

142 FERC ¶ 61,224
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 27, 2013

In Reply Refer To:
Texas Gas Transmission, LLC
Docket No. RP13-644-000

Texas Gas Transmission, LLC
3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008

Attention: David Haag
Director, Rates

Dear Mr. Haag:

1. On March 1, 2013, Texas Gas Transmission, LLC (Texas Gas) filed tariff records¹ to revise tariff sections 6.10[2.3] and 6.20[1(a)] of its FERC NGA Gas Tariff, Revised Volume No. 1, to provide for the ability to record contributions in aid of construction (CIAC) for non-jurisdictional customer facilities in Account 303, Miscellaneous Intangible Plant. As discussed below, the Commission accepts the referenced tariff records, effective April 1, 2013.
2. Public notice of the filing was issued on March 4, 2013. 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. The Western Tennessee Municipal Group, the Jackson Energy Authority, City of Jackson, Tennessee and the Kentucky Cities (Cities) jointly filed a motion to intervene and a comment.

¹ Texas Gas Transmission, LLC, FERC NGA Gas Tariff, Tariffs, Section 6.10, G T & C - Pre-Granted Abandonment and ROFR, 3.0.0 and Section 6.20, G T & C - Construction of Receipt and Delivery Facilities, 2.0.0.

3. Cities acknowledge that the recording of CIAC in Account 303 does not guarantee rate recovery of such costs in jurisdictional rates and that the Commission has made it clear that a pipeline “must still make a showing in a rate proceeding that the CIAC payment was reasonable, prudent, and allowable in jurisdictional rates before it can collect the CIAC costs from its customers.”² Cities therefore reserve their right to object to any attempt by Texas Gas to recover CIAC costs in a future rate case.

4. The Commission has, for accounting purposes, historically allowed interstate pipeline companies to record CIAC costs related to gas plant assets in Account 303, even when certain costs relate to non-jurisdictional facilities.³ However, the Commission has always required a natural gas pipeline to make a showing in a rate proceeding that particular CIAC costs were reasonable, prudent, and allowable in jurisdictional rates before the pipeline can collect the CIAC costs from its customers.⁴

5. Consistent with these policies, the Commission accepts the tariff records set forth in footnote 1 to become effective April 1, 2013.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

² Cities cite *ANR Pipeline Company*, 140 FERC ¶ 61,181, at P 9 (2012).

³ See *Kinder Morgan Interstate Gas Transmission LLC*, 122 FERC ¶ 61,154, at PP 31-32 (2008) (allowing the jurisdictional pipeline’s incurred construction costs for non-jurisdictional gas facilities to be accounted for in Account 303, Miscellaneous Intangible Plant, as a CIAC, but to remain subject to scrutiny in the next rate case).

⁴ See also *Trunkline Gas Company, LLC*, 122 FERC ¶ 61,050, at PP 11-12 (2008); *Kern River Gas Transmission Co.*, 77 FERC ¶ 61,299, at 62,334 (1996).