

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 25, 2006

In Reply Refer To:
Florida Gas Transmission Company
Docket No. RP06-320-000

Florida Gas Transmission Company
5444 Westheimer Road
Houston, TX 77056-5306

Attention: Michael T. Langston
Sr. Vice President, Government & Regulatory Affairs

Reference: Tariff Sheets Listed in the Appendix and Second Revised Sheet No. 142

Dear Mr. Langston:

1. On April 27, 2006, Florida Gas Transmission Company (FGT) filed the tariff sheets listed in the Appendix and Second Revised Sheet No. 142 to remove outdated tariff provisions, update and clarify certain tariff provisions and terminology, and make minor corrections to its tariff. FGT requests a May 27, 2006 effective date for the tendered tariff sheets. The Commission accepts the tariff sheets listed in the Appendix effective May 27, 2006, and accepts Second Revised Sheet No. 142 to FGT's FERC Gas Tariff, Third Revised Volume No. 1 subject to condition as discussed herein.

2. Public notice of FGT's filing was issued on May 2, 2006. Interventions and protests were due as provided for in § 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2005). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2005)), all timely motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Protests were filed by Florida Municipal Gas Association (FMNGA) and Florida Power & Light Company (FPL). On May 15, 2006, FGT filed an answer to the protests.¹ The protests are rejected, as discussed below.

¹ The Commission's Rules of Practice and Procedure do not permit answers to protests (18 C.F.R. § 385.213(a)(2)(2005)). However, the Commission finds good cause to admit FGT's answer since it will not delay the proceeding, will assist the Commission in understanding the issues raised, and will insure a complete record upon which the Commission may act.

3. FGT states that it proposes to, *inter alia*,: (a) remove Appendix A of the General Terms and Conditions of its FERC Gas Tariff (GT&C), which is a list of its currently effective receipt points, since this list is maintained on its Internet website and its removal eliminates the need for a tariff filing to update the list; (b) modify its GT&C to eliminate the requirement that it provide notification of curtailment orders by telephone and facsimile and instead provide such notification by posting on its website followed by e-mail notification; (c) remove the attest provision on the signature pages of the forms of service agreements since it is not necessary for electronically executed agreements; (d) modify GT&C sections 14.B.1(a) and 14.B.2(a) to update the names given by *Gas Daily* for the Florida gas zones used to report index prices; (e) clarify in the rate schedules that a shipper must be creditworthy to continue to comply with the creditworthiness provisions in GT&C section 16 during the term of the service agreement, which requires that a shipper maintain creditworthiness; (f) add GT&C section 9.C to permit execution of a service agreement by facsimile for those shippers who require timely execution but don't have access to or want to use electronic execution of documents, provided that the shippers first enter into an Execution by Electronic Facsimile Agreement; (g) clarify the calculation of the gas price applied to alert days, monthly swing service, operational purchases and sales, deferred exchanges and pack and draft activity by replacing the undefined term Posted Price with Sales Posted Price (as defined in GT&C section 14.B.1.a), Purchase Posted Price (as defined in GT&C section 14.B.2.a) or simple average by zone of the daily midpoint prices; (h) place a blank for the term in the service agreements for firm transportation service, in order to allow the term to be described through a certain date of for a number of months or years; (i) modify the term for interruptible service agreements to reflect a certain termination date; (j) modify the In-Line Pooling Service Agreement, which currently reflects a term for a certain number of years, to go through a certain date and month to month thereafter unless terminated by either party upon 30 days prior written notice; (k) clarify delivery point eligibility in sections 7.2 and 6.2 of the forms of service agreement for Rate Schedules FTS-1 and FTS-2 to conform to the existing provisions in section 9.A of Rate Schedules FTS-1 and FTS-2 and GT&C section 18.H.3; (l) remove the GRI surcharges and references thereto from its tariff and reflect only the GRI voluntary contribution mechanism; and (m) remove various other outdated provisions and references from its tariff; and (n) correct references, capitalization, and typographical errors.

4. FPL urges the Commission to reject FGT's proposal to remove the list of receipt points in Appendix A of its GT&C and continue to maintain the list on its Internet website. FPL asserts that it receives a majority of its natural gas supplies from these receipt points and that an accurate assessment of the availability of these receipt points is critical to the operations of FPL in peninsular Florida to meet its electric generation requirements. FPL argues that this proposal by FGT is contrary to established Commission policy. FPL requests that the Commission require FGT to restore Appendix A to its tariff or, in the alternative, require FGT to make a Natural Gas Act (NGA) section 4 filing each time it wishes to add or delete a receipt point from its Internet website.

