

138 FERC ¶ 61,083  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
and Cheryl A. LaFleur.

KO Transmission Company

Docket Nos. RP10-1231-001  
RP11-1604-000  
RP11-1604-001  
(not consolidated)

ORDER GRANTING REHEARING AND ACCEPTING COMPLIANCE FILING  
SUBJECT TO CONDITIONS

(Issued February 3, 2012)

1. This order addresses KO Transmission Company's (KOT) incorporation of approved tariff sheets pending at time of baseline; request for clarification or, in the alternative, rehearing of the Commission's October 28, 2010 order;<sup>1</sup> and request for waiver of certain North American Energy Standards Board (NAESB) Wholesale Gas Quadrant (WGQ) Standards. For the reasons discussed below, the Commission grants the request for rehearing filed by KOT, and accepts the tariff records listed in footnote no. 2,<sup>2</sup> effective November 1, 2010, subject to the conditions discussed in the body of this order. Tariff record *Misc. Form 2, Form of Release Notice, 1.0.0* to Tariffs, Rate Schedules and Service Agreements, FERC NGA Gas Tariff is rejected as moot.

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<sup>1</sup> *Order on Filings in Compliance with Order No. 587-U*, 133 FERC ¶ 61,096 (2010) (October 28 Order).

<sup>2</sup> Part 3, Currently Effective Rates, 1.0.0; Part 5, General Terms and Conditions, 1.0.0; 4, Release and Assignment of Service Rights, 1.0.0; 12, Nominating, Scheduling and Monitoring, 1.0.0; 33, Compliance with 18 C.F.R. Section 284.12, 1.0.0; Misc. Form 2, Form of Release Notice, 2.0.0; and Misc. Form 3, Form of Assignment Agreement, 1.0.0 to Tariffs, Rate Schedules and Service Agreements, FERC NGA Gas Tariff.

## **Background**

2. On September 1, 2010 (September 1 filing), in Docket No. RP10-1231-000, KOT filed multiple new and revised tariff sheets to comply with Order No. 587-U.<sup>3</sup> In Order No. 587-U, the Commission incorporated by reference into its regulations Version 1.9 of the NAESB WGQ Standards. In the October 28 Order, the Commission accepted KOT's tariff sheets to become effective as proposed.

3. On September 20, 2010, in Docket No. RP10-1312-000, KOT submitted its baseline eTariff filing, superseding its sheet-based tariff, with a proposed effective date of September 20, 2010. However, KOT did not incorporate into its baseline tariff the revisions accepted in the October 28 Order, because the proceeding was pending Commission action at the time KOT submitted its baseline eTariff filing.

4. On November 29, 2010 (November 29 filing), in Docket No. RP10-1231-001, KOT requests clarification or, in the alternative, rehearing of the Commission's October 28 Order and requests (1) waiver of certain NAESB WGQ Version 1.9 Electronic Data Interchange (EDI) datasets, Electronic Delivery Mechanism (EDM) standards, and the "Customer Activities" section of its website; and (2) waiver of certain NAESB WGQ Standards governing imbalance netting and trading.

5. On December 8, 2010 (December 8 filing), in Docket No. RP11-1604-000, KOT submitted tariff records<sup>4</sup> to incorporate into its baseline tariff the revisions accepted in the October 28 Order.<sup>5</sup> Subsequently, on December 9, 2010 (December 9 filing), in Docket No. RP11-1604-001, KOT submitted a revised tariff record<sup>6</sup> amending its December 8

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<sup>3</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines*, Order No. 587-U, FERC Stats. & Regs. ¶ 31,307 (2010) (Order No. 587-U).

<sup>4</sup> Part 3, Currently Effective Rates, 1.0.0; Part 5, General Terms and Conditions, 1.0.0; 4, Release and Assignment of Service Rights, 1.0.0; 12, Nominating, Scheduling and Monitoring, 1.0.0; 33, Compliance with 18 C.F.R. Section 284.12, 1.0.0; Misc. Form 2, Form of Release Notice, 1.0.0; and Misc. Form 3, Form of Assignment Agreement, 1.0.0 to Tariffs, Rate Schedules and Service Agreements, FERC NGA Gas Tariff.

<sup>5</sup> KOT also incorporates into its baseline tariff (1) a housekeeping revision to section 33 of the Table of Contents; and (2) a revision to Rate Schedule Firm Transportation Service reflecting a decrease in the transportation retainage adjustment from 0.74 percent to 0.58 percent, accepted in Docket No. RP10-472-000. *See KO Transmission Co.*, Docket No. RP10-472-000 (March 30, 2010) (delegated letter order).

