

141 FERC ¶ 61,161  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Florida Gas Transmission Company, LLC

Docket No. RP13-203-000

ORDER APPROVING REVISED TARIFF RECORDS

(Issued November 28, 2012)

1. On October 31, 2012, Florida Gas Transmission Company, LLC (FGT) filed revised tariff records<sup>1</sup> proposing to modify section 10.A.2(e) of its General Terms and Conditions (GT&C) by adding an Intraday 3 Nomination Cycle to accommodate anticipated flow changes for the final six hours of the gas day. Additionally, FGT proposes to remove the existing nomination parameter that is no longer necessary due to the nomination cycle addition. As discussed below, the Commission accepts the proposed tariff records effective December 1, 2012, as proposed.

**I. Details of Filing**

2. Currently, FGT's tariff includes the standard nomination timelines as reflected in the standards established by the North American Energy Standards Board (NAESB). These standards provide shippers one day-ahead nomination opportunity, the Timely Nomination Cycle (11:30 a.m. Central Clock Time (CCT) the day prior to gas flow), and three opportunities to revise that nomination, one in the day-ahead (the Evening Nomination Cycle (6:00 p.m. CCT the day before gas flow) and two within the gas day (the Intraday 1 Nomination Cycle (10:00 a.m. CCT the day of gas flow) and Intraday 2 Nomination Cycle (5:00 p.m. CCT the day of gas flow)).<sup>2</sup> Consistent with the NAESB

---

<sup>1</sup> Florida Gas Transmission Company, LLC, FERC NGA Gas Tariff, Fifth Revised Volume No. 1, [GT&C Section 10. Nominations, Confirmations and Scheduling, 3.0.0](#).

<sup>2</sup> See Florida Gas Transmission Company, LLC, FERC NGA Gas Tariff, [Fifth Revised Volume No. 1, Tariff, Fifth Revised Volume No. 1, 1.0.0, Part VI, General Terms and Conditions, 2.0.0, GT&C Section 10, Nominations, Confirmations and Scheduling, 2.0.0](#) (specifically, Section 10.A.2 (3.0.0) (Nomination Timeline)).

standards, FGT's tariff also provides that bumping is not allowed during the Intraday 2 Nomination Cycle.<sup>3</sup> FGT points out that the NAESB nomination timeline establishes only a minimum requirement, and that the Commission has expressed the expectation that "individual pipelines supporting gas fired generators will be considering the addition of other intraday nomination opportunities that would be of benefit to their shippers."<sup>4</sup>

3. FGT states that, because generators can have large swings later in the gas day, many generators have requested the ability to nominate after the Intraday 2 Nomination Cycle or at the end of the gas day. In response, FGT proposes to modify section 10.A.2(e) of its GT&C to offer a third intraday nomination cycle after the Intraday 2 Nomination Cycle to accommodate anticipated flow changes for the final six hours of the gas day. FGT explains that the proposed Intraday 3 Nomination Cycle is in addition to the four NAESB nomination cycles. According to the proposal, nominations must be received by FGT by 10:00 p.m. CCT for effective flow at 3:00 a.m. CCT on the gas day. FGT states that Intraday 3 nominations will be processed automatically to accommodate the late night nomination cycle.

4. FGT states that during the Intraday 3 Nomination Cycle, any firm or interruptible shipper may nominate under its transportation service agreement to flow gas from qualified physical points of receipt to qualified physical points of delivery. The qualified points of receipt and delivery are physical points where the point operator has previously agreed with FGT to accept automatic scheduling changes for the Intraday 3 Nomination Cycle. The qualified points of receipt and delivery will be posted on FGT's website.

