

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 4, 2004

In Reply Refer To:
Tennessee Gas Pipeline Company
Docket No. RP05-16-000

Tennessee Gas Pipeline Company
Nine E Greenway Plaza
Houston, TX 77046

Attention: Jacques A. Hodges, Attorney

Reference: Revised Tariff Sheet and Non-Conforming Agreement
With Amerada Hess Corporation

Ladies and Gentlemen:

1. On October 5, 2004, Tennessee Gas Pipeline Company (Tennessee) filed a non-conforming service agreement (Service Package No. 46088) with Amerada Hess Corporation (Amerada Hess) along with a revised tariff sheet¹ to revise its list of non-conforming service agreements. Tennessee submitted the service agreement pursuant to section 154.112(b) of the Commission's Regulations because it contains two provisions that differ materially from the Form of Service Agreement contained in its tariff. The non-conforming provisions link transportation service under Service Package No. 46088 to retention of another FT-A service agreement (Service Package No. 46089). Tennessee requests that the Commission grant any waivers necessary to allow the tariff sheet to be effective November 1, 2004. The Commission will grant waiver of its regulations and accept Service Package No. 46088 and the revised tariff sheet effective November 1, 2004, subject to the conditions discussed below.

2. Public notice of the instant filing was issued on October 7, 2004, providing for the filing of interventions and protests in accordance with section 154.210 of the Commission's regulations. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, all timely filed motions to intervene are granted and any motions filed to intervene out-of-time are granted as of the date of this order. Granting late interventions at this stage of the proceedings will not disrupt the proceedings or place undue additional burden on existing parties. No adverse comments or protests were received.

¹ Fifth Revised Sheet No. 413A to FERC Gas Tariff, Fifth Revised Volume No. 1.

3. Exhibit C of Service Package No. 46088 states that the service agreement is contingent upon Amerada Hess' retention of service under Service Package No. 46089. Further, any right to the extension of Service Package No. 46088 is contingent upon Amerada Hess' extension of Service Package No. 46089. Tennessee states that the linkage of the two service agreements is operationally required because there is a limited amount of volumes that Tennessee can transport through the State of Connecticut on its 300 line. Tennessee explains that the path of Service Package No. 46088 is from the State of New York to the State of Massachusetts and the path of Service Package No. 46089 is in the opposite direction from the State of Massachusetts to the State of New York. Tennessee states that the paths of both agreements overlap to allow the two paths to displace each other. Otherwise, Tennessee states that it may not be able to guarantee that it could transport, during peak days, all of the primary firm volumes under Service Package No. 46088. Tennessee submits that linking the two contracts to create capacity that did not exist previously is beneficial to both its system and Amerada Hess, and will only impact Amerada Hess. Tennessee states that it is willing to provide the same type of service to other shippers should the same operational conditions exist.

4. Consistent with Commission policy, if a proposal contains terms and conditions of service that are not part of the pipeline's existing tariff a pipeline must either remove the condition from the service agreement or file tariff provisions to make such provisions generally available. The linked service under Service Package No. 46088 is different from any service that is available under Tennessee's existing rate schedules and constitutes a new term and condition of service that is not contained in Tennessee's tariff. Therefore, the Commission will accept Tennessee's Service Package No. 46088 and associated tariff sheet, effective November 1, 2004, subject to Tennessee either removing the language from Service Package No. 46088 linking service to Service Package No. 46089 or filing tariff revisions that will allow similarly situated shippers to link contracts. Tennessee is required to make its compliance filing within 15 days of the date of this order.

By direction of the Commission.

Linda Mitry,
Deputy Secretary.