

111 FERC ¶ 61,304
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 31, 2005

In Reply Refer To:
Panhandle Eastern Pipe Line Company, LP
Docket No. RP05-307-000

Panhandle Eastern Pipe Line Company, LP
5444 Westheimer Road
Houston, TX 77056-5306

Attention: William W. Grygar, Vice President
Rates and Regulatory Affairs

Reference: Removal of Shipper Discount Retention Provisions

Ladies and Gentlemen:

1. On April 29, 2005, Panhandle Eastern Pipe Line Company, LP (Panhandle) filed First Revised Sheet No. 343 and First Revised Sheet No. 344 to its Third Revised Volume No. 1 to remove tariff provisions that implemented the *CIG/Granite State* discounting policy. Panhandle proposes to delete the provisions in response to the Commission's Second Order on Remand issued March 3, 2005, in *Williston Basin Interstate Pipeline Co.* (March 3 Order).¹ Among other things, the March 3 Order vacated the requirement that permitted a shipper to retain a service rate discount through a streamlined request process when it moved gas receipts or deliveries to segmented points or secondary points. For the reasons detailed below, we will accept the referenced tariff sheets to become effective June 1, 2005, as requested. Acceptance of this filing benefits the public because Panhandle's tariff now conforms to the Commission's current discount policies.

¹ 110 FERC ¶ 61,210 (2005).

2. Notice of Panhandle's filing was issued on May 4, 2005. Interventions and protests were due as provided in section 154.10 Commission's regulations, 18 C.F.R. § 385.210. Pursuant to Rule of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214), all timely filed motions to intervene and any 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 this proceeding or place additional burdens on existing parties. On May 9, 2005, ProLiance Energy, LLC (ProLiance), filed a protest.

3. As mentioned briefly above, the March 3 Order vacated the Commission's existing policy governing the portability of shipper rate discounts. Specifically, the Commission concluded that it cannot, at this time, satisfy its burden under section 5 of the Natural Gas Act (NGA) to require pipelines to modify their tariffs to incorporate the *CIG/Granite State* policy. The March 3 Order also provided that other pipelines whose tariffs implemented the *CIG/Granite State* policy could file, pursuant to NGA section 4, to remove the tariff provisions implementing the *CIG/Granite State* policy.

4. ProLiance contends that Panhandle failed to comply with fundamental filing requirements applicable to NGA section 4 filings. Specifically, ProLiance states that Panhandle makes no attempt to identify any reason, nor provides any support which would allow the Commission to delete the *CIG/Granite State* language. Further, ProLiance states, under NGA section 4, pipelines have the burden and responsibility to demonstrate that its proposed tariff change was "just and reasonable," including the responsibility to provide evidentiary support.

5. Contrary to ProLiance's assertion that Panhandle's proposal to delete the tariff provisions related to the *CIG/Granite State* policy is completely unsupported, we find Panhandle's filing is consistent with the March 3 Order. Panhandle's reference to the March 3 Order satisfies the need to explain the reason for the change. As noted above, this remand order clearly permits pipelines to remove tariff language implementing the *CIG/Granite State* discounting policy for the reasons given in that order.

6. While ProLiance filed for rehearing of *Williston Basin Interstate Pipeline Co.* in Docket No. RP00-463, the filing of a request for rehearing does not operate as a stay of a Commission order, unless specifically ordered by the Commission, which the Commission has not done.² Accordingly, the Commission finds the revised tariff sheets removing the *CIG/Granite State* discount retention language is consistent with the

² NGA section 19(c).

March 3 Order. Therefore, we accept First Revised Sheet No. 343 and First Revised Sheet No. 344 to Third Revised Volume No. 1 of Panhandle's FERC Gas Tariff to become effective June 1, 2005, as proposed.

By direction of the Commission.

Magalie R. Salas,
Secretary.

cc: All Parties