

137 FERC ¶ 61,079  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

October 21, 2011

In Reply Refer To:  
Venice Gathering System, L.L.C.  
Docket No. RP11-2585-000

Targa Resources  
1000 Louisiana,  
Suite 4300  
Houston, TX 77002

Attention: Elizabeth B. Hawkins, Senior Counsel

Reference: Letter Order on Off-System Capacity Provision

Dear Mr. Hawkins:

1. On September 23, 2011, Venice Gathering System, L.L.C. (VGS) filed revised tariff records<sup>1</sup> reflecting a new proposed section 31, entitled “Off-System Capacity,” to the General Terms and Conditions (GT&C) of its Tariff. VGS also requests waiver of the Commission’s “shipper must have title” policy<sup>2</sup> with respect to its Off-System Capacity. VGS requests that the revised tariff records be accepted effective October 24, 2011. As discussed below, the Commission accepts the revised tariff records effective October 24, 2011, as proposed, and grants waiver of the “shipper must have title” policy requested by VGS.

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<sup>1</sup> Sheet No. 24, Table of Contents, 0.3.0 and Sheet No. 181, Descriptive Headings; Credit of Penalty, Cash Out Reserves, 0.2.0 to FERC Gas Tariffs, FERC NGA Gas Tariff.

<sup>2</sup> The "shipper must hold title" policy requires that the shipper transporting gas on a pipeline has title to the gas supply being transported. *See, e.g., Northern Illinois Gas Co. and Southern California Gas Co.*, 90 FERC ¶ 61,999 (2000).

2. Public notice of the filing was issued on September 27, 2011. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. 154.210 (2011)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2011)) 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.

3. Proposed section 31, "Off-System Capacity," would allow VGS to contract for transportation capacity with upstream and downstream service providers. In *Texas Eastern Transmission Corp.*,<sup>3</sup> the Commission found that pipelines no longer need to obtain prior approval to acquire capacity on another pipeline, provided the acquiring pipeline has filed tariff language specifying that it will only transport for others using off-system capacity pursuant to its existing tariff and rates.<sup>4</sup> VGS states that it will use any Off-System Capacity it acquires, consistent with Commission policy, for operational reasons or to render service for its shippers using the acquired capacity. VGS includes this statement in Section 31 of its GT&C.

4. In addition, VGS states that the Commission's policy is that prior to commencing service, a shipper must seek waiver of the "shipper must have title" policy and be granted waiver of that policy in order to transport gas for others on acquired off-system capacity. Therefore, VGS requests waiver of the "shipper must have title" policy and states that it will remain at-risk for any unrecovered costs associated with acquisition of any Off-System Capacity acquired under the new provision and that such capacity will remain subject to the Commission's open access regulations.

5. The Commission has approved similar Off-System Capacity provisions in the past<sup>5</sup> which resemble the proposed Off-System Capacity provisions by VGS. The Commission's policy regarding the acquisition of Off-System Capacity, allows VGS to acquire Off-System Capacity without pre-approval, subject to VGS requesting waiver of the "shipper must have title" policy and the Commission granting such a waiver request. VGS' proposed Off-System Capacity tariff language and request for waiver of the "shipper must have title" policy are consistent with Commission policy. Therefore, VGS

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<sup>3</sup> *Texas Eastern Transmission Corp.*, 93 FERC ¶ 61,273 (2000), *reh'g denied*, 94 FERC ¶ 61,139 (2001) (*Texas Eastern*).

<sup>4</sup> *Texas Eastern Transmission Corp.*, 93 FERC ¶ 61,273 (2000), 94 FERC ¶ 61,139 (2001).

<sup>5</sup> *Algonquin Gas Transmission Company*, 95 FERC ¶ 61,287 (2001).

is granted waiver of the “shipper must have title” policy and its filed tariff records are accepted, effective October 24, 2011, as proposed.

By direction of the Commission. Commissioner Spitzer is not participating.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.