

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 23, 2004

In Reply Refer To:
NGO Transmission, Inc.
Docket No. RP04-67-000

John & Hengerer
1200 17th Street, NW
Washington, D.C. 20036-3013

Attention: Matthew T. Rick
Counsel for NGO Transmission, Inc.

Reference: Compliance with the Order Issuing Certificate

Dear Mr. Rick:

1. On November 21, 2003, NGO Transmission, Inc. (NGO Transmission) filed a FERC Gas Tariff, Original Volume No. 1 to comply with the Order Issuing Certificate, issued on October 27, 2003,¹ in Docket Nos. CP03-296-000 and CP03-298-000. NGO Transmission's proposed tariff generally conforms to Commission policy and regulations. Accordingly, NGO Transmission's proposed tariff is accepted, effective November 22, 2003, subject to NGO Transmission filing revised tariff sheets that are consistent with the conditions discussed below within thirty days of the date of this order.

2. Public notice of the filing was issued on November 26, 2003. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2003)). No interventions, comments or protests were filed.

3. The October 27 Order approved NGO Transmission's proposal to acquire, own, and operate certain existing natural gas pipeline and storage facilities located in central Ohio and its request for a Part 284, Subpart G blanket certificate, subject to NGO Transmission filing actual tariff sheets and revised initial rates consistent with the North American Energy Standards Board (NAESB) standards, Order No. 637 requirements, any other tariff standards in effect, and Part 154 of the Commission's regulations.

¹ NGO Transmission, Inc., 105 FERC ¶ 61,138 (2003) (October 27 Order).

4. In the instant filing, NGO Transmission has filed a proposed original tariff that includes (i) a title page, (ii) table of contents, (iii) preliminary statement, (iv) map, (v) list of effective rates, (vi) rate schedules, (v) general terms and conditions, and (vi) pro forma service agreements.

5. NGO Transmission proposes to offer firm and interruptible transportation and storage services, as well as a bundled firm transportation and storage no-notice service.² NGO Transmission states that all or substantially all of its system's firm transportation and storage capacity will be contracted for on a no-notice basis by its local distribution company affiliate, National Gas and Oil Cooperative (NGO). NGO Transmission states that, to the extent such capacity is not utilized by NGO, it will be made available to other shippers on an interruptible basis.

6. With certain exceptions detailed below, NGO Transmission's proposed tariff conforms to Commission policy and regulations. Accordingly, NGO Transmission's proposed tariff is accepted, subject to NGO Transmission filing revised tariff sheets consistent with the following discussion within thirty days of the date of this order.

7. NGO Transmission states that it will comply with the Commission's policy to permit segmentation to the extent operationally feasible. On Original Sheet No. 12, in section 4.5 of its proposed tariff, NGO Transmission sets forth its segmentation and capacity release provisions for its Rate Schedule FTS. However, there is no corresponding tariff section in Rate Schedule NNS. Commission policy requires that segmentation and capacity release rights be made available to no-notice customers, as well as firm transportation customers.³ NGO Transmission is therefore directed to modify its Rate Schedule NNS so that it includes a provision for segmentation and capacity release rights.

8. On Original Sheet No. 79 in section 9.1(a) of its tariff, NGO Transmission sets forth a nomination timeline for nominations after service has commenced. In section 9.1(b), however, the Commission notes that NGO Transmission sets forth a different nomination timeline for scheduling initial commencement of service. NAESB Standard 1.3.2 provides that all transportation service providers should support standard nominations cycles, and does not provide for a different cycle for a nomination associated with the initial commencement of service. NGO Transmission is directed to revise section 9.1 to incorporate the NAESB standard verbatim or by reference, or explain why a waiver should be granted.

² Rate Schedules FTS, ITS, FSS, ISS, and NNS.

³ See 18 C.F.R. §§ 284.7(a)(3) and 284.7(d). See also National Fuel Gas Supply Corp., 96 FERC ¶ 61,187 (2001).