<sup>6</sup> Misc. Form 2, Form of Release Notice, 2.0.0 to Tariffs, Rate Schedules and Service Agreements, FERC NGA Gas Tariff.

filing to make a number of housekeeping revisions, which KOT states were inadvertently omitted from the December 8 filing.

**Request for Clarification or, in the Alternative, Rehearing**

6. In its November 29 filing, KOT submits that the Commission should grant rehearing of the October 28 Order and reconsider KOT's request for waiver of certain NAESB WGQ Version 1.9 EDI datasets, EDM standards, and the "Customer Activities" section of its website.<sup>7</sup> KOT contends that the Commission's recital of the pertinent datasets and standards in the footnote accompanying paragraph 17 of the October 28 Order does not entirely match the specifications of datasets and standards for which KOT had requested waiver in its compliance filing. Thus, KOT requests the Commission grant waiver of the NAESB WGQ Version 1.9 EDI Datasets, EDM Standards, and Standards relating to the "Customer Activities" section of KOT's website that were omitted from the October 28 Order.<sup>8</sup>

7. KOT further submits that the Commission should reconsider KOT's request for a waiver of certain NAESB WGQ Business Practice Standards governing imbalance netting and trading.<sup>9</sup> KOT asserts that, although it requested confirmation of waiver of the NAESB WGQ Standards governing imbalance netting and trading, it is not among the pipelines identified by the Commission in its October 28 Order as requesting and

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<sup>7</sup> KOT states that, in addition to the standards enumerated in footnote no. 31 of the October 28 Order, it requested waiver of the following NAESB WGQ Version 1.9 Datasets, Principles, Definitions, and Business Practice Standards: Nominations Related Standards: 1.3.3, 1.3.45, 1.3.56, 1.3.60, and 1.3.79; Flowing Gas Related Standards: 2.3.21 and 2.3.51 through 2.3.53; Flowing Gas Related Data Sets: 2.4.7 through 2.4.16; Invoicing Related Standard: 3.3.24; Quadrant EDM Related Principles: 4.1.26 through 4.1.28, and 4.1.30 through 4.1.39; Quadrant EDM Related Standards 4.3.55, 4.3.56, 4.3.67, and 4.3.99; Capacity Release Principles: 5.1.1 and 5.1.4; and Capacity Release Definitions: 5.2.1 and 5.2.2.

<sup>8</sup> On June 9, 2011, KOT submitted a copy of page 7 of the transmittal letter, which KOT states was taken from KOT's copy of its date-stamped September 1 filing. Page 7 of the transmittal letter includes KOT's request for waiver of certain NAESB WGQ Version 1.9 Standards regarding EDI, EDM, "Customer Activities," imbalance netting and trading, and posting of imbalances.

<sup>9</sup> October 28 Order, 133 FERC ¶ 61,096 at P 10.

receiving the waiver.<sup>10</sup> Thus, KOT requests the Commission grant a waiver of the NAESB WGQ Standards governing imbalance netting and trading.

### **Notice**

8. Public notices of KOT's December 8 filing and December 9 filing were issued on December 9, 2010 and December 14, 2010, respectively, allowing for protests to be filed as provided in section 154.210 of the Commission's regulations. No protests or adverse comments were filed.

### **Discussion**

9. KOT's tariff records listed in footnote no. 2 are accepted effective November 1, 2010, subject to KOT Filing revised tariff records, within 15 days from the date of this order, as discussed below. Further, the Commission grants the request for rehearing filed by KOT.

10. In section 4.12(3) of its General Terms and Conditions (GT&C), KOT proposes tariff language that would allow index-based capacity releases to be completed on a different timeline "if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index *not supported* by [KOT]) (emphasis added)." However, in its October 28 Order, the Commission conditioned its waiver of NAESB WGQ Version 1.9 Standard 5.3.65 and its requirement to support at least two non-public price index references on KOT supporting an index-based release when presented by a releasing shipper.<sup>11</sup> Therefore, KOT is directed to make a compliance filing, within 15 days from the date of this order, to modify its tariff database to remove the language "(e.g. designation of an index not supported by [KOT])" from section 4.12(3).

