

138 FERC ¶ 61,215
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

El Paso Natural Gas Company

Docket No. CP10-510-001

ORDER GRANTING CLARIFICATION

(Issued March 26, 2012)

1. On September 15, 2011, in Docket CP10-510-000, the Commission issued an order approving the abandonment of two compressor stations operated by El Paso Natural Gas Company (El Paso).¹ On October 17, 2011, El Paso filed a request for clarification or, in the alternative, rehearing of the September 15 Order.
2. As discussed below, we will grant El Paso's requested clarification.

Background

3. In the September 15 Order, the Commission authorized El Paso to abandon its Deming and Tucson compressor stations located in Luna County, New Mexico and Pima County, Arizona, respectively. The Deming Compressor Station is a 23,100 horsepower (hp) station, located at milepost 305.1 on Line 1100 and Line 1103 of El Paso's South Mainline System. The Tucson Compressor Station is an 18,700 hp station located at milepost 519.5 on Line 1100 and Line 1103. El Paso requested authorization to abandon these facilities because they were underutilized and obsolete.²

¹ *El Paso Natural Gas Co.*, 136 FERC ¶ 61,180 (2011) (September 15 Order).

² El Paso filed on December 22, 2011, in accordance with Ordering Paragraph (B) of the September 15 Order, stating that it had completed its abandonment of the Tucson Compressor Station, effective December 15, 2011. On December 27, 2011, El Paso filed to state that its abandonment of the Deming Compressor Station was effective December 22, 2011.

El Paso further stated that while the Deming and Tucson stations have served in the past as back-up or reserve units, approximately 500,000 Mcf per day of excess capacity existed on its South Mainline System and, therefore, no customers have signed contracts for firm service on this part of its system. El Paso further explained that because abandonment of the two compressor stations would only reduce capacity by approximately 222,000 Mcf per day, there would still be significant excess capacity.

4. The September 15 Order referenced the statement in El Paso's application that following abandonment of the Tucson and Deming Compressor Stations, "the certificated capacity of the Line 1100 of the South Mainline System would be 1,068,000 Mcf per day."³ In its request for rehearing, El Paso explains that its application inappropriately described the capacity as "certificated capacity" and therefore requests that the Commission clarify that its September 15 Order did not rely on that mischaracterization in the application to establish the "certificated capacity" of this part of El Paso's system. In the alternative, if such a finding was intended, El Paso requests that the Commission grant rehearing to reverse its finding.

5. El Paso explains in its rehearing request that 1,068,000 Mcf per day is the "sustainable capacity" produced by the facilities under the specified operating assumptions that will remain after the abandonment. El Paso notes that the level of service on this part of its system at the Hueco Compressor Station is highly dependent on the customer load profiles, but that changes in load profiles do not alter the design capabilities of facilities and, thus, should not be used to establish a specific capacity amount as a "certificated capacity." El Paso further states that the flow diagrams submitted in Exhibit V of its application were intended to reflect sustainable design capacity under the assumed operating conditions, including system loading patterns. El Paso asserts that those flow scenarios provided in Exhibit V are not the proper basis for determining the "certificated capacity."

Discussion

6. Our staff's review of the flow diagrams submitted by El Paso⁴ supports its explanation that the capacity available on this part of its system at the Hueco Compressor Station varies depending on customer nominations of receipt and delivery points and various other operating parameters. In fact, the direction of flow on El Paso's system can

³ September 15 Order, 136 FERC ¶ 61,180 at P 6.

⁴ In addition to the flow diagrams submitted in the original application, El Paso submitted several flow diagrams based on different customer nominations in response to a staff data request for additional information to assist in our consideration of its rehearing request.

change depending on those nominations. Additionally, the flow diagrams show that, under certain conditions, the Hueco Compressor station is not the constraint point on the Line 1100 system. Therefore, we accept El Paso's assertion that 1,068,000 Mcf per day is the "sustainable" capacity of the Line 1100 system based on the single specified set of flow conditions, and clarify that it was not our intent in our September 15 Order to establish that volume as the "certificated" capacity for this part of this system.⁵ In view of this clarification, there is no need to grant rehearing to modify the authorization or any condition of our September 15 Order.

The Commission orders:

El Paso's request for clarification is granted, as discussed herein. Its alternative request for rehearing is dismissed as moot.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁵ We emphasize that this order's clarification does not prejudge billing determinants or any other matter relating to rate issues that may arise.