

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 26, 2007

In Reply Refer To:
Florida Gas Transmission Company, LLC
Docket No. RP07-382-000

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

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

Reference: Original Sheet No. 344 and Sheet Nos. 345-449 (Reserved for Future Use)
to FERC Gas Tariff, Fourth Revised Volume No. 1

Dear Mr. Langston:

1. On March 30, 2007, Florida Gas Transmission Company, LLC (FGT) filed the referenced tariff sheets to update section 31 (“Points Located in Reticulated Areas”) of the General Terms and Conditions (GT&C) of its tariff to list three meter points in a new reticulated area of its system. FGT states that this reticulated area will result from the installation of an interconnect with the Southern Natural Gas Company – Cypress Pipeline Project in conjunction FGT’s Phase VII Expansion Project. FGT proposes an effective date of May 1, 2007, to correspond with the target in-service date of the interconnect and Phase I of the Phase VII Expansion. One party protested the filing, expressing concern about the extent to which it would be able to segment its receipt point capacity within the reticulated area identified on the proposed tariff sheet. FGT filed an answer to the protest. As discussed below, we will deny the protest, without prejudice, as beyond the scope of this proceeding, and accept the proposed tariff sheets for filing, to be effective May 1, 2007.

2. GT&C section 1 (Original Sheet 205) of FGT’s tariff defines a reticulated area as an area on FGT’s system, or served from its system, in which the direction of gas flow changes from time to time. Section 1 further provides that the points within such areas are identified in section 31 of the tariff. Finally, section 1 provides that any changes in reticulated areas shall be described by FGT in a tariff filing and promptly posted on a map that FGT is required to maintain on its website. Consistent with GT&C section 1,

proposed Original Sheet No. 344 adds three (receipt) points in a new reticulated area on FGT's Jacksonville Lateral to the list of reticulated area points identified in section 31.

3. Public notice of the filing was issued on April 4, 2007. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2006)), all timely filed motions to intervene and any motion 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 the proceeding or place additional burdens on existing parties. On April 11, 2007, JEA (formerly Jacksonville Electric Authority) filed a protest to the filing, which is summarized below. On April 18, 2007, FGT filed an answer to the protest.¹

4. JEA asserts that it understands from conversations with FGT that FGT intends to administer the segmentation provisions of its tariff so as to deny shippers the ability to receive more than their maximum daily quantity (MDQ)² at receipt points in the Reticulated Jacksonville Area. JEA further states that FGT intends to limit shippers' point receipts in this manner even though the nominated receipt quantities, if not so limited, would not equal the contract's maximum daily transportation quantity (MDTQ).³

5. In summary, JEA argues that it should be permitted to receive more than its contractual MDQ at a receipt point in the Reticulated Jacksonville Area, and nominate portions of such quantities for transportation from the receipt point in opposite directions along the lateral, so long as its MDTQ is not exceeded in either direction of flow. JEA seeks clarification that the Commission's policy allowing overlaps of delivery point capacity in segmentation transactions also applies to receipt point capacity.⁴ JEA also maintains that receipts in excess of the point's MDQ would not be prohibited by, or be inconsistent with the provisions of FGT's tariff establishing the criteria by which FGT determines the operational feasibility of segmentation transactions. JEA poses a hypothetical segmented transaction to illustrate its position and requests that the

¹ Under Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 213(a)(2) (2006), answers to protests are not accepted unless otherwise ordered by the decisional authority. The Commission will accept FGT's answer because it provided information that assisted in our decision-making process.

² The MDQ is the maximum capacity that the shipper is permitted by its contract to nominate at each respective primary point identified in the shipper's contract with FGT.

³ The MDTQ is the maximum capacity that the shipper is permitted by its contract with FGT to nominate for transportation on any segment within the zone.

⁴ JEA protest at pages 5-6.

Commission clarify that JEA must be permitted by Florida Gas to undertake the described transaction where operationally feasible.

6. Also in summary, FGT's answer notes that JEA does not oppose the designation of the new reticulated area. Rather FGT argues that JEA's protest raises an issue completely outside the scope and purpose of this filing, which it made simply to designate a new reticulated area as required by the tariff. FGT also argues that JEA's protest constitutes a collateral attack on the Settlement between FGT and its customers that resulted in the various provisions in its tariff related to segmentation.⁵

7. We agree with FGT's claim that its filing is ministerial in nature. The issue raised by JEA's protest involves consideration of policy issues and tariff interpretation beyond the scope of this filing. Therefore, we deny JEA's protest without prejudice to JEA filing a complaint if a concrete situation arises concerning FGT's application of its tariff provisions and the Commission's policy on segmentation to receipt points in the Jacksonville Reticulated Area.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ FGT answer at page 5.