5. FGT states that under its proposal Intraday 3 nominations must specify the "current business" transaction type. FGT states that imbalance, segmented, meter bounce and flow day diversion type of transactions are not available for Intraday 3 automatic processing. FGT states that nominated quantity increases cannot exceed shipper's contractual MDTQ and quantity decreases cannot be less than the elapsed-prorated-scheduled quantity. Valid Intraday 3 nominated quantities will be deemed automatically confirmed by point operators at qualified points of receipt and delivery. Nominated quantities become scheduled quantities when the abbreviated cycle is completed around

---

<sup>3</sup> More specifically, section 10.A.2(c) provides that nominations submitted by a firm Shipper during the Evening or Intraday 1 Nomination Cycles shall be given scheduling priority over nominated and scheduled volumes for interruptible Shippers. Further, bumping is not permitted during the Intraday 2 Nomination Cycle.

<sup>4</sup> FGT Transmittal at 1 (citing *Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities*, Order No. 698, FERC Stats. & Regs. ¶ 31,251, at P 69 (2007)) (Order No. 698).

10:15 p.m. and FGT provides scheduled quantities to affected shippers and point operators.

6. FGT states that no firm or interruptible shipper's scheduled quantities will be affected by any nomination during the Intraday 3 Nomination Cycle. FGT also states that the nomination enhancement is offered at no cost to shippers. FGT proposes this additional nomination opportunity to be on a trial basis from the date of implementation through October 31, 2014. FGT states that, prior to that date, the Intraday 3 Nomination Cycle will be reevaluated and modified or extended as appropriate.

## **II. Public Notice, Interventions and Protests**

7. Public notice of FGT's filing was issued on October 31, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2012). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2012), all timely-filed motions to intervene and any unopposed motion 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. On November 13, 2012, Florida Municipal Natural Gas Association (Florida Municipal) filed a protest. Florida Power Corporation, doing business as Progress Energy Florida, Inc. (Progress Energy), Florida Power & Light Company (FPL), Southern Company Services, Inc. (Southern Company), and Florida Cities<sup>5</sup> each filed comments in support of FGT's proposal. On November 16, 2012, FGT filed an answer to Florida Municipal's protest. Under Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2012), answers to protests are prohibited unless otherwise ordered by the decisional authority. We will accept FGT's answer because it provides information that will assist us in our decision-making process.

8. Southern Company states that the Intraday 3 Nomination Cycle increases the nomination opportunities available, therefore enhancing the operational flexibility of the natural gas generating facilities that Southern Company and its public utility subsidiaries depend on as part of reliable and cost effective service to customers. Additionally, Southern Company states that the added flexibility will be of particular value in the winter season and will contribute to Southern Company's ability to manage their system load profile. Florida Cities supports the proposal, provided that it is applied in a non-discriminatory manner. FPL notes that the new nomination cycle should be beneficial to customers with gas-fired generation like FPL that can have large gas swings

---

<sup>5</sup> "Florida Cities" includes JEA, the Orlando Utilities Commission, Lakeland Electric, the City of Tallahassee, the City of Gainesville d/b/a Gainesville Regional Utilities and Florida Gas Utility, a Florida inter-local agency whose membership presently consists of more than twenty municipally-owned electric and/or gas utilities.

later in the gas day. FPL also notes that the additional nomination cycle should have no impact on any customer's already scheduled quantities and will give customers an enhanced ability to manage usage of their capacity to best serve their needs. Finally, Progress Energy asserts that no firm or interruptible shipper's scheduled quantities will be affected by any nomination during the Intraday 3 Nomination Cycle and as such, no potential prejudice exists for any party associated with FGT's trial proposals.

9. In its protest, Florida Municipal states that it is aware of the Commission's concern with ensuring increased coordination between the electric and gas sectors of the industry to accommodate the enhanced use of natural gas for electric generation.<sup>6</sup> Florida Municipal notes that, as a general matter, it supports pipeline efforts to facilitate that coordination and, in that regard, the proposed additional Intraday 3 Nomination Cycle appears to be a step in the right direction. However, Florida Municipal asserts that the efforts to provide increased services for designated users of the system, such as electric generation loads in this instance, should not affect the service of, or rates being paid by customers that do not require the additional flexibility provided by increased nomination cycles (mainly LDCs).

