

130 FERC ¶ 61,259  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

March 30, 2010

In Reply Refer To:  
Columbia Gas Transmission, LLC  
Docket No. RP10-433-000

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

Attention: James R. Downs, Vice President  
Rates & Regulatory Affairs

Reference: Annual Fuel Retainage Adjustment Mechanism Filing

Dear Mr. Downs:

1. On March 1, 2010, Columbia Gas Transmission, LLC (Columbia Gas) filed Third Revised Sheet No. 37 to its FERC Gas Tariff, Third Revised Volume No. 1, pursuant to section 35 of its General Terms and Conditions (GT&C), Retainage Adjustment Mechanism (RAM). The tariff sheet reflects decreases in Columbia Gas' revised annual fuel retainage percentages for transportation, gathering, and storage services to become effective April 1, 2010. Baltimore Gas and Electric Company (BGE) protested Columbia Gas' filing. The Commission accepts Third Revised Sheet No. 37 to become effective April 1, 2010, subject to the condition discussed below.

2. Columbia Gas proposes a transportation retainage percentage of 2.062 percent, a decrease from the current level of 2.129 percent. Columbia Gas' proposed gathering retainage percentage of 0.698 percent is a decrease from the current level of 0.0758 percent. In addition, Columbia Gas proposes a storage gas loss retainage of 0.150 percent, a decrease from the current level of 0.160 percent.

3. Public notice of the filing was issued on March 3, 2010. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2009), any timely filed motion to intervene and motion 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. BGE filed a protest. On March 17, 2010, Columbia Gas filed an Answer to BGE's protest.<sup>1</sup>

4. BGE argues that there is a mismatch between this filing, Columbia Gas' previous RAM filing accepted in Docket No. RP09-393-000,<sup>2</sup> and the annual Transportation Retainage Adjustment (TRA) filing by Columbia Gulf Transmission Company (Columbia Gulf) in Docket No. RP10-450-000. BGE asserts that Columbia Gas' current RAM fuel tracker rate reflects an Operational Balancing Agreement (OBA) adjustment related to the increased lost-and-unaccounted-for (LAUF) gas and under-measurement at the Leach A and Means E measuring stations on the Columbia Gulf system recognized in Docket No. RP09-423-000 (OBA adjustments).<sup>3</sup> Both those measuring stations measure the volumes of natural gas Columbia Gulf delivers into Columbia Gas' system. BGE further asserts that this under-measurement resulted in OBA adjustments that reduced the fuel retainage factors on Columbia Gulf in Docket No. RP09-423-000 by the amount of the increase on Columbia Gas in Docket No. RP09-393-000. BGE contends that this decrease by Columbia Gulf should also be, but is not, reflected in Columbia Gulf's current TRA filing in Docket No. RP10-450-000. BGE argues that without corresponding adjustments by Columbia Gulf, there will be a double recovery of the same retainage by these affiliate pipelines. Alternatively, BGE asserts that, if Columbia Gas is proposing to not make OBA adjustments related to Columbia Gulf in its RAM filing, Columbia Gas appears to be ignoring that adjustment and the related orders regarding this issue.

5. In its Answer, Columbia Gas agrees that any OBA adjustments should be reflected in the retainage calculations of both pipelines and that no adjustment increase in Columbia Gas' retainage rates should be made without a corresponding decrease in Columbia Gulf's rates. However, Columbia Gas clarifies that it did not include any such OBA adjustments in its RAM filing and, correspondingly, Columbia Gulf did not make the OBA adjustments in its annual TRA filing in Docket No. RP10-450-000. Therefore, Columbia Gas contends that the retainage rates of both pipelines were calculated consistently without the OBA adjustments and there is no double-recovery of retainage volumes. With regard to BGE's assertion that Columbia Gas must include the OBA adjustments in this filing, Columbia Gas asserts that, in the *Columbia Gulf* order in

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<sup>1</sup> Although generally not permitted, the Commission will accept the Answer because it aids in the evaluation of Columbia Gas' filing. 18 C.F.R. § 385.213 (2009).

<sup>2</sup> *Columbia Gas Transmission, LLC*, 126 FERC ¶ 61,318 (2009); Letter Order issued February 19, 2010 in Docket No. RP09-393-002 (*Columbia Gas*).

<sup>3</sup> *Columbia Gulf Transmission Co.*, 130 FERC ¶ 61,136 (2010).

Docket No. RP09-423-000, Columbia Gulf argued, in response to various protests regarding the OBA adjustments, that ordering future adjustments because of the orifice meters is premature and outside the scope of that proceeding. Columbia Gas further asserts that the Commission accepted this argument, holding, “The Commission finds that the adjustments Columbia Gulf has already made are reasonable adjustments and we will not order any further adjustments.”<sup>4</sup> Columbia Gas argues that, therefore, the Commission has already rejected BGE’s assertion that further OBA adjustments are necessary.

6. The Commission accepts Columbia Gas’ RAM filing, subject to the outcome of the proceedings in Docket Nos. RP10-450-000 and RP10-134-000<sup>5</sup> concerning Columbia Gulf’s recovery of its fuel and LAUF costs. In Columbia Gulf’s 2009 TRA proceeding in Docket No. RP09-423-000, Columbia Gulf stated that it had flow tests performed on its orifice meters on the Leach A and Means E measuring stations by Southwest Research Institute, an expert in measurement and testing, which revealed that the meters were under-measuring Columbia Gulf’s deliveries to Columbia Gas. Based on historic average operating conditions, Columbia Gulf made an OBA adjustment of 1.08 percent to its deliveries at Leach A and 0.5 percent to its deliveries at Means E. On February 25, 2010, the Commission held that Columbia Gulf’s OBA adjustments for the orifice meter under-measurement were reasonable and approved the fuel retention percentages in Columbia Gulf’s 2009 TRA filing.<sup>6</sup> The same OBA adjustments were also reflected in Columbia Gas’ 2009 RAM filing.<sup>7</sup>

7. In its answer to BGE’s protest in this proceeding, Columbia Gas clarifies that it did not include any OBA adjustments in this RAM filing to correct for the fact that the Leach A and Means E measuring stations are under-measuring Columbia Gulf’s deliveries to Columbia Gas. Columbia Gas also states that Columbia Gulf did not make any such adjustments in its current annual TRA proceeding in Docket No. RP10-450-000. In the Columbia Gulf TRA proceeding, BGE and others have protested Columbia Gulf’s failure to make such OBA adjustments for the under-measurements at the Leach A and Means E measuring stations. Because these measuring stations are located on the Columbia Gulf system, the Commission will address the OBA adjustment issue first in

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<sup>4</sup> Citing *Columbia Gulf* at P 24.

<sup>5</sup> In Docket No. RP10-134-000, Columbia Gulf has proposed an incentive mechanism for the recovery of its fuel and LAUF costs.<sup>5</sup> *Columbia Gulf Transmission Co.*, 129 FERC ¶ 61,214 (2009).

<sup>6</sup> *Columbia Gulf Transmission Co.*, 130 FERC ¶ 61,136, at P 10 and 14 (2010).

<sup>7</sup> *Columbia Gas*, Letter Order issued February 19, 2010 in Docket No. RP09-393-002.

the Columbia Gulf proceedings in Docket Nos. RP10-134-000 and RP10-450-000. All parties appear to agree that whatever OBA adjustments are required in the Columbia Gulf proceedings should also be reflected in Columbia Gas' RAM proceeding. Therefore, the Commission's acceptance of Columbia Gas' instant RAM filing is subject to the outcome of the Columbia Gulf proceedings.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.