify its proposal.⁴ Subsequently, the Commission's July 2011 order rejected Great Lakes' proposal to allocate firm secondary out-of-path transportation on an economic basis.⁵

4. In compliance with the July 2011 Order, Great Lakes filed revised tariff records allocating firm secondary out-of-path transportation on a *pro rata* basis and removing the proposal to allocate this capacity on an economic basis. However, Great Lakes also sought rehearing of the July 2011 Order.

5. In the February 2013 Order, the Commission accepted Great Lakes' compliance filing and denied Great Lakes' request for rehearing. In denying rehearing, the February 2013 Order explained pipelines are permitted to schedule firm secondary capacity by either the highest percentage of the applicable maximum rate or, as Great Lakes proposed, by the highest absolute price.⁶ However, the Commission explained that pipelines may only allocate out-of-path secondary firm capacity based upon the absolute price paid by the shipper if all maximum rate shippers are scheduled before non-maximum rate shippers.⁷ Because Great Lakes' proposal did not provide such a guarantee, the Commission concluded that it was not just and reasonable.⁸

II. Rehearing

6. On rehearing, NJRES states that the Commission should clarify that discounted shippers can schedule secondary out-of-path firm service by paying the maximum rate on a day-to-day basis. BGEM states that the Commission should not allow allocation of secondary out-of-path firm capacity on an economic basis. BGEP states that once firm capacity is purchased, a shipper's access to secondary points should not be affected by whether the shipper is paying a discounted or a maximum rate.

⁴ *Great Lakes Gas Transmission Ltd. P'ship*, 134 FERC ¶ 61,148 (2011) (February 2011 Order).

⁵ *Great Lakes Gas Transmission Ltd. P'ship*, 136 FERC ¶ 61,070. (2011) (July 2011 Order)

⁶ February 2013 Order, 142 FERC ¶ 61,160 at P 12 (citing *Tennessee Gas Pipeline Co., L.L.C.*, 139 FERC ¶ 61,050, at P 41 (2013)).

⁷ *Id.* P 11 (citing *Tennessee*, 139 FERC ¶ 61,050, at PP 40-48 (2013)).

⁸ *Id.* P 12.

III. Discussion

7. The Commission finds these rehearing requests are moot, since Great Lakes' tariff can no longer give rise to the scenarios of concern to the petitioners. The February 2013 Order accepted Great Lakes' compliance filing removing the contested provision allocating secondary firm out-of-path capacity on an economic basis⁹ and implementing the currently effective tariff provision allocating secondary firm out-of-path capacity on a *pro rata* basis.¹⁰ NJRES and BGEM have not raised any objection to the currently effective tariff's *pro rata* allocation. Accordingly, because the rehearing requests relate to a forgone part of Great Lakes' proposal which is no longer before the Commission for approval, or applicable to service on Great Lakes, they are denied as moot.¹¹

The Commission orders:

The Commission denies rehearing for the reasons discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁹ *Id.* P 14.

¹⁰ Great Lakes Gas Transmission Tariff, Third Revised Vol. 1, GT&C § 6.11.1 (2.1.0).

¹¹ Should Great Lakes subsequently propose to allocate secondary point capacity on an economic basis, NJRES and BGEM will have the opportunity to file protests and comments addressing any issues associated with that filing.