

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 13, 2006

In Reply Refer To:
Texas Eastern Transmission, LP
Docket No. RP07-67-000

Texas Eastern Transmission, LP
P.O. Box 1642
Houston, Texas 77251-1642

Attention: David A. McCallum
Director, Rates and Tariffs

Reference: *See Appendix for List of Tariff Sheets*

Dear Mr. McCallum:

1. On November 13, 2006, Texas Eastern Transmission, LP (Texas Eastern) filed the referenced tariff sheets to clarify certain aspects of its tariff and remove out dated tariff language. The revised tariff sheets clarify, among other things: 1) certain sections of the Imbalance Resolution Procedures in Rate Schedule PAL (Park and Loan), LLIT and its General Terms & Conditions (GT&C); 2) the Allocation of Receipts and Deliveries in section 18 of its GT&C; and 3) that the imbalance levels used in the cash-out calculation include the upper limit of each imbalance percentage range. The Commission accepts the proposed tariff sheets to become effective December 13, 2006, as requested and denies a protest by an intervening party.

2. Public notice of Texas Eastern's filing was issued November 17, 2006, with interventions and protests due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2006)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2006)), all timely filed motions to intervene and any motions 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. BP America Production Company and BP Energy Company (collectively referred to as BP) filed a protest and Texas Eastern filed an answer to BP's

protest. The Commission's rules of practice and procedure generally prohibit answers to protests or answers.¹ Accordingly, the Commission will not accept Texas Eastern's answer in this proceeding because it is not necessary to understand or clarify the issues in this case. BP's protest is discussed below.

3. In its protest, BP states that the Commission should address several provisions of Texas Eastern's Rate Schedule PAL which it believes do not comply with Commission policy, even though Texas Eastern is not seeking to revise these portions of the Rate Schedule.² First, BP requests the Commission to clarify that the three-day delivery period in section 7.3 of Texas Eastern's PAL rate schedule should apply to the Redelivery Provision of section 7.6. Second, BP contends that Texas Eastern should be required to extend the duration of a PAL contract, upon request by the Customer if the Customer is willing to pay the recourse rate, and there is available capacity. Finally, BP requests that the Commission clarify that no penalty applies under the loaned gas cash-out provision in section 7.6 if Texas Eastern is unable to schedule the redelivery nomination.

4. BP's request that the Commission require Texas Eastern to clarify certain aspects of the PAL rate schedule is rejected as being outside the scope of the issues raised by the instant filing. The issues raised by BP are not related to or affected by the changes proposed by Texas Eastern, and thus the Commission will not require Texas Eastern to make BP's requested changes in the instant filing. This is without prejudice to BP's right to file a complaint under NGA section 5 if it believes that Texas Eastern's existing tariff is unjust or unreasonable. Accordingly, Texas Eastern's proposed changes are found to be just and reasonable and the tariff sheets referenced in the Appendix are accepted, without condition, to become effective December 13, 2006 as proposed.

By direction of the Commission.

Magalie R. Salas,
Secretary.

¹ 18 C.F.R. § 385.213(a)(2) (2006).

² Texas Eastern has proposed to revise section 7.6 of its Rate Schedule PAL (Park and Loan to include a reference to section 8.5(B)(3)² in order to clarify the applicable cash-out price to be paid by a customer to Texas Eastern when title to loan quantities is transferred to the customer for gas loaned in Texas Eastern's market area.

Appendix

Texas Eastern Transmission, L P:
Seventh Revised Volume No. 1

Tariff Sheets Effective December 13, 2006

First Revised Sheet No. 290
First Revised Sheet No. 355
Fourth Revised Sheet No. 501
Fourth Revised Sheet No. 502
Fourth Revised Sheet No. 503
Third Revised Sheet No. 504
Second Revised Sheet No. 505
First Revised Sheet No. 506
Fifth Revised Sheet No. 507
Fifth Revised Sheet No. 508
Second Revised Sheet No. 581
First Revised Sheet No. 584
First Revised Sheet No. 587
First Revised Sheet No. 589
Second Revised Sheet No. 591
Seventh Revised Sheet No. 627
First Revised Sheet No. 636
First Revised Sheet No. 637