

155 FERC ¶ 61,159
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

May 11, 2016

In Reply Refer To:
Narragansett Electric Company
Docket No. CP09-12-001

Cullen and Dykman LLP
1101 14th St. NW, #550
Washington, DC 20005

Attention: Kenneth T. Maloney

Dear Mr. Maloney:

1. In accordance with the Commission's 2010 Order in Docket No. CP09-12-000,¹ and section 284.123(b)(2)² of the Commission's regulations, on June 17, 2013 Narragansett Electric Company (Narragansett), a Hinshaw pipeline,³ filed information to support the continuation of Narragansett's existing firm transportation rates. Narragansett's cost and throughput study is accepted for informational purposes,

¹ *Narragansett Electric Co.*, 131 FERC ¶ 61,054 (2010) (2010 Order). The 2010 Order required Narragansett to make this filing within three years. On April 18, 2013, Narragansett filed a notice requesting an extension of 60 days to make this filing. On April 19, 2013, the Commission issued a Notice of Extension of Time granting the requested 60 day extension.

² 18 C.F.R. § 284.123(b)(2) (2016).

³ Section 1(c) of the Natural Gas Act (NGA) exempts from the Commission's NGA jurisdiction those pipelines which transport gas in interstate commerce if (1) they receive natural gas at or within the boundary of a state, (2) all the gas is consumed within that state and (3) the pipeline is regulated by a state Commission. This exemption is referred to as the Hinshaw exemption after the Congressman who introduced the bill amending the NGA to include section 1(c). See *ANR Pipeline Co. v. FERC*, 71 F.3d 897, 898 (D.C.1995) (briefly summarizing the history of the Hinshaw exemption).

permitting Narragansett to continue charging its currently effective maximum firm transportation rate.

2. Public notice of the filing was issued on February 25, 2016. Interventions and protests were due on or before March 16, 2016. Pursuant to Rule 214,⁴ 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. No protests or adverse comments were filed.

3. On October 16, 2008, Narragansett filed an application under section 7(c) of the NGA⁵ and section 284.224⁶ of the Commission's regulations for a limited jurisdiction blanket certificate to transport natural gas in interstate commerce. In its application, Narragansett stated that it did not have any rate on file with its state regulator, the Rhode Island Public Utilities Commission (RIPUC) for city gate transportation service. Consequently, Narragansett sought to make the rate election set forth in section 284.224(e)(2) of the Commission's regulations.⁷ Since Narragansett's transportation rates were subject to the RIPUC, Narragansett proposed to charge a maximum volumetric rate of \$3.6169 per Dekatherm (Dth) that was derived using the portion of Narragansett's weighted average annual revenue per MMBtu generated by the distribution rates approved by RIPUC.⁸

4. In the 2010 Order, the Commission issued the requested blanket certificate and approved a maximum firm volumetric transportation rate of \$3.6169 per Dth subject to the condition that Narragansett file, within three years of the 2010 Order, either a rate petition pursuant to section 284.123(b) of the Commission's regulations, or a cost and throughput study or other information sufficient for the Commission to determine whether any prospective change in the initial authorized transportation rate is necessary. Accordingly, Narragansett states that it is submitting the information required by the 2010 Order and proposes that its firm transportation rates remain \$3.6169 per Dth.

⁴ 18 C.F.R. § 385.214 (2016).

⁵ 15 U.S.C. § 717f(c).

⁶ 18 C.F.R. § 284.224.

⁷ *Id.* at § 284.224(e)(2).

⁸ Narragansett states since it acquired its gas distribution assets from New England Gas Company, Narragansett's blanket certificate rates were based on New England Gas Company's costs and throughput as determined in its most recent rate case by RIPUC.

5. Narragansett states its most recent base rate case before the RIPUC was conducted in Docket No. 4323 and concluded by the RIPUC's order dated January 31, 2013.⁹ Based on the RIPUC's findings, Narragansett claims its recoverable cost for transportation and delivery service was found to be \$160,443,832¹⁰ and its total delivery throughput was determined to be 356,787,722 therms. Based on these totals, Narragansett asserts that a fair and equitable maximum firm transportation rate applicable to Narragansett's Part 284 blanket certificate could be set as high as \$4.40 per Dth¹¹ consistent with section 284.123(b) of the Commission's regulations. However, Narragansett proposes that its present maximum firm transportation rate of \$3.6169 per Dth remain in effect.

6. We find that Narragansett has filed the required information, and we find that Narragansett's rates continue to be deemed fair and reasonable.

7. Commission policy imposes a quinquennial rate review requirement on all pipelines regulated under section 284.123(b).¹² In order to comply with this policy, Narragansett must submit its next informational filing¹³ on or before June 17, 2018. In that filing, Narragansett must file with the Commission either: (a) the information filed in an application pursuant to section 284.123(b)(1) seeking to establish its cost-based state commission approved transportation rates as it rates for interstate transportation services provided under its Order No. 63 blanket certificate; or (b) a filing with cost,

⁹ *In Re: Application Of The Narragansett Electric Company d/b/a National Grid For Approval Of Change In Electric And Gas Base Distribution Rates*, "Order," Docket No. 4323 (R.I. PUC, 1/31/13). A subsequent order in Docket No. 4323 was issued April 11, 2013.

¹⁰ See Narragansett filing, Attachment 2, Page 4 of 5, which consists of materials filed in compliance with RIPUC's order in Docket No. 4323.

¹¹ See Narragansett filing, Attachment 1.

¹² *Enbridge Pipelines (North Texas) L.P.*, 139 FERC ¶ 61,216, at P 28 (2012). See also *Contract Reporting Requirements of Intrastate Natural Gas Companies*, Order No. 735, FERC Stats. & Regs. ¶ 31,310, at P 96 (Order No. 735), *order on reh'g*, Order No. 735-A, FERC Stats. & Regs. ¶ 31,318 (2010).

¹³ The Commission only requires Hinshaw pipelines performing interstate service under a § 284.224 certificate to submit an informational filing in the form specified in §154.313 of the Commission's regulations, rather than the application for approval that pipelines regulated under section 311 of the Natural Gas Policy Act must submit. *Consumers Energy Co.*, 94 FERC ¶ 61,287 (2001), *cited in* Order No. 735, FERC Stats. & Regs. ¶ 31,310 at P 91.

throughput, revenue, and other data, in the form specified in section 154.313 of the Commission's regulations,¹⁴ to allow the Commission to determine whether any change in Narragansett's interstate transportation rates is required pursuant to section 5 of the Natural Gas Act.¹⁵

By direction of the Commission

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁴ 18 C.F.R. § 154.313 (2016).

¹⁵ Narragansett should submit this informational filing as a new docket. Hinshaw informational rate filings should be submitted through the eTariff portal using a Type of Filing Code 790 and in the manner recommended in the Commission's eTariff guidelines, <http://www.ferc.gov/docs-filing/etariff.asp>.