

107 FERC ¶ 61,046
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 16, 2004

In Reply Refer To:
Northwest Pipeline Corporation
Docket No. RP04-156-000

Northwest Pipeline Corporation
P.O. Box 58900
Salt Lake City, Utah 84158-0900

Attention: Gary K. Kotter, Manager
Certificates and Tariffs

Reference: Order Granting Limited Waiver Request Subject to Condition

Dear Mr. Kotter:

1. On February 5, 2004, in support of a sub-quality gas receipt pilot program, Northwest Pipeline Corporation (Northwest) filed a request for temporary limited waiver of section 3.5 of the General Terms and Conditions (GT&C) of Northwest's tariff¹ to the extent necessary to allow Northwest to use new mainline meter facilities, to be installed at the expense of Piceance Natural Gas Inc. (PNG),² for receipt and blending of natural gas that fails to meet Northwest's gas quality specifications solely from the Foundation Creek receipt point for a period of one year from the in-service date of the new meter facilities. The Commission will grant Northwest's request for temporary limited waiver of section 3.5 of the GT&C of its tariff, subject to condition, since Northwest will still assume existing responsibilities and liabilities for downstream delivery point gas quality. This order is in the public interest since successful conclusion of the test pilot program

¹ Section 3.5 of the GT&C of Northwest's tariff provides that to the extent Northwest can accept and blend sub-quality gas without jeopardizing its ability to meet its obligations to deliver gas to downstream interconnecting pipelines or markets, Northwest will do so on a non-discriminatory basis to all similarly situated shippers. However, if Northwest's ability to meet its obligations downstream is compromised by the acceptance and blending of sub-quality gas, then the tariff requires Northwest to rank the receipt points according to the degree of violation.

² PNG is a producer and transporter in the Rockies.

will aid in putting currently shut-in gas into the system and help producers, the pipeline, and customers.

2. Northwest states in its March 19, 2004, data response, that to the extent sub-quality gas can be received and blended without jeopardizing its downstream delivery obligations, section 3.5 of its GT&C requires Northwest to do so on a non-discriminatory basis. Northwest explains that section 3.5 of its GT&C requires that Northwest's acceptance of sub-quality gas be restricted by actions (e.g. shutting-in supply) starting with the receipt point with the highest percentage of contaminants. Northwest clarifies that these non-discrimination and ranking provisions are the specific portions of section 3.5 of its GT&C relevant to Northwest's request for waiver to allow receipt and blending of sub-quality gas solely from the Foundation Creek receipt point. Northwest explains that it will remain responsible for operating all of its facilities, including flow control equipment. Northwest concludes that neither the test pilot program nor the requested tariff waiver will alter Northwest's existing liabilities for downstream delivery point gas quality under the GT&C of its tariff.

3. PNG and Evergreen Resources, Inc.³ filed comments in support of the test pilot program.

4. The Commission has determined that a successful test pilot program will provide benefits to producers through the increased production and development of low Btu gas supplies. The pipeline would benefit through the added value of transporting additional capacity on its system. Customers would benefit through increased capacity needed to meet market demand. Finally, Northwest has provided assurances that neither the test pilot program nor its requested waiver will alter its existing responsibilities or liabilities for downstream delivery point gas quality. However, the Commission directs Northwest to file a one-year report after completion of the test pilot program discussing its findings, including information pertaining to the additional sub-quality gas brought on at the Foundation Creek receipt point as a result of the pilot program.

5. Public notice of Northwest's filing was issued on February 10, 2004. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2003)). No protests or adverse comments were filed. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2003)), all

³ Evergreen Resources, Inc. is the operator of over 20 low Btu wells.

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.

By direction of the Commission.

Linda Mitry,
Acting Secretary.