

107 FERC ¶ 61,225
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 1, 2004

In Reply Refer To:
Columbia Gas Transmission Corporation
Docket No. RP03-491-001

Columbia Gas Transmission Corporation
12801 Fair Lakes Parkway
P.O. Box 10146
Fairfax, Virginia 22030-0146

Attention: Carl W. Levander, Vice President

Reference: See Appendix for List of Tariff Sheets

Dear Mr. Levander,

1. On July 15, 2003, Columbia Gas Transmission Corporation (Columbia Gas) filed the above referenced tariff sheets in compliance with the Commission order issued on June 30, 2003.¹ Columbia Gas has satisfactorily complied with the June 30 Order, and accordingly, the Commission accepts the referenced tariff sheets effective July 1, 2003 as proposed. This order benefits the public interest by providing customers more flexibility in making contracting decisions while protecting Columbia Gas' right to reasonably limit contract demand reductions.

Background and Details of Instant Filing

2. On May 30, 2003, Columbia Gas filed tariff sheets to add a new section 42 to the General Terms and Conditions (GT&C) of its tariff and to make related changes to other tariff provisions. The proposed new section 42 would permit Columbia Gas and eligible shippers to mutually agree to include in the shippers' service agreements contract demand reduction rights under specified circumstances. In the June 30 Order, the Commission accepted Columbia Gas' proposal, subject to Columbia Gas revising the subject tariff sheets.

¹ Columbia Gas Transmission Co., 103 FERC ¶ 61,388 (2003) (June 30 Order).

3. At paragraph 16 of the June 30 Order, the Commission directed Columbia Gas to: 1) revise the definition of Regulatory Unbundling pursuant to the alternative language proposed by Orange & Rockland Utilities, Inc.; 2) change the term “Regulatory Unbundling” to “Regulatory Restructuring”; and, 3) clarify its tariff language in section 42 regarding the requirement about the initial term or remaining term of at least five years, and the eligibility of the shipper to negotiate to include a reduction option in the service agreement. In the instant filing, Columbia Gas has made all of these revisions pursuant to the June 30 Order.

4. At paragraph 17 of the June 30 Order, the Commission directed Columbia Gas to clarify certain tariff language in section 42 to make clear that a contract demand reduction will not apply to capacity made available for release by a shipper with a reduction option when that capacity is purchased by a replacement shipper in whole or in part at both the rate provided for under the releasing shipper’s service agreement (or a greater rate) and for the full remaining term of that service agreement. In the instant filing, Columbia Gas has revised its tariff language pursuant to this direction in the June 30 Order.

5. Columbia Gas has also clarified certain tariff language in section 42 to make clear that the optional pro rata reduction in contract demand for shippers served by multiple pipelines will be based on the contract entitlements held by the shippers used to serve the load loss associated with Regulatory Restructuring.

Notice, Interventions and Protests

6. Public notice of the instant filing was issued on July 18, 2003, with interventions and protests due on or before July 28, 2003. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2003).

7. The Process Gas Consumers Group (Process Gas) filed a protest to Columbia Gas’ compliance filing. Process Gas states it is protesting the compliance filing for the same reasons it protested Columbia Gas’ initial filing in this proceeding. Specifically, Process Gas protests that the implementation of this program whereby LDCs are allowed to reduce their contract demand, without a comparable right for industrial end users to reduce contract demand in the event of plant closures or permanent scale-downs, is, inter alia, unduly discriminatory to industrial end-users, and inconsistent with the Commission’s regulations prohibiting undue discrimination and preferences among customer classes. Further, Process Gas asserts the proposed program will skew bidding and awards of capacity, and will interfere with the effective functioning of a vibrant secondary market at the LDC city-gate delivery points.

Discussion

8. The only issue before the Commission in the instant filing is whether Columbia Gas has complied with the June 30 Order. Accordingly, the Commission rejects the protest of Process Gas since it contests the holdings of the June 30 Order, rather than whether Columbia Gas has complied with those holdings. Process Gas raised the same issues in its request for rehearing as it raises in its protest to Columbia Gas' compliance filing. The Commission discussed these issues, and denied rehearing in the Order on Rehearing issued on December 24, 2003, 105 FERC ¶ 61,373 (2003).

9. The Commission finds that Columbia Gas has satisfactorily complied with the directives of the June 30 Order, and accordingly, accepts the referenced tariff sheets effective July 1, 2003 as proposed.

By direction of the Commission.

Linda Mitry,
Acting Secretary.

cc: All Parties

APPENDIX

**Columbia Gas Transmission Corporation
Second Revised Volume No. 1
Accepted Effective July 1, 2003:**

Substitute Fourth Revised Sheet No. 466
Substitute First Revised Sheet No. 467
Substitute Fifth Revised Sheet No. 501
Substitute Second Revised Sheet No. 502A
Substitute Fifth Revised Sheet No. 503
Substitute Fourth Revised Sheet No. 511