

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 18, 2004

In Reply Refer To:
Transcontinental Gas Pipe Line Corp.
Docket No. RP05-35-000

Transcontinental Gas Pipe Line Corp.
P.O. Box 1396
Houston, TX 77251-1396

Attention: Marg Camardello
Manager of Tariffs and Certificates

Reference: See Appendix for List of Tariff Sheets

Dear Ms. Camardello:

1. On October 22, 2004, Transcontinental Gas Pipe Line Corporation (Transco) filed revised tariff sheets¹ to “clean up” certain provisions of its currently effective Volume No. 1. The changes proposed by Transco include ministerial changes to: 1) correct spelling errors; 2) update base gas volumes for each buyer; 3) cross reference between various tariff provisions; 4) remove obsolete provisions and to update certain provisions for consistency. The tariff sheets listed in the Appendix are accepted effective November 22, 2004, subject to the condition set forth below.

Public Notice and Interventions

2. Notice of the Transco’s filing was issued October 26, 2004. Interventions and protests were due as provided in section 154.210 of the Commission’s regulations.² Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, all timely motions to intervene and all motions to intervene out of time before issuance of this order are granted.³ Granting late intervention will not disrupt the proceeding or place additional burdens on existing parties. The Process Gas Consumers Group (PGC) filed a limited protest to one element of Transco’s proposal, which is discussed below.

¹ See Appendix.

² 18 C.F.R. § 154.210 (2004).

³ 18 C.F.R. § 385.214 (2004).

3. PGC states that Transco is proposing to modify section 5(a) of its General Terms and Conditions (GT&C) to harmonize it with Transco's previously approved section 20, which governs the installation of interconnect facilities. PGC states that Transco's new section 5(a) would state:

Subject to the provisions of section 20 of these General Terms and Conditions, measuring stations will be installed, maintained and operated at or near each Point of Receipt and each Point of delivery, which measuring stations will be properly equipped with ... necessary measuring equipment ... by which the quantity of natural gas shall be measured and determined.⁴

4. PGC states that it does not dispute Transco's harmonization of section 5 with section 20, which was previously approved by the Commission.⁵ PGC states that its concern is that in bringing these two sections in alignment, Transco has impacted the maintenance and operation of certain measuring stations on its system.

5. PGC argues that the proposed section 5 states that the installation, maintenance and operating of measuring stations will be subject to section 20 which in turn, states that it does not apply to "facilities that are built as part of an expansion of Seller's mainline system, including without limitation mainline compression, looping facilities, or mainline extensions." PGC further states that it appears that the installation, maintenance and operation of measuring stations associated with a mainline expansion now are not provided for in Transco's tariff. PGC requests that in order to ensure the ongoing efficient operation of Transco's system that Transco clarify its provisions with respect to the installation, maintenance and operation of measuring stations associated with mainline expansions.

6. PGC also states that it is unclear who is responsible for paying for the maintenance of existing measurement facilities on Transco's system. PGC states that Transco's current tariff language in section 5 states that:

Unless otherwise agreed to, Seller will install, maintain and operate, at its own expense, at or near each Point of Receipt and each Point of Delivery, measuring stations properly equipped with ... necessary measuring equipment ... by which the quantity of natural gas shall be measured and determined.⁶

⁴ Transcontinental Gas Pipe Line Corp., Docket No. RP05-35, Proposed First Revised Sheet No. 225.

⁵ Transcontinental Gas Pipe Line Corp., 98 FERC ¶ 61,196 (2002).

⁶ Transcontinental Gas Pipe Line Corp., FERC Gas Tariff Third Revised Volume No. 1 Section 5, Original Sheet No. 255.

7. PGC states that the apparent elimination of Transco's financial and operational responsibility to maintain all measuring stations not associated with a section 20 interconnect raises cost allocation issues and poses potential problems for the operation of Transco's system. PGC, therefore, requests that the Commission order Transco to clarify the impact of this new section 5 on existing measuring stations.

Transco's Answer

8. On November 12, 2004, Transco filed an answer to PGC's protest and request for clarification. While the Commission's Rules of Practice and Procedure⁷ generally prohibit answers to protests, the Commission will accept the answer to provide a better understanding of the issues in this proceeding.

9. Transco in its answer states that the clarifications requested by PGC are unnecessary and should not be required by the Commission. Transco states that it is merely updating a part of Transco's tariff that was originally implemented in 1950 long before the advent of the unbundled transportation and sales services that Transco renders today, the pronouncement of the Commission's revised interconnect policy, and the implementation of Transco's interconnect policy set forth in section 20 of its GT&C. Transco states that the changes to section 5(a) reflect that the provisions of section 20 will govern the construction, operation and maintenance of interconnect facilities, including measurement facilities on Transco's system.

10. Transco states that for new interconnect facilities, measurement facilities are constructed either under the terms of its blanket certificate and Part 157(F) (sic) of the Commission's regulations,⁸ or as part of a mainline expansion project. If the latter, it states that it would be included in the certificate application filed with the Commission for the expansion project and would be subject to specific review and approval by the Commission. It asserts that having a separate tariff provision for these measurement facilities would not afford the Commission any greater oversight nor offer parties any greater protection than presently exist.

11. In addition, Transco states that the proposed changes to section 5(a) will have no impact on existing measurement stations. Transco states that the costs for maintenance of existing measurement facilities are subject to the terms and conditions of the existing interconnect agreements or certificates under which they were constructed. It asserts that section 20.5 provides that the construction, ownership, operation and maintenance of interconnect facilities will be mutually agreed upon by Transco and the requesting party.

⁷ 18 C.F.R. § 385.213(a)(2) (2004).

⁸ 18 C.F.F. Part 157(F) (2004).

Discussion

12. The Commission will accept the tariff sheets listed in the Appendix, to be effective November 22, 2004, subject to further review and order by the Commission. The Commission believes that it would be beneficial to its review of the issues raised by the instant filing to provide the parties an opportunity to respond to Transco's answer. Accordingly, the Commission will permit parties to file additional comments concerning the raised issues within 15 days of the date of this order.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.

Appendix

Transcontinental Gas Pipe Line Corporation
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Sheets Accepted Effective November 22, 2004

Third Revised Sheet No. 122
Second Revised Sheet No. 122F
Second Revised Sheet No. 134
Second Revised Sheet No. 135F
Tenth Revised Sheet No. 159
Seventh Revised Sheet No. 171
Eighth Revised Sheet No. 172
First Revised Sheet No. 182
Fourth Revised Sheet No. 200A
First Revised Sheet No. 255
Ninth Revised Sheet No. 321
Third Revised Sheet No. 330
Second Revised Sheet No. 334B
Third Revised Sheet No. 366
First Revised Sheet No. 374F.03
Second Revised Sheet No. 374M
Third Revised Sheet No. 439
Eighth Revised Sheet No. 500
Ninth Revised Sheet No. 501
Eighth Revised Sheet No. 502