

131 FERC ¶ 61,075  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

April 27, 2010

In Reply Refer To:  
El Paso Natural Gas Company  
Docket No. RP09-762-002

El Paso Natural Gas Company  
Post Office Box 1087  
Colorado Springs, CO 80944

Attention: Catherine E. Palazzari, Vice President

Reference: Fuel Exemption Compliance Filing

Ladies and Gentlemen:

1. On January 11, 2010, El Paso Natural Gas Company (El Paso) filed revised tariff sheets<sup>1</sup> to (1) list transportation transaction segments/routes that are eligible for short-term fuel exemptions; and (2) clarify that no-fuel transactions are assessed lost and unaccounted-for (L&U) charges, in compliance with the Commission's order issued December 29, 2009 in this proceeding.<sup>2</sup> The Commission will accept the revised tariff sheets, effective August 1, 2009, as discussed below.

2. On June 9, 2009, El Paso filed tariff sheets in this proceeding to identify long-term, no-fuel pipeline segments/routes and to propose procedures for identifying short-term, no-fuel routes on its electronic bulletin board (EBB). On July 29, 2009, the Commission issued an order accepting and suspending El Paso's tariff sheets, to be effective August 1, 2009, subject to condition and further order.<sup>3</sup> The Commission directed El Paso to provide the calculations and assumptions underlying its determination

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<sup>1</sup> Fifth Revised Sheet No. 322 and First Revised Sheet No. 322A to FERC Gas Tariff, Second Revised Volume No. 1A.

<sup>2</sup> *El Paso Natural Gas Co.*, 129 FERC ¶ 61,280 (2009) (December 29 Order).

<sup>3</sup> *El Paso Natural Gas Co.*, 128 FERC ¶ 61,097 (2009).

that each identified route is a no-fuel route and to respond to assertions that other routes should have been included as no-fuel routes, and whether short-term exempt fuel paths should be posted on the EBB. On August 12, 2009, El Paso submitted additional information. In the December 29 Order, the Commission accepted the revised tariff sheets subject to El Paso filing (1) a list of the possible short-term, no-fuel routes in its tariff; (2) supporting documentation that the short-term routes, under certain circumstances, will not consume fuel; and (3) tariff language clarifying that no-fuel transactions are not exempt from L&U charges.

3. In the January 11 filing to comply with the December 29 Order, El Paso submitted revised tariff sheets identifying two potential short-term, no-fuel routes that may be posted on El Paso's EBB when no fuel is used to provide service. The two routes are for service between (1) Wenden and Casa Grande and (2) Plains and Canute (also known as the Anadarko System). El Paso states that the Wenden-to-Casa Grande route may not consume fuel under certain operational conditions, as recognized by the Commission in the December 29 Order at P 28. El Paso states that it also identifies the Plains-to-Canute route as a potential short-term, no-fuel route because currently natural gas flows between Plains and Canute can switch from north-to-south and south-to-north from Plains to Dumas, and east-to-west and west-to-east from Dumas to Canute, depending on shipper requirements. El Paso states that it currently assesses fuel for all transportation transactions between Plains and Canute due to the dynamic nature of the gas flows in this portion of the system. El Paso states, however, that if those flows stabilize in one direction or the other for a predictable time, El Paso may designate the Plains-to-Canute route or the Canute-to-Plains route (or any route in between these two points) as a short-term, no-fuel route.

4. El Paso provided documentation to support listing the Plains-to-Canute route as a potential short-term, no-fuel route. El Paso provided a fuel study and a historical graph of flow patterns. El Paso states that similar fuel studies were submitted earlier in this proceeding for the Wenden-to-Casa Grande route. El Paso also revised section 26.4(d) of the General Terms and Conditions of its tariff to clarify that no-fuel transactions are not exempt from L&U charges.

5. Notice of El Paso's filing was issued on January 14, 2010, with comments, protests or interventions due as provided by section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210. On January 25, 2010, Texas Gas Service Company, a division of ONEOK, Inc. (Texas Gas Service) filed a protest. On February 4, 2010, El Paso filed an answer to the protest. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept the answer filed by El Paso because it provided information that has assisted us in our decision-making process.

6. Texas Gas Service states that the December 29 Order at P 32 required El Paso to provide the same level of support to demonstrate that the short-term routes do not consume fuel as it provides for the long-term routes listed in the tariff. Texas Gas Service contends that, unlike the documentation provided for the long-term, no-fuel routes, El Paso did not provide in its January 11 filing any of the assumptions underlying its fuel study. Texas Gas Service claims that, without those assumptions, there is no way to determine whether the summary results provided by El Paso reflect operational realities. Texas Gas Service requests that the Commission reject the filing, without prejudice to El Paso submitting adequate data to support any short-term, no-fuel designations in the future. In its answer to Texas Gas Service's protest, El Paso states that, while its January 11 filing did not explicitly state the detailed assumptions used for short-term routes, the assumptions used were identical to those previously explained and provided in this proceeding for the long-term, no-fuel routes. In its answer, El Paso attached another copy of those assumptions.

7. The Commission will accept El Paso's revised tariff sheets, effective August 1, 2009. As supplemented by its February 4, 2010 answer, we find that El Paso has satisfactorily complied with the Commission's directive in the December 29 Order to (1) identify the potential short-term, no-fuel routes in its tariff and provide support that those routes do not consume fuel; and (2) clarify in its tariff that no-fuel transactions are not exempt from L&U charges. We further find that El Paso's re-submission of the assumptions underlying El Paso's fuel study addresses Texas Gas Service's request for the assumptions underlying short-term, no-fuel route designations. For these reasons, we accept the revised tariff sheets listed in footnote one of this order.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.