138 FERC ¶ 61,198
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Dominion Transmission, Inc. Docket No. RP12-387-000

ORDER ACCEPTING TARIFF RECORD SUBJECT TO CONDITION

(Issued March 16, 2012)

1. On February 17, 2012, Dominion Transmission, Inc.'s (DTI) filed a revised tariff record to modify its *pro forma* service agreement under Rate Schedule GSS, in order to clarify the notice of termination provisions for service agreements with terms of two years or less.[1] On March 2, 2012, DTI filed an answer agreeing to revise its filing in order to address the concerns of an intervening shipper. We accept DTI's Filing, effective March 19, 2012, as requested, subject to DTI Filing an updated tariff record within 10 days to reflect the language that it agreed to in its March 2 answer.

DTI's Filing

2. In the instant tariff filing, DTI proposes to change its current form of service agreement for its Rate Schedule GSS services. DTI's existing *pro forma* Rate Schedule GSS service agreement provides that, after the primary term of the service agreement, the agreement will remain in effect for annual terms thereafter until either party terminates the agreement by giving written notice at least 24 months before the start of an annual term. DTI stated that the 24-month notice period is unworkable for agreements that have a term of two years or less. Accordingly, DTI seeks to modify its *pro forma* service agreement under Rate Schedule GSS to modify the notice of termination provisions for service agreements with terms of two years or less. As originally proposed in its February 17, 2012 Filing, DTI would add new, bracketed language to the Term of Agreement section, providing that short-term contracts would remain in effect month-to-month after their primary term until either party terminates, with a blank to specify the number of months of notice the terminating party would have to provide.

[1] FERC Tariff No. 50.30, Version 2.0.0.

Intervention and Protest

3. Public notice of the filing was issued on February 22, 2012. Interventions and protests were due February 29, 2012. Pursuant to Rule 214,[2] all timely filed motions to intervene and any unopposed motions 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.

4. New Jersey Natural Gas Company (New Jersey Natural) filed a motion to intervene and comment, raising some concerns with the tariff revisions as originally filed. New Jersey Natural stated that the proposed tariff language could disadvantage longer-term Rate Schedule GSS customers by allowing for significantly different notice periods. For example, a customer with a 24-month agreement could have a notice period as short as one month, while a customer with a 25-month agreement would be required to provide 24 months' notice. New Jersey Natural expressed concern that shorter notice periods would provide shorter-term customers with an advantage when assessing the market and viable service alternatives. New Jersey Natural stated that it alerted DTI to these concerns, and the parties drafted a revised tariff provision that addressed these concerns.

DTI's Answer

5. On March 2, 2012, DTI filed a motion for leave to answer and an answer in this proceeding.[3] DTI acknowledged New Jersey Natural's concerns with the original proposal, and put forth alterative language to address these concerns. First, DTI stated it would modify the termination provision, requiring a notice of a length equal to the primary term of the agreement. Second, the roll-over extension of the primary term absent a termination notice will be year-to-year rather than month-to-month as originally proposed. DTI states that year-to-year extensions are consistent with the annual term requirement set forth in Article III of Rate Schedule GSS. DTI states that this approach will treat shorter-term customers in a similar manner as longer-term customers.

6. The agreed upon language, with underlining and strikeout denoting changes from DTI's original filing, is as follows:

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[2] 18 C.F.R. § 385.214 (2011).

[3] The Commission's Rules of Practice and Procedure do not permit answers to protests unless otherwise ordered by the decisional authority. 18 C.F.R. § 385.213(a)(2) (2011). However, the Commission finds good cause to accept DTI's Answer because it will not delay the proceeding, may assist the Commission in understanding the issues raised, and will ensure a complete record. *See Great Lakes Gas Transmission LP,* 66 FERC ¶ 61,115 (1994).

> [For Agreements with terms of two years or less or for Agreements not subject to a right of first refusal as defined in Section 24 of the GT&C, Article III will read:
>
> Subject to all the terms and conditions herein, the Agreement shall be effective as of _______, and shall continue in effect for a primary term through and including _________, and from ~~month~~ year to ~~month~~ year thereafter, until either party terminates this Agreement by giving written notice to the other at least _____ month(s) (which shall correspond with the primary term of this Agreement) prior to the expiration of the Agreement.]

Discussion

7. The Commission finds DTI's proposal to be just and reasonable, subject to DTI revising its tariff record to reflect the language it agreed to in its March 2 answer. DTI's proposal provides useful clarity to its *pro forma* service agreement. As modified, the language addresses shipper concerns about parity in notice periods between longer and shorter-term customers.

The Commission orders:

The Commission accepts the tariff filing, subject to DTI Filing, within 10 days of the issuance of this order, an updated tariff record to reflect the language that it agreed to in its March 2 answer.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.