

130 FERC ¶ 61,222
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 18, 2010

In Reply Refer To:
CenterPoint Energy Gas Transmission Co.
Docket No. RP10-383-000

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

Attention: Lawrence O. Thomas, Senior Director

Reference: Revisions to Nomination and Balancing Provisions

Ladies and Gentlemen:

1. On February 16, 2010, CenterPoint Energy Gas Transmission Company (CEGT) filed revised tariff sheets¹ to revise certain nomination and balancing provisions of its General Terms and Conditions (GT&C), and to delete Rate Schedule HFT² from its tariff. CEGT states its proposed tariff changes will improve the operational and administrative efficiency of its system. CEGT requests its tariff sheets become effective on March 18, 2010. The Commission waives its 30-day notice requirement and conditionally accepts CEGT's revised tariff sheets effective March 18, 2010, subject to CEGT filing the additional information set forth in this order, and further Commission review.

2. CEGT proposes several revisions to the nomination provisions set forth in section 5 of its GT&C. Currently, point operators on CEGT's system are responsible for making receipt nominations, and shippers and pool managers are responsible for making delivery nominations. CEGT contends this procedure is resulting in too many nomination imbalances, which have caused operational difficulties on its system. As a result, CEGT proposes to now require shippers and pool managers to make both receipt and delivery nominations. Also, to help resolve any nomination imbalances that may occur, CEGT proposes a new nomination balancing service, which it proposes to operate as part of

¹ See Appendix.

² Rate Schedule HFT is an hourly firm rate schedule used for peaking services.

existing Rate Schedule PHS.³ According to CEGT, this new service will allow shippers to submit receipt and delivery nominations that are more likely to be in balance, and provide more timely nomination information for both shippers and CEGT. CEGT also proposes to remove from its GT&C certain flexible nomination provisions set forth in section 5.2. Currently under its tariff, shippers may nominate at any hour, with 60 minutes notice. CEGT contends that with increased throughput on its system, and the resulting decrease in unsubscribed capacity, it has had difficulty scheduling such flexible nominations. As a result, while CEGT will retain its tariff language allowing for nominations outside the NAESB cycles, it proposes to remove the hourly nomination provisions which it states have become administratively unworkable.

3. CEGT also proposes certain changes to its system balancing provisions set forth in section 5 of its GT&C. Specifically, CEGT proposes to revise section 5.7 to establish 500 Dth as a minimum threshold cash-out amount that would be exempt from premium/discount factors. CEGT also proposes changes to the same section that it states would improve the way imbalance cash-outs are adjusted in response to prior period adjustments.

4. CEGT also proposes to delete from its tariff Rate Schedule HFT. CEGT states this rate schedule has been cumbersome for shippers to use, and as a result, it has only had one request for HFT service since 2004, and none since 2008. CEGT adds it recently implemented Rate Schedule EFT (enhanced firm transportation) which it states is similar to Rate Schedule HFT, but improved in several areas. Lastly, CEGT proposes attendant clarifications, administrative changes, and consistency changes to various tariff sheets.

5. Notice of CEGT's filing was issued on February 18, 2010, allowing for protests as provided by section 154.210 of the Commission's regulations. Pursuant to Rule 214, 18 C.F.R. § 385.214, 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. ConocoPhillips Company (ConocoPhillips) filed comments, which we discuss below. On March 5, 2010, CEGT filed an answer to ConocoPhillips' comments. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2009), prohibits an answer to a protest or adverse comments unless otherwise ordered by the decisional authority. In this case, we accept CEGT's answer because it provides information that assisted the Commission in our decision-making process.

6. In general, certain of CEGT's proposed tariff changes should help resolve operational difficulties CEGT is experiencing on its system to the benefit of shippers. Other proposed changes would clarify certain tariff provisions and remove obsolete

³ Rate Schedule PHS is the Perryville Hub Service, which is both a wheeling and park and loan service.

language. Accordingly, we will accept conditionally CEGT's revised tariff sheets effective March 18, 2010, subject to CEGT filing the additional information set forth below, and further Commission review.

7. CEGT proposes a new nomination balancing service that it would implement under existing Rate Schedule PHS. ConocoPhillips expresses concerns over several elements of this proposal. First, it asserts that CEGT has not adequately demonstrated any cost causation for the use of the PHS rate for the nomination balancing service.

8. In its answer, CEGT explains that its proposed nomination balancing service is simply a slight variation of its existing park and loan service that it offers under Rate Schedule PHS. It explains that it incorporates into its nomination balancing service only slight modifications to make it easier for shippers to eliminate discrepancies between receipt and delivery nominations. CEGT asserts that since a nomination balancing transaction is no different than any other park and loan transaction under Rate Schedule PHS, offering the service under Rate Schedule PHS and charging the Commission-authorized PHS rate is appropriate. We agree and find the Commission-authorized Rate Schedule PHS rate to be appropriate for CEGT's proposed nomination balancing service.

9. ConocoPhillips also expresses confusion over the methodology CEGT would require for the proposed nominating process under the service, including whether the electronic nominating process would continue. ConocoPhillips explains that CenterPoint Energy Field Services operates a gathering system that supplies gas to ConocoPhillips, and producers nominating individual wells aggregate the nominations electronically and load them into receipt points on CEGT's system. ConocoPhillips asserts that CEGT must clearly indicate that this process will continue, since going from an electronic system to a manual one would be unduly burdensome and prone to transportation errors.