10. Florida Municipal states that the Commission's longstanding policy of pricing new services incrementally,<sup>7</sup> as reflected in the 2011 filing by Texas Gas Transmission, LLC,<sup>8</sup> should be followed here. Florida Municipal states that, notwithstanding the differences between FGT's proposal (i.e., a single additional intraday nomination opportunity) and Texas Gas' proposal (i.e., an additional eleven nomination cycles), FGT's proposal could morph into an expanded service. Accordingly, Florida Municipal argues that such a service should be designed for, and paid for, by the customers, predominantly electric generator customers, that desire the additional flexibility and are willing to pay for it.

---

<sup>6</sup> Florida Municipal Protest at 3 (citing *Coordination Between Natural Gas and Electricity Markets*, Docket No. AD12-12-000 (Feb. 15, 2012) (Notice Assigning Docket No. and Requesting Comments); *Coordination Between Natural Gas and Electricity Markets*, Docket No. AD12-12-000 (July 5, 2012) (Notice of Technical Conferences)).

<sup>7</sup> Florida Municipal Protest at 3 (citing *Transcontinental Gas Pipe Line Corp.*, 126 FERC ¶ 61,189, at P 12 (2009) (approving rate designed to charge all incremental costs associated with a new enhanced injection service to those customers utilizing the service) (*Transco*), *order on reh'g*, 128 FERC ¶ 61,150 (2009)).

<sup>8</sup> Florida Municipal Protest at 3 (citing *Texas Gas Transmission, LLC*, 137 FERC ¶ 61,093, at P 12 (2011) (*Texas Gas*)). Florida Municipal states that in *Texas Gas*, the pipeline proposed an enhanced nomination service schedule (i.e., an additional eleven nomination cycles) that was available to eligible customers desiring that service at a price that reflected costs associated with that service.

11. Florida Municipal states that FGT did not provide any information regarding the costs associated with the enhanced service and is concerned that there will be costs associated with this service, including software upgrades and operational changes, that FGT will seek to pass on to its customers in its next rate case, including customers that do not benefit from or desire the change. Florida Municipal contends that in FGT's next rate case, which must be filed no later than November 1, 2014,<sup>9</sup> one day after the Intraday 3 trial period ends, FGT will presumably include in its cost of service all of the costs associated with providing all services, including the costs associated with the additional intraday nomination cycle.

12. In reply, FGT states that it is not proposing a new service and therefore did not propose a new rate. Rather, FGT states that it is revising its tariff's GT&C to add one additional nomination cycle. FGT argues that Texas Gas' proposal was fundamentally different as it offered eleven nomination cycles as a separate service with its own rate. FGT states that its proposal is not in contravention of any Commission policy concerning incremental services because it is not offering a new service and that the Commission has consistently allowed pipelines to add additional nomination cycles to their tariffs without requiring that a new service be offered at a separate rate.<sup>10</sup>

13. FGT states that it expects the costs resulting from Intraday 3 to be negligible. Moreover, FGT contends that its next rate case is the appropriate proceeding to address any rate issues relating to Intraday 3.

### **III. Commission Determination**

14. For the reasons discussed below, the Commission accepts FGT's proposed tariff records, to be effective December 1, 2012.

15. As FGT points out, the Commission has stated that the NAESB nomination timeline establishes only the minimum requirement to which pipelines must adhere. FGT is proposing to revise its general terms and conditions of service to provide a third intraday nomination cycle to all of its customers, including interruptible customers, on a trial basis. FGT states that the additional flexibility will not affect a firm or interruptible

---

<sup>9</sup> Florida Municipal Protest at 4 (citing *Florida Gas Transmission Co., LLC*, 134 FERC ¶ 61,136, at P 17 (2011) (accepting uncontested settlement in Docket No. RP10-21-000)).

