129 FERC ¶ 61,182
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 30, 2009

In Reply Refer To:
Columbia Gas Transmission, LLC
Docket No. Docket No. RP10-106-000

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

Attention: James R. Downs
Director of Regulatory Affairs

Reference: Access to Aggregation Pools on a Secondary Basis

Dear Mr. Downs:

1. On October 30, 2009, Columbia Gas Transmission, LLC (Columbia) filed revised tariff sheets[1] to add a new section 11.4 to its General Terms and Conditions (GT&C). The tariff revision will permit shippers of Appalachian gas to utilize firm transportation service agreements to access Columbia's Aggregation Pools in the same Aggregation area on a secondary firm basis. Those Aggregation Pools were originally established in Columbia's Order No. 636 restructuring proceeding to facilitate receipt of Appalachian production onto Columbia system by allowing local producers to aggregate gas supply at multiple receipt points within an Aggregation Area for transfer at the Aggregation Point associated with that area. The Aggregation Areas and Points are specified in section 3 of Rate Schedule AS (Aggregation Service). Currently, shippers are only permitted to deliver gas to Aggregation Points on an interruptible basis under Rate Schedule AS.

2. As part of its proposal to allow shippers to use firm transportation service agreements to access Aggregation Pools, Columbia proposes that firm shippers delivering gas to Aggregation Points on a secondary basis will not be assessed usage charges or

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[1] *See* Appendix for list of tariff sheets.

retainage. Further, the Appalachian Ratchets established in section 4(b)(ii) of Columbia's Rate Schedule AS will not apply to secondary firm deliveries to Aggregation Pools. Columbia explains that it will not require shippers to enter into new contracts or modify existing primary receipt or delivery points in order to make secondary firm deliveries. Columbia further proposes a new definition of "receipt Point(s) for Production" in order to limit eligibility for secondary firm deliveries to Aggregation Pools to local production and gathering. Finally, Columbia is proposing to modify Rate Schedule AS to add a new aggregation area in southern New York State. Columbia contends that it is not proposing any changes in the way service under Rate Schedule AS operates. As clarified below, the tariff sheets listed in the Appendix are accepted as proposed effective December 1, 2009.

3. Public notice of Columbia's filing was issued on November 2, 2009. Interventions and protests were due as provided in section 154.210 of the Commission regulations, 18 C.F.R. § 154.210. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2009), all timely 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. Cabot Oil & Gas Marketing Corporation and CNX Gas Company LLC filed comments in support of Columbia's filing. Independent Oil & Gas Association of West Virginia, Inc. (IOGA) also supports Columbia's proposal. However, IOGA requests clarification from Columbia concerning whether its electronic bulletin board and gas management system, Navigates, will properly recognize that a nomination excludes retainage.

4. IOGA asserts that section 6.2(f) of Columbia's GT&C requires that shippers include retainage in their nominated daily receipt quantities. IOGA further asserts that the secondary firm deliveries to Aggregation Pools will not be subject to retainage. IOGA is concerned that Navigates will not properly recognize a nomination that does not include retainage resulting in an over-nomination with respect to a shipper's available Maximum Daily Quantity (MDQ) and that the nomination will be rejected or cut. IOGA contends that Columbia must clarify that its tariff and Navigates will ensure when retainage does not apply to a particular nomination, that the shipper can nominate the gross contract quantity (without retainage) without regard to its MDQ.

5. On November 18, 2009, Columbia filed an answer addressing IOGA's request for clarification.[2] Columbia states that its existing tariff provisions and Navigates can already accommodate scheduling nominations that do not include retainage. Columbia

[2] While the Commission's Rules of Practice and Procedure generally prohibit answers to protests or answers, the Commission will accept the answer to allow a better understanding of the issues. *See* 18 C.F.R. § 385.213(a)(2) (2009).

explains that, while IOGA is correct that GT&C section 6.2(b) requires shippers to include retainage in their nominations, that requirement is only applicable to the extent that the service being nominated includes a retainage charge. For example, Columbia states retainage is not applicable to service under Rate Schedule AS, IPP (Interruptible Paper Pools), and PAL (Parking and Lending Service) and retainage is only assessed when a shipper transports gas out of a pool under a firm or interruptible transportation service agreement. Therefore, Columbia contends that no tariff revisions beyond those proposed in this filing are required to permit nominations that do not include retainage. Further, Columbia explains that since Navigates currently permits shippers to make nominations into Columbia's various pools that do include retainage, it provides the capability to accommodate nominations that exclude retainage.

6. Columbia provides a further explanation addressing IOGA's concern about being able to deliver its full transportation demand into an Aggregation Pool and then transporting that same quantity from the pool to market. Columbia explains that its proposal to allow shippers to use their firm service agreements to transport to the Aggregation Pools on a secondary basis does not permit the shippers to segment their capacity. If a shipper uses its full transportation demand under a firm service agreement to deliver gas into the Aggregation Pool, it will have fully utilized its contractual rights and would need to arrange for either additional transportation service or incur overrun charges to transport gas from the pool to its ultimate delivery point. Columbia also states that shippers who do desire to segment their capacity will continue to have that right in accordance with the provisions of section 40 of Columbia's GT&C.

7. The Commission finds that Columbia has adequately supported its proposed service and responded to IOGA's concern that the Navigates system has the capability to properly accommodate nominations that exclude retainage. Therefore, the Commission will accept Columbia's proposed tariff sheets listed in the Appendix, effective December 1, 2009.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

Appendix

Columbia Gas Transmission Corporation
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Sheets Accepted Effective December 1, 2009

First Revised Sheet No. 140
First Revised Sheet No. 143
First Revised Sheet No. 268
First Revised Sheet No. 269
First Revised Sheet No. 321