

112 FERC ¶ 61, 201  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

August 19, 2005

In Reply Refer To:  
Granite State Gas Transmission, Inc.  
Docket No. RP99-509-002

Granite State Gas Transmission, Inc.  
P.O. Box 10146  
Fairfax, VA 22033-0146

Attention: Carl W. Levander, Vice President

Reference: Negotiated Rate Agreement

Dear Mr. Levander:

1. On July 22, 2005, Granite State Gas Transmission, Inc. (Granite State) filed tariff sheets<sup>1</sup> to reflect the principal elements of a negotiated rate agreement (Agreement) entered into between Granite State and Bay State Gas Company for transportation service under Rate Schedule FT-NN. Granite State asserts that the tariff sheets are being filed pursuant to the negotiated rate authority set forth in section 34 of its General Terms and Conditions. The tariff sheets are accepted to be effective August 21, 2005, subject to the conditions set forth below.

2. The terms of the Agreement provide for a reservation charge of \$3.9546 per Dth with contract quantities of 40,600 Dth per day for the period November through March and 0 Dth per day for the period April through October. The tariff sheet includes a listing of the receipt and delivery points associated with the service as well as an affirmation that the Agreement does not deviate in any material respect from the form of service agreement. However, the tariff sheet listing the terms of the Agreement does not include the contract number nor does it include the primary term of the contract. Granite State is directed to file, within 20 days of this order, a revised tariff sheet to include the contract number and the primary term of the contract.

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<sup>1</sup> First Revised Sheet No. 339A and Original Sheet No. 339B to FERC Gas Tariff, Third Revised Volume No. 1.

3. As noted above, the terms of the Agreement provides for seasonal deliveries of 40,600 Dth per day for the period November through March and 0 Dth per day for the period April through October.

4. Granite State's FT-NN Rate Schedule at section 1.d provides that Transporter shall transport gas under Rate Schedule FT-NN for the Shipper's account up to a maximum daily transportation quantity specified in the executed Rate Schedule FT-NN gas transportation contract. However, Granite State's pro forma service agreement at Article 1.1 and Article 2.1 only provides for a constant daily contract demand and does not contemplate seasonal variations in contract demand. Therefore, Granite State does not expressly provide shippers paying recourse rates the option of obtaining contracts with seasonal contract demands. This is a valuable right since it allows shippers to pay reduced reservation charges during times of the year when they have less need for service. Therefore, the provision for seasonal contract demand in the negotiated agreement constitutes a negotiated term and condition of service different from that offered under Granite States tariff. If this right is offered to negotiated rate shippers, it should also be offered on a not unduly discriminatory basis to all Rate Schedule FT-NN recourse rate shippers.

5. Accordingly, the Commission will accept the Agreement subject to Granite State removing the seasonal variability provision. Alternatively, Granite State may modify its FT-NN Rate Schedule and pro forma service agreement to clarify that this seasonal variation in the maximum daily quantity is part of the recourse service available to all shippers taking service under the FT-NN Rate Schedule.<sup>2</sup> Granite State is directed to file revised tariff sheets consistent with this discussion within 20 days from the issuance of this order.

6. Notices of interventions and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. 385.214 (2005)). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

By direction of the Commission.

Linda Mitry,  
Deputy Secretary.

cc: All Parties

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<sup>2</sup> *Columbia Gas Transmission Corp.*, 97 FERC ¶ 61,221 (2001).