10. In its answer, CEGT explains that its proposed tariff changes would not require ConocoPhillips to move to a manual process for aggregating its production nominations, and should not have any impact on how nominations upstream of CEGT's system are handled. It states it will work with ConocoPhillips and other shippers to properly identify the appropriate meter members associated with pooling receipt points, and will continue working with shippers to ensure they fully understand the new process. We find that CEGT's answer satisfactorily addresses ConocoPhillips' concerns.

11. ConocoPhillips also expresses concern over CEGT's proposed tariff language in section 5.2(c) providing that receipt nominations "which are submitted without consistent corresponding delivery nominations will not be accepted." CEGT proposes similar provisions in sections 5.2(d), 5.3(b)(iii), 5.5(c) and 5.5(d) of its GT&C. ConocoPhillips asserts that CEGT's proposed tariff provisions requiring receipt and delivery nominations to be within one Dth to be accepted are wholly unreasonable. ConocoPhillips believes a tolerance of plus or minus 10 percent of the nomination provides a more reasonable approach. In its answer, CEGT asserts that, with the new procedures in place, shippers

should be able to submit receipt and delivery nominations that are in balance, and that ConocoPhillips' proposal to implement a 10-percent tolerance level is unsupported and unreasonable.

12. In its transmittal, CEGT states it is proposing certain tariff revisions to address operational difficulties on its system caused, at least in part, by out-of-balance receipt and delivery nominations. One tariff change CEGT is proposing would require that shippers and pool managers now make both receipt and delivery nominations. CEGT also proposes its new nomination balancing service to help resolve any nomination imbalances. We find CEGT's proposals to bring more consistency to receipt and delivery nominations to be reasonable ways to help alleviate any operational difficulties brought on by nomination imbalances. With shippers and pool managers now conducting both receipt and delivery nominations, such nominations should be consistent. In situations where they are not consistent, there is a balancing service to resolve imbalance. Since mechanisms are now in place to help nomination balancing, we see no need for the 10-percent tolerance in nomination imbalances that ConocoPhillips suggests.

13. Lastly, CEGT incorporates into section 2.14 of Rate Schedule PHS mention of the AutoPAL service, but provides no discussion as to what this service entails. We direct CEGT to file additional information, within 15 days of the date this order issues, to clarify the following: (1) whether AutoPAL is a new or existing service; (2) the mechanics of how AutoPAL works; and (3) how it proposes to price the AutoPAL service.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties

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Appendix

CenterPoint Energy Gas Transmission Company
Sixth Revised Volume No. 1

Tariff Sheets Conditionally Accepted Effective March 18, 2010

Ninth Revised Sheet No. 1 Sheet No. 19	Fifth Revised Sheet No. 396
Second Revised Sheet No. 55	Fifth Revised Sheet No. 399
First Revised Sheet No. 63	First Revised Sheet No. 400
First Revised Sheet No. 67	Fourth Revised Sheet No. 401
Sheet Nos. 70-79	Second Revised Sheet No. 401A
First Revised Sheet No. 84	First Revised Sheet No. 408
Second Revised Sheet No. 113	Third Revised Sheet No. 409
Third Revised Sheet No. 246	Second Revised Sheet No. 411
Third Revised Sheet No. 250	Second Revised Sheet No. 414
Seventh Revised Sheet No. 269	First Revised Sheet No. 415
Fifth Revised Sheet No. 270	Fourth Revised Sheet No. 416
Fourth Revised Sheet No. 325	First Revised Sheet No. 420
Second Revised Sheet No. 344	Original Sheet No. 420A
First Revised Sheet No. 362	Fourth Revised Sheet No. 445
First Revised Sheet No. 363	Second Revised Sheet No. 445C
First Revised Sheet No. 367	First Revised Sheet No. 445E
First Revised Sheet No. 368	Sixth Revised Sheet No. 447
First Revised Sheet No. 369	Fourth Revised Sheet No. 448
Second Revised Sheet No. 370	First Revised Sheet No. 450
First Revised Sheet No. 371	Third Revised Sheet No. 583
First Revised Sheet No. 372	Fourth Revised Sheet No. 590
Fifth Revised Sheet No. 373	Second Revised Sheet No. 684
Fifth Revised Sheet No. 374	Sixth Revised Sheet No. 697
Sheet No. 375	Fourth Revised Sheet No. 698
Second Revised Sheet No. 376	First Revised Sheet No. 698A
Second Revised Sheet No. 378	Fifth Revised Sheet No. 728
Third Revised Sheet No. 379	Fourth Revised Sheet No. 729
First Revised Sheet No. 380	Second Revised Sheet No. 729A
Second Revised Sheet No. 382	Third Revised Sheet No. 729B
First Revised Sheet No. 384	Fourth Revised Sheet No. 730
First Revised Sheet No. 389	Third Revised Sheet No. 731
First Revised Sheet No. 391	Third Revised Sheet No. 732
Third Revised Sheet No. 392	Third Revised Sheet No. 735
First Revised Sheet No. 393	Second Revised Sheet No. 735A
First Revised Sheet No. 394	Fourth Revised Sheet No. 786
First Revised Sheet No. 395	Original Sheet No. 786A
	Second Revised Sheet No. 787A

