

154 FERC ¶ 61,181  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

March 9, 2016

In Reply Refer To:  
Columbia Gas Transmission, LLC  
Docket No. RP16-592-000

Columbia Gas Transmission, LLC  
5151 San Felipe, Suite 2400  
Houston, TX 77056

Attention: James R. Downs, Vice President  
Rate & Regulatory Affairs

Dear Mr. Downs:

1. On February 8, 2016, Columbia Gas Transmission, LLC (Columbia) filed a tariff record<sup>1</sup> to extend the Operational Transaction Rate Adjustment (OTRA) mechanism for an additional year through March 31, 2017, to be effective March 1, 2016. Columbia also filed a request for limited waiver of the Standards of Conduct with regards to the independent functioning requirement of section 284.286 of the Commission's regulations as it relates to purchases and sales associated with maintaining sufficient supply in northern Ohio. Columbia further requests that the Commission grant a waiver of the 30-day notice requirements in section 254.207 of the Commission's regulations to permit a March 1, 2016 effective date for its tariff record and any other waivers that may be necessary. As discussed below, for good cause shown, the Commission grants waiver of sections 284.286 and 254.207 of our regulations. The Commission also accepts the referenced tariff record, to be effective March 1, 2016, as proposed and subject to Commission action on a Settlement in Docket No. RP16-314-000.

2. Public notice of the filing was issued on February 10, 2016. Interventions and protests were due on or before February 22, 2016, as provided in section 154.210 of the

---

<sup>1</sup> Columbia Gas Transmission, LLC, FERC NGA Gas Tariff, Baseline Tariffs, [Gen. Terms & Conditions, Operational Transactions, 6.0.0.](#)

Commission's regulations.<sup>2</sup> Pursuant to Rule 214,<sup>3</sup> all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No adverse comments or protests were filed.

3. On May 22, 2012, the Commission accepted Columbia's proposal to implement the OTRA surcharge on an interim basis through March 31, 2014 to recover the costs of certain operational purchases and sales required to ensure a sufficient amount of flowing supply into Columbia's system in northern Ohio.<sup>4</sup> The May 22, 2012 Order also granted Columbia a limited waiver of the independent functioning requirement of section 284.286 to allow Columbia's transmission function employees to make the purchases and sales associated with the OTRA mechanism until March 31, 2014. Columbia asserts that it makes these operational purchases and sales in order to ensure that receipts in northern Ohio are sufficient for it to meet the needs of regional markets and to ensure sufficient supplies are injected into its northern Ohio storage fields. Columbia states it relies on this storage to ensure reliable winter operations throughout its system, including no-notice requirements of firm shippers. Columbia claims the OTRA was implemented to "lower costs for its customers [as compared to] rerouting gas supplies from the southwest part of its system to northern Ohio on other pipelines or requiring customers to deliver gas to northern Ohio receipt points through the use of Operational Flow Orders (OFOs)."<sup>5</sup> Columbia further states that the OTRA mechanism in section 49.4 of the General Terms and Conditions of its tariff will expire on March 31, 2016.<sup>6</sup>

4. Columbia states that, during 2014 and 2015, it met with its shippers to discuss a more permanent solution to the northern Ohio operating issues. On December 18, 2015, Columbia filed a Stipulation and Agreement of Settlement (the Settlement) in Docket No. RP16-314-000, which extends Columbia's Capital Cost Recovery Mechanism

---

<sup>2</sup> 18 C.F.R. § 154.210 (2015).

<sup>3</sup> 18 C.F.R. § 385.214 (2015).

<sup>4</sup> *Columbia Gas Transmission, LLC*, 139 FERC ¶ 61,141 (2012) (May 22, 2012 Order).

<sup>5</sup> *Id.* P 16.

<sup>6</sup> On December 13, 2013, Columbia filed to extend the OTRA mechanism to March 31, 2016, which was granted in a letter order issued on March 11, 2014. *See Columbia Gas Transmission, LLC*, Docket No. RP14-287-000 (Mar. 11, 2014) (delegated letter order).

(CCRM). As part of the Settlement discussions, Columbia states that Columbia and its shippers reviewed other alternatives to the OTRA mechanism including pending pipeline projects and expansions in the area. Columbia states the discussions resulted in a general consensus to extend the OTRA mechanism through March 31, 2022 as part of the Settlement.<sup>7</sup>

5. In the Docket No. RP16-314-000 filing, Columbia requested that the Commission approve the Settlement by March 31, 2016. However, Columbia states that the current OTRA mechanism is set to expire March 31, 2016 and the Settlement may not be final prior to the expiration of the current tariff sheets, particularly if any party seeks rehearing. Therefore, Columbia states it is filing the subject tariff record to extend the OTRA mechanism for an additional year through March 31, 2017 pending a final order on the Settlement. Columbia further states that once the Commission issues a final order approving the Settlement, Columbia will file to implement the tariff record extending the mechanism through March 31, 2022. Columbia asserts approval of agreed extension of the OTRA mechanism will ensure a smooth transition and protect the customers on the Columbia system by allowing Columbia to make the gas purchases required for Northern Ohio at the lowest cost and in a transparent manner.

6. Accordingly, the Commission accepts the tariff record to extend the OTRA mechanism through March 31, 2017, and grants waiver of the 30-day notice requirement in order to permit that tariff record to be effective March 31, 2016, subject to Commission action on the Docket No. RP16-314-000 Settlement. In addition, the Commission grants Columbia a limited waiver of the Standards of Conduct with regards to the independent functioning requirement of section 284.286 as it relates to purchases and sales associated with maintaining sufficient supply in northern Ohio under the OTRA mechanism. Consistent with the similar waiver granted in the May 22, 2012 Order, the limited waiver granted in this order applies only to those transmission employees engaged in activities directly related to purchases and sales for northern Ohio under the OTRA mechanism and such employees may not perform any other marketing function activities. The Commission again reminds Columbia that under section 4 of the NGA, Columbia is prohibited from engaging in unduly discriminatory or preferential behavior.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

---

<sup>7</sup> Modernization II Settlement, Article 8.4.