

130 FERC ¶ 61,157  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

March 3, 2010

In Reply Refer To:  
CenterPoint Energy Gas  
Transmission Company  
Docket No. RP10-374-000

CenterPoint Energy Gas Transmission Company  
P.O. Box 21734  
Shreveport, Louisiana 71151

Attention: Lawrence O. Thomas,  
Senior Director

Reference: Limited Waiver Request

Ladies and Gentlemen:

1. On February 12, 2010, CenterPoint Energy Gas Transmission Company (CenterPoint) filed a request for limited waiver of section 5.4(a)(iv) of the General Terms and Conditions (GT&C) of its FERC Gas Tariff, and of the Commission's regulations requiring pipelines to file non-conforming agreements. CenterPoint states that due to scheduling issues at the interconnection with Columbia Gulf Transmission Company (Columbia Gulf), it has not been able to move gas through the delivery point consistently. As a result, CenterPoint proposes to provide a temporary substitution of primary delivery points for its shippers to other delivery points on its system until the scheduling issues are resolved. CenterPoint states that the temporary change in delivery points is necessary to provide substitute firm service on the pipeline to affected shippers.<sup>1</sup> CenterPoint also requests waiver of

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<sup>1</sup> The affected shippers are the following: Cross Timbers Energy Services; EOG Resources, Inc.; Connect Energy Services, LLC; Petrohawk Energy Corporation; Laclede Energy Resources; Samson Resources Company; CenterPoint Energy Services, Inc.; Marabou Midstream Services, LP; BP Energy Company; Shell Energy North America (US), LP; Macquarie Cook Energy, LLC; and Enbridge Marketing (US), LP.

the Commission's 30-day notice requirement and expedited consideration in order to allow the temporary delivery point changes to become effective March 1, 2010. The Commission grants waiver of its 30-day notice requirement and limited waivers of section 5.4(a)(iv) of the GT&C of CenterPoint's tariff and sections 154.1(d)<sup>2</sup> and 154.112(b)<sup>3</sup> of the Commission's regulations regarding the requirements to file non-conforming service agreements, subject to conditions discussed below.

2. Public notice of the filing issued on February 16, 2010 with interventions and protests due February 19, 2010. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2009)), 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. On February 25, 2010, Enbridge Marketing (US) L.P. (Enbridge) submitted a motion to intervene out-of-time and comments. The Commission accepts Enbridge's late-filed comments, as doing so does not delay or disrupt the proceeding or create additional burdens on the other parties.

3. CenterPoint's Line CP interconnects with Columbia Gulf's system at the designated CGT-CP Delivery Point. At this point, Columbia Gulf's system consists of three lines, and CenterPoint has interconnects into all three lines. However, CenterPoint claims Columbia Gulf has been operating two of the three lines at pressures above the pressures assumed in the Line CP design certificated by the Commission in Docket No. CP06-85-000<sup>4</sup> and is unwilling to consistently receive volumes at the CGT-CP Delivery Point. As a result, on December 22, 2009, CenterPoint posted an operational alert on its website to place shippers on notice that, effective February 1, 2010, deliveries at the CGT-CP Delivery Point would be limited. CenterPoint states that the alert remains in effect through the date of the filing.

4. CenterPoint asserts it discussed potential operational solutions with Columbia Gulf, but the two companies have not been able to resolve this matter. In an attempt to address the issue, CenterPoint states it made a prior notice filing

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<sup>2</sup> 18 C.F.R. § 154.1(d) (2009).

<sup>3</sup> 18 C.F.R. § 154.112(b) (2009).

<sup>4</sup> *CenterPoint Energy Gas Transmission Company*, 117 FERC ¶ 61,003 (2006).

in Docket No. CP10-47-000 to install an additional compression on its side of the interconnection and estimates that will become operational in November 2010. In the interim, CenterPoint proposes to temporarily move the shippers' primary delivery points from the CGT-CP Delivery Point to available alternative points on its system. From February 3-5, 2010, CenterPoint held an open season to gauge shippers' interest in moving, either temporarily or permanently, their primary delivery point. CenterPoint states eight shippers requested to temporarily change their delivery point, and return all or some of their volumes to the CGT-CP Delivery Point once the scheduling issue is resolved. One shipper elected to permanently transfer its delivery point, and three shippers decided to retain the CGT-CP Delivery Point.