5. FPL argues that this proposal concerns the fundamental principle of notification regarding a change in service contained in NGA sections 4(c) and (d). FPL further argues that the Commission interprets these provisions to require pipelines file, under NGA section 4, changes in its operating conditions to ensure, among other things, that the Commission and the pipelines' shippers have notice of the proposed changes and that the Commission has an opportunity to review the proposal to ensure that it is just and reasonable.² FPL asserts that a unilateral change by a pipeline that may represent a significant impact in the manner in which a shipper receives its natural gas supplies would necessitate the pipeline to make a NGA section 4 filing reflecting the change and allow the Commission to determine if the change is just and reasonable.³ FPL further asserts that, in *Transwestern*,⁴ Transwestern Pipeline Company (Transwestern), sought the Commission's approval to post on its electronic bulletin board, at its sole discretion, additions or deletions to the list of available points of service and, in response, the Commission required Transwestern to make a NGA section 4 filing whenever it proposes to make any additions or deletions to its list of available points of service.⁵ FPL contends that, in the same manner, the instant proposal may reflect FGT's ability to use its sole discretion to add and remove receipt points. FPL further argues that a change in receipt points by FGT without notification to FPL would significantly impact FPL's ability to generate electricity to meet the needs of its customers in peninsular Florida.

6. In its answer, FGT contends that the cases cited by FPL concern a listing of points used to define and establish the nature and the bounds of pooling services. FGT asserts that the listing of pooling points is important in defining the pooling service because it establishes the scope of the producing areas included in the service. FGT further contends that the Commission required that, given the nature and scope of pooling service, changes in these points must be filed with the Commission pursuant to NGA section 4 as a part of the definition of the service. FGT argues that this, however, is not the case with a mere listing of points available for various transportation services. FGT asserts that the terms of each service are already fully defined in the relevant rate schedule. FGT further asserts that the approval procedure for the addition and/or removal of receipt and delivery points is pursuant to the blanket certificate procedures under NGA section 7. FGT concludes that there is no change in service under NGA section 4 and there is no need to amend the tariff.

² Citing *Arkansas Gas Consumers v. NorAm Gas Transmission Company*, 82 FERC ¶ 61,339 at 62,346 (1998).

³ Citing *Id.* at 62,347 citing *Northwest Pipeline Company*, 80 FERC ¶ 61,361 at 62,242-43 (1997).

⁴ *Transwestern Pipeline Company*, 101 FERC ¶ 61,026 at P 17 (2002) (*Transwestern*).

⁵ Citing *Transwestern* at P 21; *Northern Natural Gas Company*, 105 FERC ¶ 61,291 at P 2 (2003).

7. FGT contends that while, in the past, points were listed in the FGT Tariff as a convenient place to provide a listing of points, as the Commission's requirement to use pipelines' Internet websites has evolved, the most relevant place for listing of receipt and delivery points is the FGT Internet website. FGT further contends that the Commission has required that: (i) a nominations and scheduling system and other business systems use the pipelines' Internet websites and pipelines must implement by June 1, 2000, interactive transactions using the pipelines' Internet websites;⁶ (ii) Critical Notices be posted on the pipelines' Internet websites;⁷ and (iii) available capacity be posted on the pipelines' Internet websites.⁸ FGT asserts that, in fact, most business is conducted on the pipelines' Internet websites and, therefore, it is appropriate to post receipt and delivery points on the pipeline's Internet website. FGT further asserts that in this way points can be posted as soon as added or removed under FGT's NGA section 7 blanket certificate authorization. FGT contends that customers have real-time knowledge of the availability of points for nominations and there is no lag time which would be created by the requirement of an unnecessary tariff filing. FGT asserts that it is common practice for pipelines to post a "Catalogue of Points" on their Internet websites. FGT further asserts that a review of a number of pipeline tariffs indicates that this posting is the exclusive manner in which the existence of points is communicated to customers. FGT argues that it should be allowed to use this same procedure without being encumbered with a burdensome, costly and out-of-date system of doing business. FMNGA also protests the removal of Appendix A. FMNGA argues that the proposed change would unnecessarily adversely affect those small shippers that do not have electronic communication by depriving them of critical information of changes to receipt points.

