

130 FERC ¶ 61,014
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 5, 2010

In Reply Refer To:
Texas Gas Transmission, LLC
Docket No. RP10-233-000

Texas Gas Transmission, LLC
3800 Frederica Street
P.O. Box 20008
Owensboro, Kentucky 42304-0008

Attention: J. Kyle Stephens
Vice President, Regulatory Affairs and Rates

Reference: Proposed Revisions to *Pro Forma* Agreements

Dear Mr. Stephens:

1. On December 11, 2009, Texas Gas Transmission, LLC (Texas Gas) filed tariff sheets¹ to revise its *pro forma* service agreements for certain rate schedules.² The Commission accepts the tariff sheets effective January 11, 2010, as requested, subject to conditions as discussed herein.

2. Texas Gas is submitting revisions to certain *pro forma* service agreements and letter agreements contained in its tariff. Texas Gas asserts that the revisions proposed in

¹ See Appendix for list of tariff sheets.

² Specifically, Texas Gas is proposing a revised *pro forma* Umbrella Agreement for Replacement Customer; a *pro forma* EFT (Enhanced Firm Transportation) addendum; a *pro forma* IT (Interruptible Transportation), TAPS (Transportation Aggregation Pooling Service), and HOT (Hourly Overrun Transportation) service agreements; as well as revised *pro forma* EFT, IT, HOT, and ISS/FSS (Interruptible Storage Service/Firm Storage Service) discounted rates letter agreements.

the instant filing are similar to and based upon the design of the *pro forma* agreements submitted in its November 12, 2008 compliance filing in Docket No. RP09-548, *et al.*, and include language drafted in accordance with the guidance provided by the Commission orders issued in that proceeding.³ Texas Gas states that the redesigned *pro forma* service and letter agreements proposed in the instant filing are: (i) to ensure compliance with Commission policy, and (ii) to create similar contract forms across all three of Boardwalk's pipelines.⁴

3. Notice of Texas Gas' filing was issued on December 14, 2009. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁵ Pursuant to Rule 214,⁶ 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 the proceeding or place additional burdens on existing parties. Western Tennessee Municipal Group, the Jackson Energy Authority, City of Jackson, Tennessee, and the Kentucky Cities (collectively, Cities)⁷ filed comments, but no protests were filed.

4. Cities state that it submits its comment with respect to one discrete aspect of the proposed revisions to the *pro forma* Umbrella Agreement for Replacement Customer.

³ Citing *Texas Gas Transmission, LLC*, 127 FERC ¶ 61,313 (2009) and *Texas Gas Transmission, LLC*, 129 FERC ¶ 61,113 (2009).

⁴ Texas Gas notes that Boardwalk is the parent company of three interstate pipelines: Texas Gas, Gulf South Pipeline Company, LP, and Gulf Crossing Pipeline Company LLC.

⁵ 18 C.F.R. § 154.210 (2009).

⁶ 18 C.F.R. § 385.214 (2009).

⁷ The Western Tennessee Municipal Group consists of the following municipal distributor-customers of Texas Gas: City of Bells, Gas & Water, Bells, Tennessee; Brownsville Utility Department, City of Brownsville, Brownsville, Tennessee; City of Covington Natural Gas Department, Covington, Tennessee; Crockett Public Utility District, Alamo, Tennessee; City of Dyersburg, Dyersburg, Tennessee; First Utility District of Tipton County, Covington, Tennessee; City of Friendship, Friendship, Tennessee; Gibson County Utility District, Trenton, Tennessee; Town of Halls Gas System, Halls, Tennessee; Humboldt Gas Utility, Humboldt, Tennessee; Martin Gas Department, Martin, Tennessee; Town of Maury City, Maury City, Tennessee; City of Munford, Munford, Tennessee; City of Ripley Natural Gas Department, Ripley, Tennessee. The Kentucky Cities are the Cities of Carrollton and Henderson, Kentucky, which are also municipal distributor-customers of Texas Gas.

Cities state that the Umbrella Agreement is the master agreement for customers receiving capacity release awards under Rate Schedules FT and STF (Firm Transportation and Short-term Firm Transportation, respectively) and that it sets forth general terms and conditions used in conjunction with the specific terms and conditions of individual awards. Cities assert that proposed termination language in the Umbrella Agreement could be interpreted to allow for the termination of the Umbrella Agreement prior to the expiration of a capacity release award. Cities state that this would not be logical since the Umbrella Agreement and capacity release awards complement one another. Accordingly, Cities suggest that the relevant provision be amended to provide (additional language proposed by Cities underlined):

This Agreement shall be effective beginning _____ and shall remain in effect until terminated by Texas Gas or Customer upon at least thirty (30) days prior written notice; provided, however, that this Agreement shall not terminate prior to the termination or expiration of all of Customer's applicable capacity release awards pursuant to the terms and conditions thereof.

5. Cities state that its counsel has discussed this recommendation with Texas Gas, and that Texas Gas has indicated its willingness to implement the proposed change. Accordingly, Cities request that the Commission require Texas Gas to revise the relevant language accordingly.
6. The Commission finds that Texas Gas's proposed *pro forma* service agreements are just and reasonable. The Commission also finds that the modification proposed by Cities provides clarification that an Umbrella Agreement shall not terminate prior to the termination of all of a given customer's applicable capacity release awards. We also note Cities' representation that Texas Gas has expressed willingness to accept the proposed change.
7. Accordingly, the Commission accepts Texas Gas's proposed tariff sheets, effective January 11, 2010, as requested, subject to Texas Gas revising the language in its *pro forma* Umbrella Agreement for Replacement Customer, consistent with the

alternative language proposed by Cities. Texas Gas is directed to file revised language for its *pro forma* Umbrella Agreement within ten days of the date of this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties
Public File

APPENDIX

**Texas Gas Transmission, LLC
FERC Gas Tariff, Third Revised Volume No. 1**

**Accepted, Subject to Condition,
Effective January 11, 2010**

Third Revised Sheet No. 3
First Revised Sheet No. 1002
Second Revised Sheet No. 4000
First Revised Sheet No. 4001
First Revised Sheet No. 4100
First Revised Sheet No. 4600
First Revised Sheet No. 4601
Second Revised Sheet No. 4900
First Revised Sheet No. 4901
First Revised Sheet No. 5200
First Revised Sheet No. 5201
First Revised Sheet No. 5202
First Revised Sheet No. 5405
Original Sheet No. 5406
Original Sheet No. 5407
Original Sheet No. 5408
Original Sheet No. 5409
Original Sheet No. 5410
Original Sheet No. 5411
Original Sheet No. 5412
Original Sheet No. 5413
Original Sheet No. 5414
Original Sheet No. 5415
Original Sheet No. 5416
Sheet No. 5417