9. NGO Transmission requests waiver of those NAESB standards that relate to the operation of an interactive Internet website, as well as of those Commission regulations that require pipelines to post certain information on its website. Instead, NGO Transmission proposes to implement a limited website: (1) to include a copy of the tariff; and (2) to provide contact information that may be used by new shippers seeking to contract for service. NGO Transmission does not propose to post any other information, and seeks waiver of other posting requirements set forth in the Commission's regulations.⁴ NGO Transmission states that it would be financially prohibitive to implement those NAESB standards and corresponding Commission regulations that require the operation of an interactive Internet website, and would require NGO Transmission to substantially change the way it operates its system. NGO Transmission explains that most of its interaction with customers will be informal, consisting of telephone calls or email exchanges, and even in-person conversations. NGO Transmission states that its customers have likewise expressed concern with implementing new electronic procedures, in part because they believe that such procedures are unnecessary considering the size and scope of the system, and in part because they would prefer that NGO Transmission not incur the additional costs. NGO Transmission asserts that no shipper or potential shipper has requested that NGO Transmission install an interactive Internet website.

10. Based on NGO Transmission's representations, and consistent with Commission action with other small pipelines with few shippers,⁵ the Commission will not require NGO Transmission to implement an interactive website to comply with the NAESB standards regarding EDI/EDM and EBB/EDM until such time that a Part 284 customer requests to engage in EDI/EDM and EBB/EDM. However, NGO Transmission's request for waiver of certain informational posting requirements of 18 C.F.R. §§161.3, 284.8 and 284.13 is denied. Given that the cost for posting such information has not been shown to be material, and the fact that such information is needed to ensure market transparency, NGO Transmission is directed to post other information on its website, including affiliate transactions, capacity releases, reports of firm and interruptible services, available capacity, and an index of customers.

11. NGO Transmission has also requested waiver of numerous other NAESB standards listed in an Appendix to the instant filing. The Commission has granted waiver

⁴ Specifically, NGO Transmission seeks waiver of the posting requirements set forth in 18 C.F.R. § 161.3 (concerning affiliate transactions), § 284.8 (concerning capacity release) and § 284.13 (concerning reports on firm and interruptible services, index of customers, and available capacity).

⁵ See *B-R Pipeline Co.*, 105 FERC ¶ 61,025 (2003) and *Pinnacle Pipeline Co.*, 105 FERC ¶ 61,051 (2003).

or an extension of time for compliance when a pipeline has demonstrated an operational reason for its inability to comply with the NAESB standard(s), or if the pipeline can demonstrate that the standards do not apply to the manner in which the pipeline operates.⁶ NGO Transmission, however, has requested a blanket waiver of several NAESB standards without any explanation or justification. Therefore, NGO Transmission's request is denied without prejudice. NGO Transmission is directed to comply with the NAESB standards not otherwise discussed in this order, or to provide an explanation why a waiver or extension of time should be granted. To the extent that any tariff provision in NGO Transmission's tariff does not comply with the NAESB standards, such tariff provisions are accepted subject to NGO Transmission revising them so that they are made compliant with the applicable NAESB standards.

12. In the instant filing, NGO Transmission submitted a request regarding compliance with the Standards of Conduct requirements of Part 161 of the Commission's regulations, 18 C.F.R. Part 161 (2003). In the interim, the Commission issued Order No. 2004, which revised the Standards of Conduct, and which will be codified at Part 358 of the Commission's regulations.⁷ The Commission will address NGO's request with respect to the Standards of Conduct by separate order in Docket No. MG04-3-000.

By direction of the Commission.

Linda Mitry,
Acting Secretary.

cc: All Parties
Public File

⁶ See, e.g., CNG Transmission Corp., 78 FERC ¶ 61,131 (1997).

⁷ Standards of Conduct for Transmission Providers, Order No. 2004, FERC Stats. & Regs., Regulations Preambles ¶ 31,155 (2003), order on reh'g, Order No. 2004-A, 107 FERC ¶ 61,032 (2004).