

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 30, 2004

In Reply Refer To:
Maritimes & Northeast Pipeline, L.L.C.
Docket Nos. RP04-360-000 and RP04-360-001

Maritimes & Northeast Pipeline, L.L.C.
890 Winter Street
Waltham, MA 02541
Attention: Joseph F. McHugh
Director, Rates & Regulatory Affairs

Reference: Revised Tariff Sheets - See Appendices for List of Tariff Sheets

Dear Mr. McHugh:

1. On November 1, 2004, Maritimes & Northeast Pipeline, L.L.C. (Maritimes) filed the tariff sheets set forth in Appendix A to reflect non-rate tariff changes which were discussed at two technical conferences between Maritimes and its customers. Maritimes also filed the tariff sheets set forth in Appendix B which reflect non-rate tariff changes included in its June 30, 2004 section 4 general rate case filing with which no party raised issues. The tariff sheets referenced in Appendix A and Appendix B are accepted effective December 1, 2004, as proposed.

Background

2. On June 30, 2004, Maritimes filed a section 4 general rate case which included various non-rate tariff changes including proposed changes to its Right of First Refusal (ROFR), Operational Flow Orders (OFO), Fuel Retention Quantity (FRQ) Deferred Account and other items. The Commission's July 29, 2004 Order¹ accepted and suspended the tariff sheets for 5 months and directed Staff to convene a technical conference concerning the non-rate tariff provisions.

3. On September 22, 2004 and October 13, 2004, Staff convened technical conferences to discuss the changes proposed by Maritimes. The instant filing is the result

¹ 108 FERC ¶ 61,087 (2004).

of these conferences and discussions held by Maritimes with the parties to resolve the issues raised by the parties at the conferences.

Details of the Filing

4. Maritimes filed tariff sheets listed in Appendix A to reflect the changes discussed at the technical conference and between the parties. The changes are as follows:

Section 4 – Right of First Refusal

5. Maritimes changed section 4.2(a) of its General Terms and Conditions (GT&C) to clarify that the ROFR procedures only apply if the service agreement is terminated in accordance with the terms of the service agreement and the tariff. Maritimes also changed section 4.2(d) to state that it will refund with interest the prepayment requirement if a ROFR bid is rejected. The repayment will be made within 15 days of the determination that a bid was not the best bid. Maritimes has also modified section 4.2(f) to state that Maritimes will not accept a matching bid that is below the minimum rate established by Maritimes.

Section 10 - OFO

6. Maritimes changed section 10 of its GT&C to clarify that the procedures applicable for issuing an operational flow order (OFO) also apply to Action Alerts. Maritimes has also modified section 10.6 of its GT&C to clarify that it may issue Action Alerts to restrict deliveries based on scheduled quantities to specific delivery points and also to prevent conditions that would require the issuance of an OFO. Maritimes' proposed action alert penalty of 200% and OFO penalty of 500% of the Platt's Gas Daily "Daily Price Survey" High Common Price at Dracut, Mass. were reduced to 150% and 300%, respectively. Finally, Maritimes changed section 10.8 of its GT&C to state that shippers who stay within the tolerances announced in an Action Alert or OFO will not be assessed the corresponding penalty.

Withdrawal of Changes to Section 20 – FRQ Deferred Account

7. Maritimes' June 20, 2004 filing proposed to switch to a cash basis method from an accrual basis for calculating the FRQ Deferred Account. In light of the concerns raised at the technical conferences, Maritimes has agreed to withdraw its proposal.

Appendix B Tariff Sheets

8. Maritimes filed the remaining non-rate tariff changes as proposed in its June 30, 2004 filing in which no party raised any issue. Maritimes states that it filed these

substitute sheets here in order to facilitate placing all of its non-rate tariff sheets into effect simultaneously on December 1, 2004.

Public Notice and Intervention

9. Maritimes' filing in the instant proceeding was noticed on November 5, 2004, allowing for protests to be filed as provided in Section 154.210 of the Commission's regulations. No adverse comments or protests were filed.

Discussion

10. The tariff sheets set forth in Appendix A contain revisions to non-rate tariff provisions which were discussed and revised through the technical conferences and discussions between Maritimes and its customers. In addition, Maritimes has withdrawn its proposal to modify the FRQ Deferred Account. The tariff sheets set forth in Appendix B contain non-rate tariff provisions which no parties have disagreed with. Accordingly, the Commission finds that the tariff sheets set forth in Appendices A and B resolve the non-rate issues in this proceeding. Accordingly, the Commission will accept the tariff sheets effective December 1, 2004, as proposed.

By direction of the Commission.

Magalie R. Salas,
Secretary.

Appendix A

Maritimes & Northeast Pipeline, L.L.C.
FERC Gas Tariff, First Revised Volume No. 1

Tariff Sheets Accepted Effective December 1, 2004

Sub Second Revised Sheet No. 227
Sub Original Sheet No. 227A
Sub Original Sheet No. 227B
Sub Second Revised Sheet No. 260A
Second Revised Sheet No. 261

Tariff Sheets Withdrawn

Third Revised Sheet No. 295
First Revised Sheet No. 296

Appendix B

Maritimes & Northeast Pipeline, L.L.C.
FERC Gas Tariff, First Revised Volume No. 1

Tariff Sheets Accepted December 1, 2004

Sub Seventh Revised Sheet No. 11
Sub First Revised Sheet No. 136
Sub First Revised Sheet No. 137
Sub First Revised Sheet No. 138
Sub First Revised Sheet No. 139
Sub First Revised Sheet No. 140
Sub First Revised Sheet No. 141
Sub First Revised Sheet No. 142
Sub First Revised Sheet No. 143
Sub First Revised Sheet No. 144
Sub First Revised Sheet No. 145
Sub Third Revised Sheet No. 210A
Sub Original Sheet No. 227C
Sub Second Revised Sheet No. 247
Sub Fourth Revised Sheet No. 248
Sub Third Revised Sheet No. 249
Sub First Revised Sheet No. 249A
Sub Third Revised Sheet No. 252
Sub Fourth Revised Sheet No. 253
Sub Second Revised Sheet No. 254
Sub First Revised Sheet No. 256D
Sub Second Revised Sheet No. 260
Sub First Revised Sheet No. 294
Sub First Revised Sheet No. 402
Sub First Revised Sheet No. 412
Sub First Revised Sheet No. 422
Sub First Revised Sheet No. 432
Sub First Revised Sheet No. 495
Sub First Revised Sheet No. 496
Sub Original Sheet No. 499A