

131 FERC ¶ 61,135  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 13, 2010

In Reply Refer To:  
Transcontinental Gas Pipe Line Company, LLC  
Docket Nos. RP10-608-000 and RP10-613-000

Transcontinental Gas Pipe Line Company, LLC  
P.O. Box 1396  
Houston, Texas 77251

Attention: Scott C. Turkington  
Director, Rates and Regulatory

Reference: Tariff Sheets and Non-Conforming Service Agreements

Dear Mr. Turkington:

1. On April 15, 2010, in Docket No. RP10-608-000, and April 16, 2010, in Docket No. RP10-613-000, Transcontinental Gas Pipe Line Company, LLC (Transco) filed revised tariff sheets<sup>1</sup> to be effective on May 15, 2010 and May 16, 2010, respectively. Transco also filed non-conforming service agreements in those dockets to be effective on the effective date of each agreement. As discussed below, the Commission accepts Transco's proposed tariff sheets and non-conforming agreements, effective on the dates requested, subject to further review and order of the Commission.

2. Transco states that, in response to the Commission's order in *Southern Star Central Gas Pipeline, Inc.*,<sup>2</sup> it initiated a review of its agreements, including ancillary service agreements that might affect the terms and conditions of service for material deviations from the applicable form of service agreement in Transco's Tariff. Transco further states that it submitted the results of this review to the Commission's Office of

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<sup>1</sup> Sixth Revised Sheet No. 29 in Docket No. RP10-608-000, and Seventh Revised Sheet No. 29 and Third Revised Sheet No. 29A in Docket No. RP10-613-000 to its FERC Gas Tariff, Fourth Revised Volume No. I.

<sup>2</sup> 125 FERC ¶ 61,082 (2008).

Enforcement on August 28, 2009 (August 28 Report). Transco states that, in the August 28 Report, Transco identified certain service agreements containing deviations that could be considered material deviations and provided detailed descriptions of those deviations. Transco further states that it stated that it would seek to renegotiate the identified deviations or would file the service agreements with the Commission as non-conforming service agreements. Transco asserts that the service agreements filed in both these dockets were identified in the August 28 Report as containing deviations that could be considered material.

3. Specifically, in Docket No. RP10-608-000, Transco has submitted non-conforming agreements with Atlanta Gas Light Company (AGL), the City of Buford, Georgia (Buford) and Piedmont Natural Gas Co., Inc. (Piedmont).<sup>3</sup> In Docket No. RP10-613-000, Transco has submitted non-conforming agreements with PECO Energy Company (PECO) and PPL Energy Plus, LLC (PPL).<sup>4</sup> Transco asserts that the deviations are either permissible or not material. Transco's filings include marked copies of the agreements indicating the deviations.

4. Transco also filed revised tariff sheets adding these service agreements to its list of non-conforming agreements.

5. Public notice of Transco's filings was issued on April 19, 2010. Interventions and protests were due on or before April 27, 2010 in Docket No. RP10-608-000 and on or before April 28, 2010 in Docket No. RP10-613-000. Pursuant to Rule 214 (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 the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

6. If a pipeline and a shipper enter into a contract that materially deviates from the pipeline's form of service agreement, the Commission's regulations require the pipeline to file the contract containing the material deviations with the Commission.<sup>5</sup> In

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<sup>3</sup> With regard to AGL, Transco has submitted an amendment to an existing service agreement. With respect to Buford, Transco has submitted contracts 1009763, 1012032, 1037190, 1042065 and 9002596. With regard to Piedmont, Transco has submitted contract 1012026 and an amendment.

<sup>4</sup> With regard to PECO, Transco has submitted contract 1044182 and three amendments. With respect to PPL, Transco has submitted contract 9008608 and two amendments.

<sup>5</sup> 18 C.F.R. § 154.1(d) (2009).

*Columbia Gas Transmission Corporation*,<sup>6</sup> the Commission clarified that a material deviation is any provision in a service agreement that (a) goes beyond filling in the blank spaces with the appropriate information allowed by the tariff, and (b) affects the substantive rights of the parties.<sup>7</sup> However, not all material deviations are impermissible. If the Commission finds that such deviation does not constitute a substantial risk of undue discrimination, the Commission may permit the deviation.<sup>8</sup> Therefore, there are two general categories of material deviations: (a) provisions the Commission must prohibit because they present a significant potential for undue discrimination among shippers, and (b) provisions the Commission can permit without a substantial risk of undue discrimination. Moreover, if the Commission determines the contract contains a material deviation that is permissible, the Commission's regulations require the pipeline to file tariff sheets that reference the materially deviating contract.<sup>9</sup>

7. Transco has presented the Commission with several non-conforming service agreements. These agreements contain various deviations from Transco's *pro forma* service agreements. The Commission has not completed its review of these service agreements. The Commission will accept Transco's proposed tariff sheets to be effective on May 15, 2010, and May 16, 2010, as requested, subject to further review and order of the Commission. Since the Commission has yet to complete its review of the service agreements, and because they have been in effect for a significant period already, the Commission will also accept all of the filed service agreements, effective on their respective effective dates, subject to further review and order of the Commission.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>6</sup> *Columbia Gas Transmission Corp.*, 97 FERC ¶ 61,221 (2001) (*Columbia*).

<sup>7</sup> In *Natural Gas Pipeline Negotiated Rate Policies and Practices*, 104 FERC ¶ 61,134 at P 27 (2003), the Commission stated "[s]ince there would appear to be no reason for the parties to use language different from that in the form of service agreement other than to affect the substantive right of the parties, this effectively means that all language that is different from the form of service agreement should be filed with the Commission." *Id.* at P 32.

<sup>8</sup> *Columbia*, 97 FERC ¶ 61,221 at 62,004.

<sup>9</sup> 18 C.F.R. § 154.112(b) (2009).