

136 FERC ¶ 61,207  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

September 26, 2011

In Reply Refer To:  
Tennessee Gas Pipeline Company  
Docket No. RP11-2453-000

Tennessee Gas Pipeline Company  
1001 Louisiana Street  
Houston, TX 77002

Attention: Milton Palmer Jr., Director, Rates & Regulatory Affairs

Reference: Request for Limited Waiver of Tariff Provisions

Dear Mr. Palmer:

1. On August 26, 2011, Tennessee Gas Pipeline Company (Tennessee) filed a request to waive Article XXXVII, Section 3 (Fuel and Loss Retention (F&LR) Adjustment) of the General Terms and Conditions (GT&C) of its tariff. Tennessee proposes that the waiver be effective from August 31, 2011 to January 2, 2012. We grant the waiver as requested.

2. In Docket No. RP11-1566-000, Tennessee filed a general section 4 rate case that, among other things, included revised tariff records proposing rate changes for existing services and changes to certain terms and conditions of service, including Article XXXVII of the General Terms and Conditions of its tariff (GT&C) to include a new F&LR adjustment provision. The F&LR adjustment provision allows Tennessee to recover the cost of energy used in its pipeline operations for gas compression and gas losses. Section 3 of Article XXXVII provides that Tennessee shall file quarterly to revise its F&LR at least thirty days prior to the effective date of the proposed change in F&LR,

with the initial filing to be made thirty days prior to its effective date of June 1, 2011. On December 29, 2010, the Commission issued an order accepting and suspending for five months the effectiveness of Tennessee's proposed F&LR mechanism.<sup>1</sup> On April 29, 2011, Tennessee filed revised F&LR percentages in Docket No. RP11-2066-000. On May 27, 2011, the Commission issued an order accepting the revised F&LR percentages to be effective on June 1, 2011.<sup>2</sup>

3. In the instant filing, Tennessee states that it is currently engaged in settlement discussions with its shippers regarding its general rate filing and associated tariff provisions. Tennessee states that in order to accommodate the desire of certain parties for more stability with respect to its F&LR percentages, it has agreed to revise its F&LR mechanism to require it to file for annual adjustments instead of the quarterly adjustments required by its currently effective tariff. In order to effectuate its agreement Tennessee requests that the Commission waive the requirement in GT&C Article XXXVII, Section 3 requiring Tennessee file at least thirty days in advance of the first day of each calendar quarter for F&LR adjustments. Tennessee states that it expects to revise GT&C Article XXXVII, Section 3 such that future revisions to the F&LR percentage will be effective on April 1 of each calendar year, with Tennessee filing to propose such changes at least thirty days in advance of April 1.

4. Public notice of the filing was issued on August 30, 2011. Interventions and protests were due September 7, 2011, pursuant to section 154.210 of the Commission's regulations.<sup>3</sup> Pursuant to Rule 214,<sup>4</sup> 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. No protests or adverse comments were filed.

5. For good cause shown, we grant the waiver as requested. The Commission encourages parties to settle disputed issues to avoid the burden and expense of a hearing. In this proceeding, granting waiver should benefit both Tennessee and its shippers by

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<sup>1</sup> *Tennessee Gas Pipeline Co.*, 133 FERC ¶ 61,266 (2010) (December 29 Order).

<sup>2</sup> *Tennessee Gas Pipeline Co.*, 135 FERC ¶ 61,194 (2011).

<sup>3</sup> 18 C.F.R. § 154.210 (2011).

<sup>4</sup> 18 C.F.R. § 385.214 (2011).

minimizing uncertainty over the effect of new tariff language that may be affected by settlement discussions and also provide shippers rate certainty with respect to F&LR percentages.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.