

158 FERC ¶ 61,071
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 27, 2017

In Reply Refer To:
Dominion Cove Point LNG, LP
Docket No. RP17-314-000

Dominion Cove Point LNG, LP
707 East Main Street, 20th Floor
Richmond, VA 23219

Attention: L. Drew Cutright

Dear Mr. Cutright:

1. On December 30, 2016, Dominion Cove Point LNG, LP (Cove Point) filed revised tariff records¹ to reflect amendments to two negotiated rate agreements. Cove Point affirms that the agreements do not deviate in any material respect from the form of service agreement in its tariff. Cove Point requests waiver of the Commission's 30-day notice requirement to allow the tariff records listed in Footnote No. 1 to become effective January 1, 2017. We grant waiver and accept the tariff records listed in Footnote No. 1, effective January 1, 2017 as requested.
2. Cove Point states that the first agreement, Contract No. FTS1004 with CPV Maryland, LLC (CPV Maryland) reflects only a minor housekeeping change, correcting the contract termination date to read July 31, 2036, instead of July 30, 2036.
3. According to Cove Point, the second agreement, Contract No. FTS3006 with Statoil Natural Gas LLC (Statoil), reflects a reduction in contract quantities and a change in the expiration date negotiated by the parties to be effective January 1, 2017. Cove Point states that in Docket No. RP11-1785-000, it filed, and the Commission approved (2011 Statoil Order), a non-conforming negotiated rate agreement for service

¹ Dominion Cove Point LNG, LP, FERC NGA Gas Tariff, DCP_DATABASE, [Tariff Record 45.4, Negotiated Rates, 2.0.0](#); and [Tariff Record 45.5, Negotiated Rates, 1.0.0](#).

with Statoil (2011 agreement).² Cove Point states that the instant filing implements the changes in volumes from the 2011 agreement, but reflects further changes to the volumes and expiration date from the 2011 agreement.³ According to Cove Point the amended agreement implements the 2011 agreement's further ramping down of the maximum firm transportation quantity (MFTQ) at a specific point during the term of the agreement, and moves up the expiration date of the agreement.⁴ Cove Point claims that this ramp-down is allowed pursuant to section 2(a) of Rate Schedule FTS in its tariff, which provides that Cove Point and a shipper may agree to differing MFTQ levels during specified periods of an agreement.⁵

4. Public notice of the filing was issued on January 5, 2017. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁶ Pursuant to Rule 214,⁷ all motions to intervene are granted and any unopposed motions to intervene out-of-time 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. On January 11, 2017, BP Energy Company (BP) filed a protest. On January 17, 2017, Cove Point filed an answer to BP's protest. Under Rule 213(a)(2) of the Commission's regulations, answers to protests are prohibited unless otherwise ordered by the decisional authority. We will accept the answer, however, because it provided information that assisted us in our decision making process.

5. In its protest, BP explains that it previously protested, in Docket No. CP13-113-000, Cove Point's effort to provide Statoil with a turnback right and requested that the Commission require Cove Point to offer BP an opportunity to turnback its terminal service.⁸ BP requests that Commission action in this proceeding be made subject to the

² Cove Point transmittal at 2 & n.6 (citing *Dominion Cove Point LNG, LP*, 134 FERC ¶ 61,219 (2011 Statoil Order), *order on compliance*, 135 FERC ¶ 61,075 (2011)).

³ Cove Point states that it explained the change in expiration date of the agreement in its certificate application in Docket No. CP13-113-000. *Id.* (citing *Dominion Cove Point LNG, LP*, 148 FERC ¶ 61,244 (2014)).

⁴ Cove Point answer at 2-3.

⁵ *Id.*

⁶ 18 C.F.R. § 154.210 (2016).

⁷ 18 C.F.R. § 385.214 (2016).

⁸ *Dominion Cove Point LNG, LP*, 148 FERC ¶ 61,244.

outcome of the pending proceedings in Docket No. CP13-113-000, which it asserts will address the turnback rights under review and BP's pending request for turnback rights effective as of January 1, 2017. BP further requests that the Commission consolidate this docket with Docket No. CP13-113-000 for further review. In support of its protest and this request, BP incorporates by reference its pending Motion for Expedited Action on Remand in Docket Nos. CP13-113, *et al.* and its Motion for Leave to Reply and Reply filed in the same docket.

6. We accept the revision to Contract No. FTS1004 with CPV Maryland, which only corrects an error in the originally accepted filing.

7. We also accept the revision to Contract No. FTS3006 with Statoil. Cove Point correctly notes that when the Commission reviewed the original non-conforming 2011 agreement, it approved the ramp-down clause reflected in the current filing,⁹ subject to Cove Point amending its tariff to allow all shippers to negotiate for ramp-down clauses, which Cove Point did in its compliance filing.¹⁰ Thus Cove Point's agreement with Statoil to reduce the contract quantity is permitted by its tariff.

8. We also find the new expiration date of the amended agreement to be permissible. The 2011 Statoil Order and corresponding compliance order approved a restructured agreement with Statoil that replaced the primary expiration date of March 25, 2029 with a new expiration date of December 31, 2020,¹¹ subject to Cove Point "amending its *pro forma* service agreement to include blank lines to fill in specific time periods and the option of decreasing contract quantity for those periods,"¹² which again Cove Point did in its compliance filing.¹³ That tariff provision, which is still in Cove Point's tariff in its original form at section 5 of the General Terms and Conditions, states:

...Operator may agree, on a not unduly discriminatory basis, with a Buyer to: (i) the termination of an existing service agreement prior to its expiration date contingent upon

⁹ 2011 Statoil Order, 134 FERC ¶ 61,219 at P 14.

¹⁰ *Dominion Cove Point LNG, LP*, 135 FERC ¶ 61,075 at P 5.

¹¹ 2011 Statoil Order, 134 FERC ¶ 61,219 at P 2.

¹² *Id.* P 16.

¹³ *Dominion Cove Point LNG, LP*, 135 FERC ¶ 61,075 at P 5.

negotiated conditions, including the payment of any agreed upon termination fees;...¹⁴

Thus, this existing provision authorizes precisely the sort of early termination that Cove Point has negotiated with Statoil.

9. Accordingly, we accept the filed negotiated rate. We note that our acceptance of this agreement for filing today in no way prejudices the outstanding question of BP's pending request for turnback rights, which shall be addressed in a future Commission order in Docket No. CP13-113-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁴ [Dominion Cove Point LNG, LP, FERC NGA Gas Tariff, DCP_DATABASE, Tariff Record 40.6, GT&C – Service Agreement, 0.0.0.](#)