

160 FERC ¶ 61,046
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Cheryl A. LaFleur, and Robert F. Powelson.

Algonquin Gas Transmission, LLC

Docket No. RP17-808-000

ORDER ESTABLISHING TECHNICAL CONFERENCE

(Issued September 1, 2017)

1. On June 1, 2017, pursuant to section 4 of the Natural Gas Act,¹ Algonquin Gas Transmission, LLC (Algonquin) submitted proposed tariff records reflecting clarifications to its no-notice services under Rate Schedules AFT-E and AFT-ES (AFT-E/ES) and to the General Terms and Conditions (GT&C) of its tariff. Algonquin requested an effective date for the proposed tariff records of August 1, 2017.
2. On July 27, 2017, pursuant to the authority delegated by the Commission's February 3, 2017 Order Delegating Further Authority to Staff in Absence of Quorum,² Algonquin's proposed tariff revisions were accepted for filing, suspended to become effective January 1, 2018, subject to refund and further Commission order.³
3. As discussed below, in this further order, we direct that Commission staff establish a technical conference to address the impact of the proposed changes on Algonquin's system.

Details of the Filing

4. Algonquin proposed to update its no-notice services under Rate Schedule AFT-E/ES to align these services with its current practices and operational requirements. Algonquin stated that these schedules were last updated in June 1993. Specifically, Algonquin proposed to: (a) clarify that the requirement for sufficient quantities of capacity on upstream providers is applicable to all no-notice customers; (b) specify that the requirement for sufficient capacity means that AFT-E/ES customers desiring no-notice service on a gas day must have nominated and scheduled an upstream no-notice

¹ 15 U.S.C. § 717c (2012).

² *Agency Operations in the Absence of a Quorum*, 158 FERC ¶ 61,135 (2017).

³ *Algonquin Gas Trans., LLC*, 160 FERC ¶ 62,088 (2017).

quantity under their no-notice contracts on a pipeline upstream of Algonquin equal to the quantity requested as no-notice service under their AFT-E/ES service agreements for that same day; (c) require customers to identify the upstream contract supporting its no-notice service on Algonquin's electronic LINK system; (d) clarify that the right to change primary delivery points under AFT-E/ES only applies to temporary capacity releases; (e) clarify that the conversion of capacity from AFT-E/ES to Rate Schedule AFT-1 or AFT-1S as a result of a point amendment for a permanent capacity release pursuant to its GT&C is allowed only for permanent, and not temporary, capacity releases; (f) eliminate certain tariff requirements that have become outdated with automation and other faster forms of communication; and (g) reduce notice and agency requirements associated with no-notice services, and eliminate the related indemnification provisions.

Public Notice, Interventions, and Protests

5. Public notice of Algonquin's filing was issued on June 5, 2017. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁴ Pursuant to Rule 214,⁵ all timely-filed motions to intervene and any unopposed motions to intervene out-of-time filed before the order issuance date of July 27, 2017, are granted. Further, the Commission finds that granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. On June 13, 2017, National Grid Gas Delivery Companies (National Grid), Indicated Shippers,⁶ and the New England Local Distribution Companies⁷ protested the filing and requested that a technical conference be established in this proceeding. Sprague Operating Resources LLC filed a letter in support of the protests.

6. On June 29, 2017, Algonquin filed a motion for leave to answer and an answer in response to the protests. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure⁸ prohibits an answer to a protest unless otherwise ordered by the decisional

⁴ 18 C.F.R. § 154.210 (2017).

⁵ 18 C.F.R. § 385.214 (2017).

⁶ Indicated Shippers are Direct Energy Business Marketing LLC, and Shell Energy North America (US), L.P.

⁷ The New England Local Distribution Companies consists of: Bay State Gas Company d/b/a Columbia Gas of Massachusetts; Connecticut Natural Gas Corporation; Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty Utilities; Middleborough Gas & Electric Department; Northern Utilities, Inc.; and Southern Connecticut Gas Company.

⁸ 18 C.F.R. § 385.213(a)(2) (2017).

authority. We accept Algonquin's answer because it provides information that assists us in our decision-making process.

7. Indicated Shippers protest Algonquin's proposal to amend its Rate Schedules AFT-E/ES because they claim the revisions would unnecessarily limit the availability of no-notice service by implementing more restrictive eligibility criteria for no-notice shippers. Indicated Shippers state the proposed revisions will diminish the value of Algonquin's AFT-E/ES service to shippers and undercut the Commission's policy of providing shippers with greater scheduling flexibility. Further, Indicated Shippers state that Algonquin has not identified any operational concerns to justify its proposal.

8. National Grid states that Algonquin has failed to meet its burden to show that the proposed tariff changes are just and reasonable. National Grid states that it relies upon the no-notice AFT-E/ES services, which provides the right to call on reserved capacity on an intra-day basis without requiring it to submit nominations prior to the start of the gas day, to meet the shifting daily demands of its predominately low load factor residential and small commercial customers.

9. National Grid protests the fact that Algonquin has not provided any meaningful explanation or operational data to support its claims that the proposed tariff modifications are necessary to ensure Algonquin's ability to provide reliable no-notice service.

10. In its Answer on June 29, Algonquin states that the proposed modifications to the no-notice AFT-E/ES services are necessary clarifications to ensure that all no-notice shippers continue to be supported by upstream pipeline no-notice capacity equal to the quantity requested as no-notice service on a gas day. Algonquin further states that the filing proposes to eliminate certain tariff requirements that have become outdated with automation and other forms of communication.

Discussion

11. The protesting parties raise numerous concerns regarding Algonquin's filing and request that the Commission establish a technical conference to address the issues raised by the filing. The Commission finds that it is not possible to determine from the pleadings whether Algonquin's proposed tariff changes are just and reasonable. Accordingly, the Commission directs its staff to establish a technical conference, which will afford the Commission staff and the parties to the proceeding an opportunity to discuss all the issues raised by Algonquin's filing, including but not limited to the issues identified in this order.

The Commission orders:

The Commission's staff is directed to convene a technical conference.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.