

135 FERC ¶ 61,071  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

April 25, 2011

In Reply Refer To:  
Washington 10 Storage Corporation  
Docket Nos. PR11-78-000 and  
PR11-80-000

Washington 10 Storage Corporation  
One Energy Plaza  
Detroit, MI 48226

Attention: Brian C. Drumm  
Expert Attorney

Reference: Revised Statement of Operating Conditions

Dear Mr. Drumm:

1. On January 4, 2011, in Docket No. PR11-78-000, you filed on behalf of Washington 10 Storage Corporation (Washington 10) a revised Statement of Operating Conditions (Revised SOC) for interstate storage and hub services provided pursuant to section 311 of the Natural Gas Policy Act of 1978 (NGPA) to be effective January 4, 2011. On January 12, 2011, in Docket No. PR11-80-000, you filed an amended version of the Revised SOC<sup>1</sup> (Amended SOC) to correct typographical errors and to make other changes. As discussed below, the Commission accepts the Amended SOC filed in Docket No. PR11-80-000, effective January 12, 2011, subject to conditions. Accordingly, Docket No. PR11-78-000 is rejected as moot.

2. Washington 10 filed the Amended SOC to revise its previously-effective SOC which was accepted by the Commission in Docket Nos. PR10-37-001 and PR10-37-002. Specifically, Washington 10's Amended SOC reflects the following revisions: 1) changed the effective date on the cover page; 2) added the option of confiscating a shipper's gas if the shipper has a negative parking and loaning (PAL) account balance at the end of the term

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<sup>1</sup> Operating Statement, Statement of Operating Conditions, 3.0.0 to Washington 10 Storage Corporation Statement of Operating Conditions, FERC NGPA Gas Tariff.

of shipper's firm or interruptible PAL service agreement (sections 3.12 and 4.11) or if a shipper fails to return loaned quantities of gas on a Critical Day (from any of the shipper's accounts) (section 4.8); 3) revised language regarding selling gas to a shipper at an increased rate if a shipper has a negative parking and loaning (PAL) account balance at the end of the term of shipper's firm or interruptible PAL service agreement (sections 3.12 and 4.11) or if a shipper fails to return loaned quantities of gas on a Critical Day (section 4.8); 4) prohibits a shipper from nominating simultaneous injections and withdrawals from storage under the same service agreement resulting in unbundled transportation service unless the shipper has executed a Hub Service Agreement for Wheeling Service (section 9.5); 5) updated language subjecting all service agreements to the laws, orders, decisions, rules, and regulations of government authorities having proper jurisdiction over the agreements (section 24.1); 6) added that Washington 10 and its shippers may agree to contract extensions for any service including evergreens, rollovers, and other extensions to be specified in applicable service agreements (section 27.13); and 7) made other minor typographical changes.

3. Public notices of Washington 10's filings were issued on January 5, 2011, and January 13, 2011. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2010)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2010)), all timely filed motions to intervene and any unopposed 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. On January 14, 2011, Michigan Gas Utilities Corporation (MGU) and Wisconsin Public Service Corporation (Public Service) filed a motion to intervene, protest, and comments in Docket No. PR11-78-000. On January 20, 2011, MGU and Public Service filed a motion to intervene and comments in Docket No. PR11-80-000, stating that their positions set forth in the earlier protest and comments had not changed with respect to the Amended SOC filing. On January 27, 2011, Washington 10 filed a motion for leave to answer, and answer and a motion to consolidate proceedings in Docket No. PR11-78-000 and Docket No. PR11-80-000 to reduce administrative burden and improve efficiency. While the Commission's regulations do not permit the filing of answers to protests, the Commission will accept the answer because it provides additional information which aids in our decision making process.<sup>2</sup> The Commission denies Washington 10's motion to consolidate the proceedings in Docket Nos. PR11-78-000 and PR11-80-000 because PR11-78-000 is rejected as moot.

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<sup>2</sup> See Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213 (2010).

4. MGU and Public Service raise two issues with Washington 10's proposed revisions to its SOC. First, they oppose the proposed seizure of gas from any of the shipper's storage accounts when a shipper has a negative balance in a PAL account at the end of the term of the applicable service agreement or when a shipper fails to return loaned quantities of gas on a critical day. MGU and Public Service argue that the seizure of gas is overreaching and unnecessary because the previous remedy where Washington 10 would sell the shipper a quantity of gas (at an elevated price) to satisfy the negative PAL account balance was effective and the proposal could negatively affect shippers.

5. Second, MGU and Public Service ask for clarification regarding simultaneous injections into and withdrawals from storage. They express concern that if Washington 10 began offering multiple nomination cycles per day in the future, the proposed language would not allow same day injections into or withdrawals from storage. Specifically, MGU and Public Service request that the Commission accept the proposal subject to the condition that Washington 10 must revise its SOC to limit the restriction on injections and withdrawals only to same-cycle activity.<sup>3</sup>

6. In its answer, Washington 10 agrees to withdraw the proposed revisions to sections 3.12, 4.8, and 4.11 of its SOC relating to the confiscation of a shipper's gas if the customer has a negative balance in its PAL account at the end of a firm or interruptible PAL service agreement or if a shipper fails to return loaned quantities of gas on a Critical Day. Washington 10 also agrees to revise section 9.5 of its SOC to confirm that the limitation on injections and withdrawals would only apply to same-cycle activity.

7. Based on the foregoing, the Commission accepts Washington 10's Amended SOC subject to the condition that within 30 days of the date of this order Washington 10 must file a revised SOC reflecting the changes to which it has agreed as discussed above.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>3</sup> *Citing TreSecretary.s Palacios Gas Storage*, 131 FERC ¶ 61,131, at P 5-6 (2010); *Tres Palacios Gas Storage*, 128 FERC ¶ 61,084, at P 45 (2009).