

139 FERC ¶ 61,034
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 12, 2012

In Reply Refer To:
Transcontinental Gas Pipe Line
Company, LLC
Docket No. RP12-382-000

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

Attention: David Glenn, Senior Counsel

Reference: *Pro Forma* Market Area Pooling Proposal

Dear Mr. Glenn:

1. On February 14, 2012, Transcontinental Gas Pipe Line Company, LLC (Transco) filed *pro forma* tariff records reflecting a proposal to assess transportation usage rates and fuel retention applicable to quantities pooled at two of Transco's existing market area pooling points, Station 165 and Station 210, for Commission review. Transco states that if the Commission approves the pooling concepts reflected by the *pro forma* tariff records, Transco would implement the pooling proposals in a subsequent tariff filing.
2. Transco proposes to modify zonal usage charges and fuel retention assessments to quantities pooled at two market area pools: Station 165 Zone 5 Pool and Station 210 Zone 6 Pool. Transco's proposed modifications would apply the applicable zonal usage charge and fuel retention only once, upon transportation into the pool. Transco states that this one time assessment of the applicable zone usage charge and fuel retention quantities is consistent with the Commission's pooling policies.¹

¹ Transco states that the Commission's determinations on Transco pooling are discussed in the following orders: *Transcontinental Gas Pipe Line Corp.*, 106 FERC ¶ 61,299, at PP 175-180 (2004), *reh'g*, 112 FERC ¶ 61,170, at PP 160-177 (2005), *reh'g*, 115 FERC ¶ 61,268, at PP 68-80 (2006), *reh'g following tech. conf.*, 121 FERC ¶ 61,294 (2007), *reh'g and compliance*, 127 FERC ¶ 61,206 (2009), *reh'g and compliance*, 130 FERC ¶ 61,109, *reh'g*, 132 FERC ¶ 61,034 (2010).

3. In order to implement the proposed tariff revisions, Transco states that significant programming changes must be made to Transco's 1LineSM system, including coding, testing and training prior to the implementation date. Transco estimates that, if the instant proposal is approved, it will be able to implement the proposed methodology approximately six months following the issuance of a final Commission order on the instant proposal. If the Commission approves the instant filing as proposed, Transco states that it intends to file the language contained on the *pro forma* tariff records on actual tariff records no less than 30 days in advance of the proposed effective date for its pooling modifications.

4. Public notice of the filing was issued on February 15, 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 are granted. All unopposed late intervention requests filed as of the 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 party filed adverse comments to Transco's proposal.

5. The Commission finds Transco's proposed zonal usage charges and fuel retention for the Station 165 Zone 5 Pool and the Station 210 Zone 6 Pool are consistent with previous Commission's findings regarding pooling in general and specific findings regarding Transco's system. In particular, the Commission has held that when a pipeline uses a physical pooling model, it may assess zonal usage or fuel charges for either (1) the shipment within the zone to the pooling point, or (2) the shipment away from the pooling point, but not both.² The Commission has explained that charging the fuel and usage charges twice for pooled receipts was unjust and unreasonable because it discouraged the use of pooling. Transco's proposal in the instant proceeding to assess the applicable zonal usage charge and fuel retention percentage only once for each zone pooling transaction conforms with the Commission pooling policies. Accordingly the Commission will approve the language on the *pro forma* tariff records.

² *Transcontinental Gas Pipe Line Corp.*, 132 FERC ¶ 61,034, at P 6 (2010), *citing*, *Transcontinental Gas Pipe Line Corp.*, 121 FERC ¶ 61,294, at P 56-57 (2007), *citing*, *Standards for Business Practices of Interstate Natural Gas Pipelines*, FERC Stats. & Regs., Proposed Regulations 1988-1998 ¶ 32,527, at 33,351 (1997) (Order No. 587-F) ("when a pool exists in a rate zone, the charge for shipment in that zone must be incurred either for shipment to the pool or shipment out of the pool. The marketers and producers advocating paper pooling do not provide sufficient justification for imposing the transportation charge on the outbound transportation in all situations").

6. If Transco determines to proceed and to implement its proposals, it must file actual tariff records pursuant to NGA section 4 and Part 154 of the Commission's regulations³ no less than 30 days in advance of the proposed effective date.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

³ 18 C.F.R. Part 157 (2011). Transco must use Type of Filing Code 570 for its filing.