<sup>10</sup> FGT Answer at 5 & n.21 (citing *El Paso Natural Gas Co.*, 114 FERC ¶ 61,305, at PP 220-221 (2006) (*El Paso*); *Reliant Energy Gas Transmission Co.*, 93 FERC ¶ 61,141, at 61,430 (2000) (*Reliant*); *Tennessee Gas Pipeline Co.*, 104 FERC ¶ 61,063, at P 88 (2003) (*Tennessee*)).

customer's previously scheduled quantities and that the nomination enhancement is offered at no cost to shippers.

16. Further, contrary to Florida Municipal's claim, FGT's proposal to provide an additional scheduling opportunity to all shippers without charging an additional fee to shippers who use that opportunity is just and reasonable. FGT's proposal to revise its general terms and conditions to provide an additional intraday nomination opportunity at no additional charge is not unlike those made by other pipelines and accepted by the Commission.<sup>11</sup> All customers, including the Florida Municipals, may take advantage of this extra flexibility. The Commission has not required that pipelines scale charges for generally available services on the basis of usage of the service.

17. The cases cited by Florida Municipal are also unpersuasive. In *Transco*, the pipeline filed an application under section 7(c) of the Natural Gas Act for authorization to install new compression facilities that would provide subscribing customers with enhanced storage injection rights. Given that the case involved a certificate for new construction, the Commission decided the case based on the Certificate Policy Statement.<sup>12</sup> The Certificate Policy Statement provides industry guidance as to how the Commission will evaluate proposals for certificating new construction. No such certificate is at issue here.

18. *Texas Gas* is also unpersuasive. In that case, Texas Gas was proposing to add an Enhanced Nominations Service that provided eleven additional nomination cycles for firm service at eligible receipt points. The Enhanced Nominations Service was an add-on service available only to its firm and no-notice service customers for a rate. Though the Commission found Texas Gas' proposal to be just and reasonable, this determination does not mean that a pipeline proposal to offer additional nomination opportunities to all

---

<sup>11</sup> See, e.g., *El Paso*, 114 FERC ¶ 61,305, at PP 220-221 (Commission approved El Paso's tariff revision allowing three additional nomination cycles (Cycles 5, 6 and 7) after the end of Intra-day 2 cycle.); *Reliant*, 93 FERC ¶ 61,141 at 61,430 (Commission approved Reliant's tariff revision allowing shippers to submit nominations at any time of the day to be effective on the top of the hour, provided that the nominations are submitted at least 60 minutes prior to the proposed effective time.); *Tennessee*, 104 FERC ¶ 61,063 at P 88 (Tennessee's tariff provided for hourly nominations to be effective the next hour between the hours of 10:00 p.m. and 8:00 a.m., or as otherwise agreed to by Tennessee.).

<sup>12</sup> See *Transco*, 126 FERC ¶ 61,189 at P 10; see also *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *clarified*, 90 FERC ¶ 61,128, *further clarified*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

customers at no cost, as FGT proposes here, is unjust and unreasonable.<sup>13</sup> *El Paso* illustrates the distinction between generally applicable nomination timelines and flexibility provided for specific services. In *El Paso*, as noted above, the Commission found just and reasonable El Paso's proposed revision to its GT&C allowing all customers the use of three additional nomination cycles after the end of Intraday 2 cycle, at no additional charge. At the same time, the Commission found just and reasonable El Paso's proposal to establish additional rate schedules that provide additional hourly flexibility, at additional cost for the customers selecting these services.

19. Lastly, Florida Municipal's concern about what FGT may or may not do in a future rate case with regard to the cost of this additional flexibility is premature. Any rate issues related to Intraday 3 Nomination Cycle can be raised by Florida Municipal or any other party in FGT's next rate case.

The Commission orders:

The Commission accepts FGT's proposed tariff records to be effective December 1, 2012.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

---

<sup>13</sup> See, e.g., *El Paso*, 114 FERC ¶ 61,305 at PP 220-221; *Reliant*, 93 FERC ¶ 61,141 at 61,430; *Tennessee*, 104 FERC ¶ 61,063 at P 88.