8. The Commission finds the arguments against FGT's proposal to remove its List of Receipt Points from its Tariff unpersuasive. First, the Commission believes that FGT's proposal will enhance FPL's ability to accurately assess the availability of receipt points because posting of receipt points on FGT's Internet web site will give FPL and FGT's other customers, real-time knowledge of the availability of receipt points. Further, as discussed below, FGT's customers do have electronic communication to access this information. Second, the Commission disagrees with FPL's assertion that this proposal is contrary to Commission policy, as the cases cited by FPL are not on point. The cases cited by FPL are cases in which the Commission required a NGA section 4 filing for revisions to pooling service boundaries that affected rates for pooling services; the

⁶ Citing Order No. 587-I, *Standards for Business Practices of Interstate Natural Gas Pipelines*, FERC Stats. and Regs. ¶31,067 (1998).

⁷ Citing Order No. 587-K, *Standards for Business Practices of Interstate Natural Gas Pipelines*, FERC Stats. and Regs. ¶31,072 (1999).

⁸ Citing Order No. 637, *Regulation of Short-Term Natural Gas Transportation Services, and Regulation of Interstate Natural Gas transportation Services*, FERC Stats. and Regs. ¶ 31,091 (2000).

Commission did not establish a general requirement for NGA section 4 filings for changes to receipt points. Since changes to pooling boundaries could change the amount of revenues the pipeline would recover from particular shippers, the Commission held that a section 4 filing was necessary. In contrast, FGT's list of receipt points merely identifies all of the physical receipt points on FGT's system. Further, shippers are fully protected by the procedures under Part 157 of the Commission's regulations for changes in receipt point facilities, including section 157.216 of the Commission's regulations⁹ regarding abandonment of receipt point facilities, and, thus, there is no need for an additional section 4 filing requirement as advocated by FPL. As FGT notes, there are a number of pipelines that currently do not maintain a listing of receipt points in their tariffs and there is no general requirement to do so.¹⁰ Therefore, the Commission will not require FGT to maintain this list in its tariff or make a tariff filing pursuant to NGA section 4 for each revision, provided that the list is maintained on its website.

9. In addition, FMNGA protests FGT's proposal to modify its GT&C to eliminate the requirement that it provide notification of curtailment orders by telephone and facsimile and instead provide such notification by website posting followed by e-mail notification. FMNGA argues that FGT has acknowledged in its transmittal letter (at 2) that there are shippers who have no access to electronic communications by proposing to allow execution of service agreements by facsimile in lieu of by e-mail.

10. In response to FMNGA, FGT argues that contrary to FMNGA's characterization the reason for the facsimile procedure is that some customers prefer to see a facsimile of an actual signature rather than a system-generated, printed name. FGT asserts that subsequent to receipt of FMNGA's protest, FGT conducted a review of FGT's customer capabilities which indicates that all of FGT's customers (and, in particular, all of the FMNGA members) have access to the FGT Internet website either themselves or through their designees. FGT further asserts that it is not aware of any customer that does not have this access. FGT contends that, pursuant to NAESB Standard 5.3.35, it has established e-mail contacts with all of its customers (and, in particular, all of the FMNGA members). Therefore FGT asserts that all customers will have access to not only the Internet website posting of receipt and delivery points, but also to postings and e-mails of curtailment critical notices. FGT further asserts that utilizing electronic communication and the pipeline's Internet website makes information available in a faster, more efficient manner than using previous methods. FGT argues that these new methods of communication offer every advantage to FGT's customers and should be adopted as consistent with the Commission's advocacy of the most efficient, cost-effective and accurate technology to provide information.

⁹ 18 C.F.R. § 157.216 (2005).

¹⁰ *See, e.g.*, Dominion Transmission, Inc., ANR Pipeline Company, Columbia Gas Transmission Company and East Tennessee Natural Gas Company tariffs.

11. The Commission finds that FMNGA's assertions of adverse effects of the Internet website posting of receipt points and postings and e-mails of curtailment critical notices are unsupported. FGT states that its review indicates that all of its customers, including the FMNGA members, have access to the FGT Internet website either by themselves or through their designees and that it has established e-mail contacts with all of its customers, including the FMNGA members. As explained by FGT, its customers will have access to the postings and e-mails and the utilization of electronic communication makes the information available in a faster and more efficient manner than the previous methods.

12. In addition, section 284.12(b)(3)(vi)¹¹ of the Commission's regulations provides that:

A pipeline must post notices of operational flow orders, critical periods, and other critical notices on its Internet web site and must notify affected parties of such notices in either of the following ways to be chosen by the affected party: Internet E-mail or direct notification to the party's internet URL address.