5. In order to permit shippers to temporarily move their primary delivery point, and subsequently shift back to the CGT-CP Delivery Point, CenterPoint requests a limited waiver of section 5(a)(iv) of its GT&C. The provision states that "any increase in or shift of [Maximum Delivery Obligation (MDO)] at a primary delivery point must be in substitution for relinquished MDO at another primary delivery point." CenterPoint's concern is that, absent the waiver, it cannot retain and reserve the capacity at the CGT-CP Delivery Point to guarantee each shipper the ability to return to that point on a primary basis, up to the volume level the shipper currently holds.

6. CenterPoint states that it plans to insert language permitting the temporary delivery points into the blank for Primary Delivery Points in its agreements with shippers. To the extent the Commission deems that such information is a non-conforming change, CenterPoint requests waiver of any requirement to file such agreements as non-conforming contracts with the Commission. CenterPoint further explains that all but two of the affected contracts contain negotiated rates and it will file those contracts with the Commission in a separate proceeding for approval as conforming negotiated rate contracts. CenterPoint states it does not plan to file the remaining two discounted rate contracts with the Commission because CenterPoint believes the changes will be non-material. CenterPoint contends the Commission will still have a chance to review the language in all of the contracts because each one will contain the same language with respect to the change in primary delivery points. CenterPoint also states it will continue to comply with section 284.13 of the Commission's regulations regarding electronic reporting requirements as they apply to requests for shifts of temporary primary points to ensure transparency.

7. Enbridge states that it does not oppose the requested waiver. Enbridge views the waiver as necessary to protect and preserve the interests of shippers that

contracted with CenterPoint for delivery point rights at the CGT-CP Delivery Point. However, Enbridge contends that CenterPoint shares some responsibility for its inability to honor its firm delivery obligations at the CGT-CP Delivery Point and cannot attribute sole responsibility to Columbia Gulf's actions or the higher than expected pressures on the Columbia Gulf pipeline. Furthermore, Enbridge asserts that Columbia Gulf's proposal to allow for a temporary change in delivery points does not address Enbridge's needs, nor does it alleviate the harm caused by CenterPoint's failure to provide firm delivery service onto the Columbia Gulf system pursuant to Enbridge's firm service agreement.

8. The Commission finds that granting the requested waivers is appropriate to provide relief to those shippers that can benefit from changing primary receipt points on a temporary basis. Granting such relief is in the public interest, and a reasonable accommodation of shipper needs under the circumstances. However, the waivers are not meant to be indefinite and the Commission wishes to monitor CenterPoint's efforts to resolve the issues related to this request for temporary waiver. Accordingly, regarding the implementation of the temporary primary delivery points, the Commission will grant a limited waiver of section 5(a)(iv) of the GT&C of CenterPoint's tariff and sections 154.1(d) and 154.112(b) of the Commission's regulations<sup>5</sup> effective March 1, 2010, subject to the submission of Status Reports by CenterPoint. The Status Reports are due within 60 days of the date this order issues and every 60 days thereafter until these issues are resolved, and shall detail the ongoing discussions with Columbia Gulf and any shipper concerning resolution of the delivery problems at the subject interconnect. The

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<sup>5</sup> Contrary to CenterPoint's assertions, the service agreement provisions incorporating the temporary primary delivery points are material deviations. However, as discussed above, the Commission waives the regulations which would otherwise obligate CenterPoint to file as non-conforming these service agreements due to the material deviations relating to the temporary primary delivery points. The Commission also notes that CenterPoint has stated that it will file the affected negotiated rate agreements with the Commission.

Status Reports shall also be used to request an extension of the term for the limited waiver for each subsequent 60 days, as needed.<sup>6</sup>

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>6</sup> In this order, the Commission grants the waivers requested by CenterPoint, which are unopposed. Enbridge's statements regarding its firm service rights at the CGT-CP Delivery Point are beyond the scope of this proceeding and are not addressed in this order.