

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 31, 2005

In Reply Refer To:  
Transcontinental Gas Pipe Line Corporation  
Docket No. RP05-218-000

Transcontinental Gas Pipe Line Corporation  
2800 Post Oak Boulevard  
P.O. Box 1396  
Houston, TX 77251-1396

Attention: Charlotte Hutson  
Manager - Rates

Reference: Revisions to Fuel Retention Percentages

Dear Ms. Hutson:

1. On March 1, 2005, Transcontinental Gas Pipe Line Corporation (Transco) filed revised tariff sheets pursuant to section 38 of the General Terms and Conditions of its FERC Gas Tariff to reflect a redetermination of its fuel retention percentages (FRP) applicable to transportation and storage rate schedules.<sup>1</sup> Transco states that the revised FRPs are based on Transco's estimate of gas required for operations (GRO) for the upcoming annual period of April 2005 to March 2006. In addition, Transco states that it has adjusted its fuel retention percentages to reflect (1) the revised balance in the Deferred GRO Account as of January 31, 2005, and (2) the amortization (one-seventh) of a prior period adjustment quantity approved for collection by the Commission.<sup>2</sup> As discussed below, we will accept and suspend the proposed revised tariff sheets to be effective April 1, 2005, subject to refund and condition. This order benefits the public because it ensures that Transco's revised tariff sheets accurately reflect recalculated FRPs applicable to its transportation and storage rate schedules.

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<sup>1</sup> Twenty-Second Revised Sheet No. 29, Nineteenth Revised Sheet No. 44, Fifty-Sixth Revised Sheet No. 50, Eighth Revised Sheet No. 61, and Fourth Revised Sheet No. 61A to FERC Gas Tariff, Third Revised Volume No. 1.

<sup>2</sup> *Transcontinental Gas Pipe Line Corp.*, 101 FERC ¶ 61,012 (2002), *reh'g denied*, 105 FERC ¶ 61,040, *reh'g denied*, 105 FERC ¶ 61,268 (2003).

2. Public notice of the filing was issued on March 8, 2005, with interventions and protests due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 385.210 (2004). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2004)), all timely filed unopposed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted.

3. In their March 14, 2005 filing, the Municipal Gas Authority of Georgia; the City of Richmond, Virginia; and the Transco Municipal Group jointly state that Transco did not offer an explanation for why it made the prior-period adjustments other than bare-bones references in footnotes on Appendix B, Part 1, page 2 of Transco's filing. We agree that Transco has not sufficiently supported its prior-period adjustments.

4. The Commission finds that Transco has not adequately supported its Prior Period Adjustment to reflect Hester Storage Gain for January 2004 (January 2004 GRO Index) reflected in its March 2004 Deferred GRO amount and its Prior Period Adjustment to correct double-counted retention volumes for May 2003 through July 2004 (Average GRO Index) reflected in its November 2004 Deferred GRO amount.

5. Based on a review of the filing, the Commission finds that the proposed revised tariff sheets have not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, the Commission will accept the tariff sheets for filing, suspend their effectiveness for the period set forth below, and direct Transco to furnish additional information to support its calculations as set forth below.

6. The Commission's policy regarding rate suspensions is that rate filings generally should be suspended for the maximum period permitted by statute where preliminary study leads the Commission to believe that the filings may be unjust, unreasonable, or that it may be inconsistent with other statutory standards.<sup>3</sup> It is recognized, however, that shorter suspensions may be warranted in circumstances where suspension for the maximum period may lead to harsh and inequitable results.<sup>4</sup> Such circumstances exist here where Transco is filing to recover fuel costs pursuant to its tariff's tracker provisions. Accordingly, we accept and suspend the proposed revised tariff sheets, permitting them to become effective April 1, 2005, subject to refund, to the condition of this order, and to further order of the Commission.

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<sup>3</sup> See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980).

<sup>4</sup> See *Valley Gas Transmission Inc.*, 12 FERC ¶ 61,197 (1980).

7. We direct Transco, within 15 days of the issuance of this order, to provide information to support the calculations contained in Appendix B, Part 1, page 2, at footnotes 2 and 3 of its Calculation of Deferred GRO Account – System Transportation.

By direction of the Commission.

Linda Mitry,  
Deputy Secretary.