13. The Commission's regulations do not require notification of curtailment orders by telephone followed by confirmation by facsimile. However, FGT's proposed language does not allow either e-mail or direct notification to the party's internet URL address, as chosen by the affected party for such critical notices. Therefore, the proposal conflicts with section 284.12(b)(3)(vi). Accordingly, the Commission directs FGT to file a revised tariff sheet within 15 days of the date this order issues which expressly allows such critical notices by e-mail or direct notification to the party's internet URL address, whichever is chosen by the affected party, in order to comply with the requirements of that section.

By direction of the Commission.

Magalie R. Salas,
Secretary.

¹¹ 18 C.F.R. §284.12(b)(3)(vi) (2005).

APPENDIX

Florida Gas Transmission Company
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Sheets Accepted to be Effective May 27, 2006

First Revised Sheet No. 0	Fifth Revised Sheet No. 40
Eleventh Revised Sheet No. 1	First Revised Sheet No. 40A
Twelfth Revised Sheet No. 2	Sixth Revised Sheet No. 42
First Revised Sheet No. 6	Sixth Revised Sheet No. 43
Seventy-Seventh Revised Sheet No. 8A	Third Revised Sheet No. 44
Sixty-Eighth Revised Sheet No. 8A.01	Fifth Revised Sheet No. 47
Sixty-Eighth Revised Sheet No. 8A.02	Fourth Revised Sheet No. 47B
Twenty-Eighth Revised Sheet No. 8A.04	Second Revised Sheet No. 47C
Seventy-First Revised Sheet No. 8B	Second Revised Sheet No. 47D
Sixty-Fourth Revised Sheet No. 8B.01	First Revised Sheet No. 47G
Twentieth Revised Sheet No. 8B.02	Fifth Revised Sheet No. 49
Second Revised Sheet No. 10	Third Revised Sheet No. 50
Fourth Revised Sheet No. 11	Third Revised Sheet No. 55
Second Revised Sheet No. 13	Fifth Revised Sheet No. 56
Third Revised Sheet No. 19	First Revised Sheet No. 56A
Fifth Revised Sheet No. 20	Fourth Revised Sheet No. 57
Fourth Revised Sheet No. 21	Third Revised Sheet No. 58
Third Revised Sheet No. 22C	Second Revised Sheet No. 63
Second Revised Sheet No. 22E	Sixth Revised Sheet No. 64
Second Revised Sheet No. 22G	Fourth Revised Sheet No. 65
First Revised Sheet No. 22K	Third Revised Sheet No. 69
Third Revised Sheet No. 22L	Third Revised Sheet No. 100
Third Revised Sheet No. 25	First Revised Sheet No. 100A
Fifth Revised Sheet No. 26	Third Revised Sheet No. 101
Second Revised Sheet No. 27	Second Revised Sheet No. 102
Fourth Revised Sheet No. 28	Fourth Revised Sheet No. 102A
Fourth Revised Sheet No. 30	Fifteenth Revised Sheet No. 102B
First Revised Sheet No. 31.01	Eleventh Revised Sheet No. 102C
First Revised Sheet No. 32A	Third Revised Sheet No. 108
Second Revised Sheet No. 33	Fifth Revised Sheet No. 114
Third Revised Sheet No. 33A	Fifth Revised Sheet No. 115
Fourth Revised Sheet No. 34	Third Revised Sheet No. 115A
Fifth Revised Sheet No. 36	Original Sheet No. 115B
Seventh Revised Sheet No. 37	Tenth Revised Sheet No. 116
Third Revised Sheet No. 38	Ninth Revised Sheet No. 117
Fifth Revised Sheet No. 39	Ninth Revised Sheet No. 117A

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Tariff Sheets Accepted to be Effective May 27, 2006

