

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 9, 2006

In Reply Refer To:  
Iroquois Gas Transmission System, L.P.  
Docket No. RP06-216-000

Iroquois Pipeline Operating Company  
One Corporate Drive, Suite 600  
Shelton, CT 06484

Attention: Stephan A. Ariyan  
Attorney

Reference: Fourth Revised Sheet No. 66A and Sixth Revised Sheet No. 67 to FERC  
Gas Tariff, First Revised Volume No. 1

Dear Mr. Ariyan:

1. On February 7, 2006, Iroquois Gas Transmission System, L.P. (Iroquois) filed the referenced tariff sheets to clarify the General Terms and Conditions of its tariff (GT&C) regarding the use of alternate receipt and delivery points by shippers with firm lateral only service. The Commission accepts and suspends the referenced tariff sheets, to become effective March 9, 2006, subject to conditions. Iroquois is directed to file, within 30 days of the date this order issues, revised tariff sheets and explanations as discussed herein.

2. Public notice of Iroquois's filing was issued on February 10, 2006. Interventions and protests were due as provided for in § 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2005). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2005)), all timely motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. No protests or adverse comments were received.

3. Section 7.1.1 of Iroquois's GT&C provides that a shipper may use receipt points outside the zone in which its primary receipt point is located. Section 7.3.1 of the GT&C similarly permits a shipper to use secondary points outside the zone in which its primary delivery point is located. Iroquois's tariff refers to such points as extended receipt and delivery points, and its tariff includes special surcharges the shipper must pay when it uses such points. This Extended Receipt or Extended Delivery Point service (ER/ED service) was originally accepted in the Commission's March 3, 2003 Order in Docket

Nos. RP03-258-000 and RP03-258-001.<sup>1</sup> In the instant filing, Iroquois proposes to revise sections 7.1.1 and 7.3.1 to provide that a shipper using alternate receipt and delivery points beyond the path of a lateral only RTS<sup>2</sup> contract shall be restricted to ER/ED service only.

4. Iroquois's filing does not make clear what firm lateral only service would be covered by its proposal. Iroquois's proposed tariff language simply states that it applies to a shipper with "a lateral only RTS contract." However, Iroquois's existing tariff does not contain any separate rate schedule for lateral only service, nor does it include any definition of a lateral only RTS contract. The Commission thus cannot discern whether Iroquois intends its proposal to apply only to laterals constructed under its lateral facilities construction policy set forth in section 19 of the GT&C or whether it considers the Eastchester Expansion to be a lateral subject to the instant proposal.

5. Also, Iroquois's transmittal letter describes the service to which its proposal applies as "firm lateral only service (*e.g.*, service with the primary receipt point on a lateral and primary delivery point at the intersection of the lateral and the mainline)." However, it is not clear whether the service described in the parenthetical is simply one example of the type of lateral transportation service that would be covered or is the only type of lateral transportation service that would be covered. For example, could Iroquois's proposal apply to a lateral transportation service where the receipt and delivery points are reversed? Accordingly, Iroquois is directed, within 30 days of the date of this order, to file revised tariff language clearly defining lateral transportation services to which its proposal applies. In addition, in order to help the Commission understand Iroquois's proposal, Iroquois must identify in its compliance filing the existing laterals on its system, if any, to which its proposal applies.

6. Finally, Iroquois's proposal requires the shipper to use the ER/ED service whenever it uses points "*beyond the path of* a lateral only RTS contract [emphasis supplied]." This suggests that the proposed tariff revisions could apply when the shipper uses points on the lateral that are outside its contract path. Commission policy requires that a firm shipper must be permitted to use secondary points on all parts of the system for which it is paying a reservation rate, including points outside its primary path. Therefore, if a lateral only shipper is paying a rate based on the full costs of the lateral, it should be able to use any secondary points that are outside its contract path but still on the lateral without incurring any additional charge.<sup>3</sup> Iroquois should file revised tariff

---

<sup>1</sup> 102 FERC ¶ 61,354 (2003); *order on reh'g*, 104 FERC ¶ 61,319 (2003).

<sup>2</sup> RTS refers to Rate Schedule RTS, Iroquois's Firm Reserved Transportation Service.

<sup>3</sup> FERC Stats. & Regs. Regulations Preambles ¶ 30,950 at 30985 (1992).

sheets to clarify that a lateral shipper that pays a reservation rate only has to pay the ER/ED rate if it uses a secondary point that is not on the lateral.

By direction of the Commission.

Magalie R. Salas,  
Secretary.