

127 FERC ¶ 61,057  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

April 17, 2009

In Reply Refer To:  
Columbia Gas Transmission, LLC  
Docket No. RP09-468-000

Columbia Gas Transmission, LLC  
5151 San Felipe, Suite 2500  
Houston, TX 77056

Attention: James R. Downs  
Director of Regulatory Affairs

Reference: Revised Tariff Sheets – Rate Schedules FSS-M and ISS-M

Dear Mr. Downs:

1. On March 25, 2009, Columbia Gas Transmission, LLC (Columbia) filed revised tariff sheets<sup>1</sup> in partial compliance with the Commission's March 19, 2009 Order,<sup>2</sup> which granted certificate authorization for Columbia's Ohio Storage Project, to implement Rate Schedule FSS-M (firm storage service with market-based rates) and Rate Schedule ISS-M (interruptible storage service with market-based rates) and related tariff provisions in order to implement storage service for Washington Gas Light Company (Washington Gas), effective April 1, 2009. As discussed below the Commission accepts the proposed tariff sheets on an interim basis to be effective on the in-service date of the relevant portion of the Ohio Storage Project facilities when injections by Washington Gas commence, subject to conditions.

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<sup>1</sup> See Appendix for listing of tariff sheets.

<sup>2</sup> *Columbia Gas Transmission, LLC*, 126 FERC ¶ 61,237 (2009) (March 19, 2009 Order).

2. On June 24, 2008, Columbia filed an application under sections 7(b) and (c) of the NGA to abandon and construct and operate certain facilities in order to expand storage capabilities at its Crawford and Weaver Storage Fields in Ohio (Ohio Storage Project) by a total of 6.7 Bcf, 4.0 Bcf of which was subscribed to Washington Gas and 2.7 Bcf of which was unsubscribed and would be offered through Columbia's proposed auction procedures.<sup>3</sup> Columbia also requested authorization pursuant to Section 4(f) of the Natural Gas Act (NGA)<sup>4</sup> to provide storage service through the expansion facilities at market-based rates. The March 19, 2009 Order granted Columbia certificate authorization, subject to conditions, to construct and operate the proposed facilities to increase the storage capacity of the Crawford and Weaver storage fields as proposed, finding that the Ohio Storage Project meets the requirements of the Certificate Policy Statement.<sup>5</sup> Further, the Commission found that Columbia's proposal, as modified by the order, satisfies the requirements of section 4(f) of the NGA and Order No. 678<sup>6</sup> to permit market-based rates for the storage services provided by the Ohio Storage Project facilities.

3. Columbia states that the proposed tariff sheets are consistent with the March 19, 2009 Order by clarifying that: (1) the Crawford and Weaver Storage Fields will provide storage service subject to the authorized market-based rates, and (2) Columbia will provide separate workpapers in its Retainage Adjustment Mechanism filing for Storage Gas Loss Retainage attributable to Columbia's market-based storage service. However, as Columbia points out, the March 19, 2009 Order also required Columbia to revise

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<sup>3</sup> The March 19, 2009 Order explained that Columbia conducted two open seasons for capacity under its proposed expansion of facilities and did not receive any acceptable bids during the open seasons. However, subsequent to the close of the second open season, Columbia negotiated a binding precedent agreement with Washington Gas for 60,000 Dth/d of Maximum Daily Storage Quantity (MDSQ) and 4.0 MMDth of Storage Contract Quantity (SCQ) under proposed Rate Schedule FFS-M. The March 19, 2009 Order directed that Columbia execute, prior to commencing construction, firm service agreements with Washington Gas equal to the level of service reflected in its precedent agreements with Washington Gas.

<sup>4</sup> 15 U.S.C. § 717c (f)(1)(A)-(B) (2007).

<sup>5</sup> *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *order on clarification*, 90 FERC ¶ 61,128 (2000), *order on clarification*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

<sup>6</sup> *Rate Regulation of Certain Natural Gas Storage Facilities*, Order No. 678, FERC Stats. & Regs., Regulations Preambles 2006-2007 ¶ 31,220, Order No. 678-A, *order on clarification and reh'g*, 117 FERC ¶ 61,190 (2006).

certain of its proposed auction procedures and other customer protective measures.<sup>7</sup> Specifically, Columbia states that the Commission directed Columbia to file to revise its tariff to: (1) permit shippers to negotiate the term for customer-initiated auctions; (2) prohibit Columbia from accepting bids lower than the stated reserve price; (3) exclude affiliate transactions from reserve prices based on the highest rate paid by shippers; (4) clarify that Columbia will only use reserve prices based on the highest rate paid where the term of the auction matches the term of the contract being used to establish the reserve price; (5) clarify that Columbia will only use reserve prices based on the highest rate paid to a competing storage provider during the twelve month period preceding the auction; and (6) clearly delineate the area in which storage sellers will be considered competing.

4. Columbia states that it intends to submit a filing as soon as possible to comply with the foregoing directives of the March 19, 2009 Order. However, it states that the tariff sheets implementing Rate Schedule FSS-M have not been made effective and, therefore, in order to ensure Washington Gas' ability to commence service under its Ohio Storage Project service agreements, it is submitting the instant tariff sheets in advance of its full compliance with the March 19, 2009 Order. Accordingly, it states, it is submitting actual tariff sheets to implement the new Rate Schedule FSS-M. Columbia asserts that the directives of the March 19, 2009 Order listed above, which it explains that it has not yet fully complied with, all relate to the auction of market-based storage capacity under Section 51 of the General Terms and Conditions (GT&C) of Columbia's tariff. Columbia states that it will not auction any capacity under Section 51 until Columbia complies with the conditions set forth by the March 19, 2009 Order. On this basis it asserts that approval of this filing will not impede the directives of the March 19, 2009 Order.

