

135 FERC ¶ 61,275  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 30, 2011

In Reply Refer To:  
Letter Order Pursuant to § 375.307  
Honeoye Storage Corporation  
Docket No. RP11-2115-000

Honeoye Storage Corporation  
c/o Essex Hydro Associates, L.L.C.  
55 Union Street, 4<sup>th</sup> Floor  
Boston, MA 02108

Attention: Richard A. Norman, Vice President  
Vice President and Treasurer

Reference: Letter Order on Implementation of Rate Schedule PAL and Eliminating  
Certain Tariff Language

Dear Mr. Norman:

1. On May 18, 2011, Honeoye Storage Corporation (Honeoye) filed revised tariff records<sup>1</sup> to implement a new interruptible parking and/or lending (PAL) storage service at market based rates. Along with its proposed Rate Schedule PAL and associated form of service agreement and conforming tariff changes, Honeoye filed proposed revisions to section 1 of both its Rate Schedules FSS (Firm Storage Service) and ISS (Interruptible Storage Service) to eliminate language that precludes Honeoye from providing those services to Local Distribution Companies (LDC) that are considered to be affiliates under Part 358 of the Commission's regulations.<sup>2</sup> As discussed below, the revised tariff records are accepted, effective July 1, 2011, as proposed.

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<sup>1</sup> See Appendix.

<sup>2</sup> 18 C.F.R. pt. 358 (2011).

2. Honeoye states that it currently provides firm and interruptible storage service on its system under Rate Schedules FSS and ISS at market based rates.<sup>3</sup> In this filing Honeoye states that it is proposing a new Rate Schedule PAL to offer parking and lending services with terms and conditions similar to those offered by other service providers. Honeoye submits that its existing authorization to charge market based storage rates should, consistent with Commission precedent,<sup>4</sup> extend to the proposed rates. Honeoye states that the PAL service is interruptible and available only when it has determined, on a non-discriminatory basis, that Honeoye has sufficient operationally available storage, injection and withdrawal capacity on its system, after taking into account its obligations to customers receiving higher priority service. Honeoye states that the rates charged will be market based rates with the exception of a \$1 per Dth interruptible PAL late withdrawal charge. Honeoye asserts that the \$1 per Dth late withdrawal charge is consistent with the late withdrawal charge Honeoye charges for its existing firm and interruptible storage services previously authorized by the Commission.<sup>5</sup>

3. Finally, Honeoye states that it is also eliminating language in section 1 of its Rate Schedules FSS and ISS that precludes it from providing these services to LDC affiliates. Honeoye states that this proposed revision is consistent with Commission precedent.<sup>6</sup>

4. Public notice of Honeoye's filing was issued on May 19, 2011. Interventions and protests were due on or before May 31, 2011. Pursuant to Rule 214,<sup>7</sup> all timely filed motions to intervene and any unopposed motion to intervene out-of-time filed before the issuance date of this order are granted. Granting late interventions at this stage of the

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<sup>3</sup> Citing *Honeoye Storage Corp.*, 91 FERC ¶ 62,165 (2000) (2000 Certificate Order). Honeoye states: "Since the Commission's grant of authority to Honeoye to charge market based rates, there have been no significant changes occurring in the Company's market power status." May 18, 2011 Filing Transmittal Letter at 1.

<sup>4</sup> Citing *Windy Hill Gas Storage, L.L.C.*, 119 FERC ¶ 61,291, at P 90-93 (2007) (since parking and loaning services are essentially variations of storage service, a market power analysis conducted in the past sufficed to demonstrate lack of market power over the new market based rate services).

<sup>5</sup> Citing *Honeoye Storage Corp.*, 98 FERC ¶ 61,361, at P 9-10 (2002).

<sup>6</sup> Citing *UGI Storage Co., et al.*, 134 FERC ¶ 61,239, at P 25-30 (2011).

<sup>7</sup> 18 C.F.R. § 385.214 (2011).

proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

5. The Commission accepts Honeoye's revised tariff record sections to become effective July 1, 2011, as proposed. The Commission finds that the market power analysis in the 2000 Certificate Order, coupled with Honeoye's representation that its market power status has not changed, demonstrates that Honeoye lacks market power over its proposed PAL services. Further, the waivers of cost-based regulations authorized by that order apply to the proposed services. Implementing the proposed Rate Schedule PAL will allow Honeoye to better utilize its storage services on a non-discriminatory basis. We also accept Honeoye's modifications to its Rate Schedules FSS and ISS which would allow affiliated LDCs to utilize these services on a not unduly discriminatory basis.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

## **Appendix**

Honeoye Storage Corporation  
Honeoye Storage Corporation, Volume No. 1A  
FERC NGA Gas Tariff

### Tariff Records Accepted Effective July 1, 2011

- 2-Table Of Contents., 0.0.2
- 5-Currently Effective Rates., 0.0.2
- 6-Rate Schedules FSS., 0.0.2
- 7-Rate Schedule ISS., 0.0.2
- 9-GT&C Section 1 Definitions., 0.0.2
- 10-GT&C Section 2 Requests for Service., 0.0.2
- 16-GT&C Section 8 Billing and Payment., 0.0.2
- 18-GT&C Section 10 Priority of Svce. Request & Agrmts., 0.0.2
- 19-GT&C Section 11 Miscellaneous., 0.0.2
- 27-Service Request Form., 0.0.2
- 7.1-Rate Schedule PAL, 0.0.2
- 30-Form of PAL Service Agreement, 0.0.2