### **Waiver of EDI datasets, EDM standards, and Customer Activities standards**

11. In its November 29 filing, KOT requests waiver of certain NAESB WGQ Version 1.9 EDI datasets, EDM standards, and standards relating to the "Customer Activities" section of its website. KOT indicates that the Commission has previously granted such waiver in the past,<sup>12</sup> noting that KOT explains that it owns percentage interests in the

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<sup>10</sup> October 28 Order, 133 FERC ¶ 61,096 at n.9.

<sup>11</sup> *Id.* P 25-26.

<sup>12</sup> *KO Transmission Co.*, Docket No. RP02-412-000 (Sept. 30, 2002) (delegated letter order); *KO Transmission Co.*, Docket No. RP98-200-000 (May 29, 1998) (delegated letter order); *KO Transmission Co.*, 74 FERC ¶ 61,101 (1996).

facilities operated by Columbia Gas Transmission, LLC (Columbia Gas), and as such NAESB WGQ standards related to the operational responsibilities and activities carried out by Columbia Gas have been assumed as waived for KOT and have not been included in the listing of NAESB WGQ Standards incorporated by reference in the general terms and conditions of KOT's Tariff. Those responsibilities and activities are listed on Columbia Gas' Navigates website under the heading "Customer Activities." Based on KOT's representations, the Commission finds good cause to grant waiver of NAESB WGQ Version 1.9 Standards 1.3.3, 1.3.45, 1.3.56, 1.3.60, 1.3.79, 2.3.21, 2.3.51 through 2.3.53, 2.4.7 through 2.4.16, 3.3.24, 4.3.55, 4.3.56, 4.3.67, 4.3.99 5.2.1, and 5.2.2.<sup>13</sup>

### **Waiver of Netting and Trading of Imbalances**

12. The Commission will grant KOT's request for waiver of NAESB WGQ Version 1.9 Standards relating to netting and trading of imbalances. KOT indicates that currently Columbia Gas is responsible for providing KOT's shippers access to balancing services, including the ability to net and trade imbalances as required by the NAESB WGQ Standards.<sup>14</sup> Based on KOT's representations that Columbia Gas is offering KOT's shippers balancing services, the Commission finds good cause to grant KOT waiver of NAESB WGQ Version 1.9 Standards 2.2.2, 2.2.3, and 2.3.40 through 2.3.50.<sup>15</sup>

13. Further, as discussed in the October 28 Order,<sup>16</sup> all waivers and extensions of time are limited to the NAESB WGQ Version 1.9 Standards promulgated by Order No. 587-U and a renewal request must be filed with respect to compliance with subsequent editions of the standards.<sup>17</sup>

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<sup>13</sup> We note that Order No. 587-R made it optional for pipelines to adopt NAESB Principles; thus, KOT's request for waiver of the following NAESB WGQ Version 1.9 Principles is rendered moot: Quadrant EDM Related Principles: 4.1.26 through 4.1.28, and 4.1.30 through 4.1.39; and Capacity Release Principles: 5.1.1 and 5.1.4.

<sup>14</sup> See KOT September 1, 2010 Transmittal at P 5.

<sup>15</sup> We note that Order No. 587-R made it optional for pipelines to adopt NAESB Principles; thus, KOT's request for waiver of Flowing Gas Related Principle 2.1.5 is rendered moot.

<sup>16</sup> October 28 Order, 133 FERC ¶ 61,096 at P 36.

<sup>17</sup> See *B-R Pipeline Co.*, 128 FERC ¶ 61,126 (2009) ("Each time the Commission adopts new versions of [the] Standards ... pipelines must request waiver [or extension of time] of the new Standards.").

The Commission orders:

(A) KOT's request for rehearing of the October 28 Order is granted.

(B) KOT's tariff records listed in footnote no. 2 are accepted, effective November 1, 2010, subject to the conditions discussed in the body of this order. Misc. Form 2, Form of Release Notice, 1.0.0 to Tariffs, Rate Schedules and Service Agreements, FERC NGA Gas Tariff is rejected as moot.

(C) KOT's request for waiver of NAESB WGQ Version 1.9 Standards 1.3.3, 1.3.45, 1.3.56, 1.3.60, 1.3.79, 2.2.2, 2.2.3, and 2.3.40 through 2.3.50, 2.3.51 through 2.3.53, 2.4.7 through 2.4.16, 3.3.24, 4.3.55, 4.3.56, 4.3.67, 5.2.1, and 5.2.2 is granted, as discussed in the body of this order.

(D) KOT must file revised tariff records within 15 days from the date of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.