5. Columbia states that, in its application for the Ohio Storage Project, it requested authorization to begin injections into the Crawford Storage Field on April 1, 2009, before construction of the Project is completed, to enable withdrawals by customers by the proposed November 1, 2009 in-service date. Columbia further states that Washington Gas' service agreements for the Ohio Storage Project require that service commence the later of April 1, 2009, or the date that the facilities are placed in service. Columbia requests that the Commission expeditiously approve the instant filing and grant any and all waivers necessary in order to allow Columbia to begin service to Washington Gas on April 1, 2009. In addition, Columbia requests waiver of the 30-day notice period and accept the subject tariff sheets effective April 1, 2009.

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<sup>7</sup> March 19, 2009 Order at P 36-42. The Commission directed Columbia to file revised *pro forma* tariff sheets within 30 days of the order (i.e., by April 20, 2009) reflecting such revisions.

6. Notice of Columbia's filing was issued on March 26, 2009. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2008). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2008), 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 received.

7. The revised tariff sheets listed in the Appendix are accepted effective on the in-service date of the relevant portion of the Ohio Storage Project facilities when Washington Gas injections begin, subject to the conditions listed below. The Commission finds that the market-based rate services contemplated by the instant filing, which are limited to the 4.0 Bcf of capacity subscribed to Washington Gas, are authorized pursuant to the March 19, 2009 Order and may commence, and the related portion of the Ohio Storage Project facilities may go into service, upon commencement of injections of storage gas by Washington Gas under its Ohio Storage Project service agreements. Although the full construction of the expanded facility has not been completed, the increased pressure caused by the injection of such gas, coupled with other operational changes authorized under the certificate granted Columbia, will increase the capacity of the storage fields and it is this increased capacity previously subscribed to Washington Gas and related facilities to which the instant filing relates. The conditions set forth by the March 19, 2009 Order that concern auctions and the filing of a proper reserve rate only apply to unsubscribed increased capacity for the interim period covered by this filing, not increased capacity that has already been subscribed by Washington Gas, and need not be implemented in order to permit service for Washington Gas to commence. Further, in granting certificate authorization for the Ohio Storage Project, the Commission was fully aware that, in its certificate application, Columbia gave notice of its intent to permit injections into the Crawford Storage Field commencing on April 1, 2009, before construction of the Project is completed, to enable withdrawals by customers by the proposed November 1, 2009 in-service date.<sup>8</sup> Consequently, for the foregoing reasons, there is no need to grant any waiver to permit service for Washington Gas to commence injections before final completion of all Ohio Storage Project facilities, as such authorization is consistent with and contemplated by the March 19, 2009 Order.

8. The Commission's authorization herein only applies to the service under the Washington Gas precedent agreements executed on or before March 19, 2009.

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<sup>8</sup> Columbia notified the Commission on April 3, 2009 pursuant to Ordering Paragraph (B) of the March 19, 2009 Order and section 157.20(c)(1) of the Commission's regulations, that it began construction of the Ohio Storage Project on April 2, 2009.

Therefore, acceptance of the subject tariff sheets is conditioned on Columbia filing revised tariff sheets, within 15 days of the date of this order, identifying the instant Rate Schedules FSS-M and ISS-M services as interim services that are available only to customers that signed binding precedent agreements for such service on or before the issuance of the March 19, 2009 Order, and only to the extent the services are provided by increased capacity attributable to the portions of the Ohio Storage Project facilities that are in service. Columbia is required to notify the Commission of the in-service date of injections.

9. Finally, acceptance is further subject to Columbia fully complying with all remaining conditions of the March 19, 2009 Order. Upon full compliance with the March 19, 2009 Order and authorization by the Commission, Columbia will be required to refile tariff sheets to remove the foregoing language in order to establish the Rate Schedules FSS-M and ISS-M services on a permanent basis to be available to all customers.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

Appendix

Columbia Gas Transmission, LLC  
Docket No. RP09-468-000  
FERC Gas Tariff  
Third Revised Volume No. 1

Tariff Sheets Accepted Effective on the In-Service Date of Injections, Subject to Conditions

First Revised Sheet No. 1	First Revised Sheet No. 340
First Revised Sheet No. 2	First Revised Sheet No. 345
First Revised Sheet No. 166	First Revised Sheet No. 346
Original Sheet No. 167	First Revised Sheet No. 353
Original Sheet No. 168	First Revised Sheet No. 355
Original Sheet No. 169	First Revised Sheet No. 381
Original Sheet No. 170	Original Sheet No. 517.01
Original Sheet No. 171	Original Sheet No. 517.02
Original Sheet No. 172	Original Sheet No. 519.01
Original Sheet No. 173	Original Sheet No. 519.02
Original Sheet No. 174	First Revised Sheet No. 536
Original Sheet No. 175	First Revised Sheet No. 538
First Revised Sheet No. 306	First Revised Sheet No. 541
First Revised Sheet No. 307	First Revised Sheet No. 542
First Revised Sheet No. 308	First Revised Sheet No. 549
First Revised Sheet No. 312	First Revised Sheet No. 552
First Revised Sheet No. 339	First Revised Sheet No. 559