

133 FERC ¶ 61,098
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 29, 2010

In Reply Refer To:
CenterPoint Energy Gas
Transmission Company
Docket No. RP10-1372-000

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

Attention: B. Michelle Willis, Manager of Regulatory & Compliance

Reference: Revised Tariff Sections and Non-Conforming Precedent Agreements

Ladies and Gentlemen:

1. On September 29, 2010, CenterPoint Energy Gas Transmission Company (CEGT) filed revised tariff records to its FERC Gas Tariff, Seventh Revised Volume No. 1¹ and ten precedent agreements containing non-conforming provisions as tariff records. CEGT requests that the tariff changes be made effective November 1, 2010. We accept CEGT's revised tariff records to be effective November 1, 2010, and accept CEGT's non-conforming precedent agreements, subject to CEGT filing the service agreements with the related non-conforming provisions as non-conforming agreements as discussed below.
2. Notice of CEGT's filing was issued on September 30, 2010. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.²

¹ See Appendix.

² 18 C.F.R. § 154.210 (2010).

Pursuant to Rule 214,³ 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. No protests or adverse comments were filed.

3. CEGT states it has identified ten letter agreements or precedent agreements entered into prior to construction of new facilities or expansion projects and, following completion of construction and commencement of service under the Service Agreements, the provisions thereof generally control and supersede the provisions of these precedent agreements. However, CEGT states the parties intend that the credit support provisions of the precedent agreements will continue in effect after service commences, specifically the provision memorializing the credit support provisions negotiated by the parties as part of the shipper's subscription to CEGT's project. CEGT states that as permitted by Commission policy CEGT has negotiated individual credit and collateral provisions with shippers subscribing to new infrastructure construction and expansion projects, and these provisions were included in the precedent agreements with such shippers.

4. Although CEGT states it filed such precedent agreements in the certificate proceedings, and generally for informational purposes in the filings to implement negotiated rates under any Service Agreement entered into pursuant to the precedent agreement, CEGT did not submit such precedent agreement provisions as potential material deviations from its Form of Service Agreement until recently.

5. Section 154.1(d)⁴ of the Commission's regulations provides that any contract that conforms to the Form of Service Agreement set forth in the pipeline's tariff need not be filed, but that any contract that deviates in any material aspect from the Form of Service Agreement set forth in the pipeline's tariff must be filed. The Commission's Policy Statement on Creditworthiness allows pipelines to enter into alternative credit arrangements in support of new pipeline construction.⁵ Therefore, the credit provisions CEGT has submitted in the precedent agreements are permissible under the Commission's Policy Statement. However, CEGT has filed the precedent agreements

³ 18 C.F.R. § 385.214 (2010).

⁴ 18 C.F.R. § 154.1(d) (2010).

⁵ See *Policy Statement on Creditworthiness for Interstate Natural Gas Pipelines and Order Withdrawing Rulemaking Proceeding*, FERC Stats. & Regs. ¶ 31,191, at P 17-18 (2005).

that contain the non-conforming credit provisions but it has not filed the associated non-conforming service agreements. Given that CEGT intends that the credit support provisions of the precedent agreements should work in conjunction with the service agreements, we direct CEGT either to amend its service agreements, or include an attachment to its service agreements, to either include the text of, or cite to where the applicable precedent agreement credit and collateral provisions may be found. Therefore, CEGT is directed to file the complete service agreements that have been made non-conforming by the credit provisions, along with the text of or reference to the associated credit provisions, within 15 days of the date of this order.

6. As several of the agreements are several years old, it appears that CEGT failed to timely file the subject nonconforming agreements in compliance with section 154.1(d) of the Commission's regulations. CEGT is reminded that it must submit required filings on a timely basis, or face possible sanctions by the Commission. *See Southern Star Central Gas Pipeline, Inc.*, 125 FERC ¶ 61,082 (2008).

By direction of the Commission.

Kimberly D. Bose,
Secretary.

Appendix

CenterPoint Energy Gas Transmission Company
CEGT Tariffs
FERC NGA Gas Tariff

Tariff Records Effective November 1, 2010, Subject to Conditions:

Sheet No. 501, TABLE OF CONTENTS GENERAL TERMS AND CONDITIONS, 1.0.0
Sheet No. 838, 32. NON-CONFORMING AGREEMENTS, 1.0.0
Sheet No. 839, 32. NON-CONFORMING AGREEMENTS, 0.0.0
Sheet No. 840, Sheets Reserved For Future Use, 0.99.0
SECTION 1.0, TABLE OF CONTENTS, 2.0.0
SECTION 3.1, Non-Conforming Agreements, 2.0.0
SECTION 3.2, Precedent Agreement dated 1/31/06 with BP Energy Company, 0.0.0
SECTION 3.3, Precedent Agreement dated 2/16/06 with CES, 0.0.0
SECTION 3.4, Precedent Agreement dated 4/24/06 with Chevron U.S.A. Inc., 0.0.0
SECTION 3.5, Precedent Agreement dated 2/1/06 with Enbridge Marketing, 0.0.0
SECTION 3.6, Precedent Agreement dated 7/14/06 with Marabou Midstream, 0.0.0
SECTION 3.7, Precedent Agreement dated 8/10/06 with Petrohawk Energy, 0.0.0
SECTION 3.8, Precedent Agreement dated 5/10/07 with Southwestern Electric, 0.0.0
SECTION 3.9, Precedent Agreement dated 10/18/05 with XTO Energy, Inc., 0.0.0
SECTION 3.10, Precedent Agreement dated 9/24/08 with XTO Energy, Inc., 0.0.0
SECTION 3.11, Precedent Agreement dated 9/20/06 with Coral Energy Resource, 0.0.0