

141 FERC ¶ 61,090
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 2, 2012

In Reply Refer To:
Viking Gas Transmission Company
Docket Nos. RP12-1048-000
RP12-1048-001

Viking Gas Transmission Company
c/o ONEOK Partners GP, L.L.C.
100 West 5th Street
Tulsa, OK 74103

Attention: Joseph W. Miller, Esquire
Associate General Counsel
ONEOK Partners GP, L.L.C.

Reference: Backhaul Agreements

Dear Mr. Miller:

1. On September 18, 2012 in Docket No. RP12-1048-000, Viking Gas Transmission Company (Viking) filed six backhaul agreements. On October 1, 2012, as supplemented on October 2, 2012 in Docket No. RP12-1048-001, Viking filed another backhaul agreement. Viking states that these backhaul agreements, which were filed pursuant to section 2.3 of Rate Schedule FT-A of its FERC Gas Tariff, are new conforming agreements. The Commission accepts the backhaul agreements effective as of the dates requested.

2. Viking states that the six agreements filed in Docket No. RP12-1048-000 are short-notice, short-term new conforming backhaul agreements. Viking also states that providing the backhaul services did not affect its provision of firm transportation service to other forward-haul or backhaul customers. In addition, Viking also states that the agreements were inadvertently not filed prior to their effective dates due to administrative oversight. To prevent another administrative oversight, Viking states that it is drafting a proposed tariff change to allow it to provide firm service under short-notice, short-term backhaul agreements without seeking Commission approval. Viking requests approval of the effective dates specified in each agreement, which range from November 12, 2011 through February 11, 2012.

3. Viking states that the agreement filed in Docket No. RP12-1048-001 is for a firm five-year service. Viking states that, consistent with Section 8.2(c) of the General Terms and Conditions of its tariff, it will not issue an OFO to maintain firm deliveries under backhaul service when sufficient displacement quantities are not available. Viking requests an effective date of November 2, 2012 for this agreement.

4. Public notice of the filings in Docket No. RP12-1048-000 and RP12-1048-001 were issued on September 19, 2012 and October 2, 2012, respectively, with interventions, comments and protests due, as provided under section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2012)). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2012)), all timely motions to intervene and any unopposed motion to intervene out of time filed before the issuance date of this order are granted. Minnesota Energy Resources Corporation and Wisconsin Public Service Corporation (MERC/WPS) and Wisconsin Electric Power Company and Wisconsin Gas LLC (We Energies) filed motions to intervene and comments.¹ On October 3, 2012, Viking filed an answer to the intervenors' comments; on October 17, 2012, We Energies filed an answer to Viking's answer.²

5. The intervenors' comments are directed to the six backhaul agreements filed in Docket No. RP12-1048-000. MERC/WPS state that Viking's failure to file for approval was a significant violation of a tariff provision which exists to protect firm shippers from backhaul arrangements that could interfere with their service. MERC/WPS further state that they would not support the elimination of the requirement for Viking to file backhaul agreements with the Commission, although they would consider an adequate substitution of the requirement. We Energies state that they believe that if Viking had filed the agreements in compliance with its tariff, they would have a greater understanding of the operational constraints on the system and how the new backhaul agreements might impact Viking's system. We Energies also state that they had recently experienced curtailments that had not been adequately explained by Viking.³ They therefore request that the Commission require that Viking (1) formally address, by means of revised tariff language, concerns that backhaul agreements be filed in advance of the start of

¹ We Energies' transmittal letter referred to the comments as a "protest." However, the title of the motion and the relief requested indicate that the transmittal letter's description of the motion was in error.

² The Commission accepts the answers because they have provided information that assisted in the decision-making process.

³ We Energies comments refer to curtailment on the January 21, 2012 gas day. In its answer, We Energies refers to a Non-Critical Notice issued on October 10, 2012.

service so that interested parties will have the ability to assess any impact that the agreements might have on existing customers, and (2) provide a detailed explanation of why the backhaul agreements have not already affected service to existing customers.

6. In its answer Viking states that it has reconsidered its plan to seek an exemption from the Commission requirement for short-term firm backhaul arrangements and has no immediate plans to seek such an exemption. Viking explains that the curtailments to which We Energies refer were due to an insufficient pressure differential between it and an upstream pipeline, Great Lakes Gas Transmission. Viking also explains that there was no failure to flow scheduled volumes from primary firm receipt points or to primary delivery points. Viking further explains that none of the six backhaul agreements had gas flows during the January 21, 2012 gas day. In addition, Viking explains that the backhaul volumes ameliorated, rather than exacerbated, the curtailment situation. Finally, Viking notes that if it has available point and throughput capacity, it will (with certain limitations) provide such capacity to a shipper willing to pay the maximum rate, even if doing so restricts the ability of an existing shipper to use the point on a secondary basis.⁴

7. The Commission accepts the six short-term backhaul agreements filed in Docket No. RP12-1048-000 and the five-year backhaul agreement filed in Docket No. RP12-1048-001, effective as of the dates requested. The Commission also waives the notice requirement for good cause as the backhauls did not contribute to the January 21, 2012 curtailments on Viking's system, but rather helped ameliorate the operational problems. The Commission reminds Viking that the purpose of Rate Schedule FT-A section 2.3 is to "reassure shippers that it will not provide backhaul service to the detriment of other firm forward haul shippers."⁵ The Commission does not find that a revision to the tariff is required, and expects that in the future, Viking will file backhaul agreements 30 days in advance of providing service.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁴ Answer at 5, (*citing Rockies Express Pipeline LLC*, 141 FERC ¶ 61,006, at P 9 (2012)).

⁵ *Viking Gas Transmission Company*, 127 FERC ¶ 61,302, at P 2 (2009).