

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

February 8, 2006

In Reply Refer To:  
Dauphin Island Gathering Partners  
Docket No. RP03-36-015

Dauphin Island Gathering Partners  
370 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80202

Attention: Ron Mizeur, General Manager  
Regulatory Affairs

Reference: Amendments to Negotiated Rate Transactions and Non-Conforming  
Service Agreements

Ladies and Gentlemen:

1. On January 9, 2006, Dauphin Island Gathering Partners (Dauphin Island) filed revised tariff sheets to reflect changes to its statement of negotiated rates and nonconforming transportation and reserve commitment agreements.<sup>1</sup> Dauphin Island requests that the proposed tariff sheets become effective February 9, 2006. For the reasons discussed below, we accept the referenced tariff sheets effective February 9, 2006, subject to Dauphin Island filing additional information within 15 days of the date of issuance of this order.

2. Notice of Dauphin Island's filing was issued on January 13, 2006. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 385.210 (2005). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2005), 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. No protests or adverse comments were filed.

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<sup>1</sup> Twenty-Fourth Revised Sheet No. 9, Nineteenth Revised Sheet No. 10, Seventh Revised Sheet No. 359, and Third Revised Sheet No. 427 to its FERC Gas Tariff, First Revised Volume No. 1.

3. Dauphin Island states that it filed to revise its negotiated rate tariff sheets to reflect changes to shipper names and volumes, the addition of four negotiated rate transactions, and the termination of three nonconforming transportation and reserve commitment agreements. In addition, Dauphin Island states that the revised tariff sheets reflect several formatting changes and now include contract numbers.

4. The Commission permits a pipeline filing a negotiated rate transaction that does not deviate from its *pro forma* service agreement to file a tariff sheet reflecting the terms of the agreement, together with a statement that the agreement conforms in all material respects with its *pro forma* service agreement.<sup>2</sup> However, the tariff sheets must fully describe the essential elements of the transaction, including the shipper's name, contract numbers, contract terms, the negotiated rates, the types of services, the receipt and delivery points applicable to the service, and the volumes of gas to be transported.<sup>3</sup>

5. The Commission finds that Dauphin Island's filing does not provide sufficient information to determine whether the revisions reflected on these tariff sheets meet the Commission's contract filing requirements. First, although Dauphin Island states that its revisions reflect name changes, it is not clear whether the name adjustments in its lists of negotiated rates and non-conforming agreements are due merely to name changes, or whether they reflect reassignments of the agreements. Dauphin Island must file additional information clearly explaining which specific changes have been made to each contract.

6. In addition, the Commission notes that Dauphin Island's filing does not reflect a contract term for the listed negotiated rates. For monitoring purposes, the Commission requires pipelines to disclose that information for each negotiated rate transaction.<sup>4</sup> Consistent with that requirement, Dauphin Island is directed to revise its tariff sheet summary to include the full contract term (beginning and ending dates) applicable for each transaction.

7. Finally, the tariff sheets included in Dauphin Island's filing do not contain a statement that the negotiated rate agreements conform in all material respects with its *pro forma* service agreement, as required by the *Modified Negotiated Rate Policy*. Section 154.1(d) of the Commission's regulations provides that any contract that deviates in any material aspect from the form of service agreement in the tariff is subject to the filing requirements of the regulations. If a pipeline contends that its filing implements a

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<sup>2</sup> Modification of Negotiated Rate Policy, 104 FERC ¶ 61,134 at P 32 (2003).

<sup>3</sup> *Id.*

<sup>4</sup> See, e.g., *Texas Gas Transmission Corp.*, 92 FERC ¶ 61,188 at 61,649 (2000) and *Alliance Pipeline L.P.*, 105 FERC ¶ 61,400 at P 8 (2003).

negotiated contract that conforms to its form of service agreement in all material aspects and, therefore, it is not necessary to file the contract, the tariff sheets included in such a filing must contain a statement that the pipeline's filing complies with the requirements of section 154.1(d).<sup>5</sup> Violations of this regulation may result in the rejection of the filing or suspension of the pipeline's negotiated rate authority.<sup>6</sup>

8. Therefore, the Commission accepts the proposed tariff sheets, effective February 9, 2006, subject to Dauphin Island filing additional information, and a statement that the negotiated rate agreements do not materially deviate from the *pro forma* service agreement, within 15 days of the date of issuance of this order.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

cc: All Parties

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<sup>5</sup> See, 104 FERC ¶ 61,134 at p. 61,487, note 28.

<sup>6</sup> Id.