Ninth Revised Sheet No. 121	Ninth Revised Sheet No. 166
Sixth Revised Sheet No. 122	Third Revised Sheet No. 166A
Second Revised Sheet No. 124	Sixth Revised Sheet No. 167
Fifth Revised Sheet No. 125	Fourth Revised Sheet No. 168A
Fifth Revised Sheet No. 125A	Eighth Revised Sheet No. 169
Second Revised Sheet No. 125B	Seventh Revised Sheet No. 171
Seventh Revised Sheet No. 126	Sixth Revised Sheet No. 172
Seventh Revised Sheet No. 128	Eighth Revised Sheet No. 173
Sixth Revised Sheet No. 129	First Revised Sheet No. 173A
Fifth Revised Sheet No. 129A	Sixth Revised Sheet No. 175
Fourth Revised Sheet No. 129B	Fourth Revised Sheet No. 176
Second Revised Sheet No. 129C	First Revised Sheet No. 184A
Sixth Revised Sheet No. 130	Sixth Revised Sheet No. 184B
Second Revised Sheet No. 130A	Second Revised Sheet No. 185
Sixth Revised Sheet No. 131	Third Revised Sheet No. 188
Seventh Revised Sheet No. 132	Sixth Revised Sheet No. 188A
Fourth Revised Sheet No. 133	Third Revised Sheet No. 190
Fourth Revised Sheet No. 134	Fourth Revised Sheet No. 191
Fifth Revised Sheet No. 135	Fourth Revised Sheet No. 192
Fourth Revised Sheet No. 135A	Second Revised Sheet No. 193
Second Revised Sheet No. 136	Third Revised Sheet No. 201
Third Revised Sheet No. 141	First Revised Sheet No. 205A
Second Revised Sheet No. 146	Eighth Revised Sheet No. 206
Third Revised Sheet No. 147	First Revised Sheet No. 206A
Second Revised Sheet No. 150	Third Revised Sheet No. 206B
Second Revised Sheet No. 162A	Thirteenth Revised Sheet No. 207
Fourth Revised Sheet No. 163	Fifth Revised Sheet No. 208
Second Revised Sheet No. 163B	Fourth Revised Sheet No. 300
Sixth Revised Sheet No. 163C	Third Revised Sheet No. 450
Fourth Revised Sheet No. 163D	Fifth Revised Sheet No. 452
Fourth Revised Sheet No. 163E	Fifth Revised Sheet No. 454
Second Revised Sheet No. 163F	Fourth Revised Sheet No. 455
Fourth Revised Sheet No. 163H	First Revised Sheet No. 455A
Fifth Revised Sheet No. 164	Third Revised Sheet No. 460
First Revised Sheet No. 164A	Third Revised Sheet No. 461
Seventh Revised Sheet No. 165A	Fourth Revised Sheet No. 462

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Florida Gas Transmission Company
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Sheets Accepted to be Effective May 27, 2006

First Revised Sheet No. 462.01	Third Revised Sheet No. 494
First Revised Sheet No. 462A	Second Revised Sheet No. 494A
First Revised Sheet No. 462C	Third Revised Sheet No. 495
First Revised Sheet No. 462E	First Revised Sheet No. 495A
First Revised Sheet No. 462F	First Revised Sheet No. 496
First Revised Sheet No. 462H	First Revised Sheet No. 496A
First Revised Sheet No. 462J	First Revised Sheet No. 497
First Revised Sheet No. 462K	Second Revised Sheet No. 498
First Revised Sheet No. 462L	Fourth Revised Sheet No. 499
First Revised Sheet No. 465	Third Revised Sheet No. 500
First Revised Sheet No. 466	Fourth Revised Sheet No. 501
Third Revised Sheet No. 467	Fourth Revised Sheet No. 502
First Revised Sheet No. 468	Fourth Revised Sheet No. 503
First Revised Sheet No. 469	Fourth Revised Sheet No. 504
Third Revised Sheet No. 470	Third Revised Sheet No. 505
Fourth Revised Sheet No. 471	Third Revised Sheet No. 506
First Revised Sheet No. 472	Fifth Revised Sheet No. 507
First Revised Sheet No. 473	First Revised Sheet No. 507A
First Revised Sheet No. 474	First Revised Sheet No. 507B
Third Revised Sheet No. 475	First Revised Sheet No. 507C
First Revised Sheet No. 476	First Revised Sheet No. 507D
Second Revised Sheet No. 477	First Revised Sheet No. 507E
Third Revised Sheet No. 478	First Revised Sheet No. 507F
Third Revised Sheet No. 481	First Revised Sheet No. 507G
Third Revised Sheet No. 482	Third Revised Sheet No. 508
Fourth Revised Sheet No. 483	Fifth Revised Sheet No. 528
Third Revised Sheet No. 484	Fifth Revised Sheet No. 530
Fourth Revised Sheet No. 485	Sixth Revised Sheet No. 534
Fifth Revised Sheet No. 486	Sixth Revised Sheet No. 535
Second Revised Sheet No. 487	Second Revised Sheet No. 535.01
First Revised Sheet No. 493	First Revised Sheet No. 538D
Third Revised Sheet No. 493A	Fifth Revised Sheet No. 540