

138 FERC ¶ 61,100
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

February 9, 2012

In Reply Refer To:
Transcontinental Gas Pipe Line
Company, LLC
Docket Nos. RP12-302-000
RP12-18-000
RP12-18-001
RP12-19-000
RP12-19-001

Transcontinental Gas Pipe Line Company, LLC
P.O. Box 1396
Houston, TX 77251

Attention: Marg Camardello, Manager
Certificates & Tariffs

Reference: Filing to Revise Sections 2.4 and 2.5 of Rate Schedule FT

Dear Ms. Camardello:

1. On January 11, 2012, Transcontinental Gas Pipe Line Company, LLC (Transco) filed a revised tariff record in Docket No. RP12-302-000¹ to clarify certain sections in its Firm Transportation (FT) rate schedule. The revised tariff record clarifies that seasonal firm transportation capacity resulting from a conversion of bundled firm sales service under former Rate Schedules PS and ACQ is available to any buyer and not solely to customers of the former bundled services. The tariff record is accepted effective February 11, 2012, as proposed. The Commission also finds that the tariff changes in the instant filing adequately comply with the conditions in our November 10, 2011 acceptance of two contracts filed by Transco for seasonal service to Patriots Energy

¹ Section 1.1, Rate Schedule FT, 4.0.0 to Fifth Revised Volume No. 1, FERC NGA Gas Tariff.

Group (PEG).² Additionally, Transco's request for rehearing of the November 10 Order is dismissed as moot.³

2. On October 13, 2011, Transco filed tariff records in Docket No. RP12-18-000 to report two non-conforming agreements that it entered into with PEG. On October 13, 2011, Transco also filed revised tariff records in Docket No. RP12-19-000 to add the two non-conforming service agreements to the list of non-conforming agreements set forth in its tariff.⁴ On November 10, 2011, the Commission accepted the contracts and the associated tariff record subject to conditions.

3. In its November 10 Order, the Commission determined that Transco's non-conforming contracts, which permitted PEG to utilize a seasonal service, were unduly discriminatory. The Commission explained that, pursuant to section 2.4 of its Rate Schedule FT,⁵ Transco provides a seasonal transportation service to former bundled sales customers under Rate Schedule PS who converted to Rate Schedule FT service pursuant to a 1990 Settlement.⁶ The Commission explained that in March 2011, the Commission authorized Transco to abandon service to two such customers, and Transco subsequently offered the capacity for sale in an open season where PEG obtained the capacity.

² *Transcontinental Gas Pipe Line Co., LLC*, 137 FERC ¶ 61,117 (2011)(November 10 Order).

³ *Transcontinental Gas Pipe Line Co., LLC*, Request for Rehearing, Docket Nos. RP12-18-001 and RP12-19-001 (filed December 9, 2011).

⁴ Transco and PEG executed two service agreements under Rate Schedule FT, one (Contract No. 9115348) for 207 dt/day of service effective September 3, 2011 and one (Contract No. 9116176) for 104 dt/day of service effective November 1, 2011. Transco maintained that the service provided to PEG under these new service agreements is a seasonal service commencing on December 1 of each year and continuing through the last day of February the following year. The agreements did not provide for service the other nine months of each year. 137 FERC ¶ 61,117 at P 3.

⁵ Section 2.4 of Transco's Rate Schedule FT states:

Transportation service available to a Buyer hereunder pursuant to a conversion from Seller's PS Rate Schedule shall be limited to the period commencing on December 1 of each year through the last day of February of the following year unless otherwise specified in the Service Agreement.

⁶ *Transcontinental Gas Pipe Line Co.*, 55 FERC ¶ 61,446, at 62,381 (1991).

Accordingly, the Commission found that PEG was not a conversion customer that at one time held capacity under Transco's Rate Schedule PS and, therefore, the proposed service to PEG was not contemplated by the 1990 Settlement. In addition, the Commission found that, although Transco asserted that section 2.4 of Rate Schedule FT provided it with authority to offer this seasonal service to PEG, this section only applied to shippers who obtained capacity "pursuant to a conversion from Seller's PS Rate Schedule," not to shippers such as PEG.

4. Accordingly, the Commission accepted the PEG contracts subject to the condition that Transco either eliminate the provisions in those contracts granting seasonal service or revise its tariff to offer the right to access seasonal service to all shippers pursuant to not unduly discriminatory conditions.

5. On December 9, 2011, Transco filed a request for rehearing of the Commission's November 10 Order arguing that the Commission had erred in its interpretation of Rate Schedule FT, because the rate schedule already provides for access to seasonal service to all similarly situated shippers. Transco argued that it could not eliminate the provisions granting seasonal service from the PEG service agreements, because Transco does not have the capacity available to provide year-round service under those service agreements. Lastly, Transco stated that it would file tariff language to eliminate any confusion over whether the relevant sections of Rate Schedule FT address transportation service for any Buyer of firm capacity that resulted from a conversion of Rate Schedule PS or Rate Schedule ACQ service.

6. In the instant filing, Transco proposes tariff revisions to sections 2.4 and 2.5 of Rate Schedule FT, Applicability and Character of Service. Specifically, Transco provides language to clarify that such sections address transportation service for any Buyer of firm capacity resulting from a conversion of bundled firm sales service under Transco's former Rate Schedules PS and ACQ to firm transportation service under Rate Schedule FT and not only to Buyers that formerly received seasonal bundled sales service under Rate Schedules PS and ACQ whose service converted to Rate Schedule FT pursuant to the terms the 1990 Settlement.⁷ Transco states that the clarifying language is

⁷ Transco proposes to revise Section 2.4 of Rate Schedule FT to state as follows:

Transportation service available hereunder to a Buyer of capacity resulting from a conversion from Seller's PS Rate Schedule shall be limited to the period commencing on December 1 of each year through the last day of February of the following year unless otherwise specified in the service agreement.

(continued...)

essentially identical to that included in section 2.7 of Rate Schedule FT, which addresses capacity resulting from a conversion of other seasonal services provided by Transco.

7. Public notice of the filing in Docket RP12-302-000 was issued on January 12, 2012. 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 motions to intervene out-of-time 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.

8. The Commission accepts the tariff record revising sections 2.4 and 2.5 of Rate Schedule FT listed in footnote No. 1 to become effective February 11, 2012. This tariff language clarifies that the seasonal capacity available under these sections is available to all customers and not solely to customers who converted their services as a result of the 1990 Settlement. In addition, the Commission finds that this revised tariff language adequately addresses the Commission's concerns raised in its November 10 Order, and, therefore, the Commission finds that the conditions placed on its acceptance of the tariff records and contracts in that proceeding are satisfied. Further, given our action in the instant proceeding, the Commission also dismisses Transco's request for rehearing of the Commission's November 10 Order as moot.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

In addition, Transco proposes to revise section 2.5 of Rate Schedule FT as follows:

Transportation service available hereunder to a Buyer of capacity resulting from a conversion from Seller's ACQ Rate Schedule shall be limited to the period commencing on March 1 of each year through November 30 of the same year.