

170 FERC ¶ 61,013  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

January 15, 2020

In Reply Refer To:  
Great Lakes Gas Transmission  
Limited Partnership  
Docket No. RP20-331-000

Great Lakes Gas Transmission  
Limited Partnership  
700 Louisiana Street  
Suite 700  
Houston, TX 77002

Attention: John A. Roscher  
Director, Rates & Tariffs

Dear Mr. Roscher:

1. On December 16, 2019, Great Lakes Gas Transmission Limited Partnership (Great Lakes) filed a revised tariff record<sup>1</sup> to establish provisions allowing for the prepayment of reservation fees. As discussed below, we grant waiver of the 30-day notice requirement<sup>2</sup> and accept the referenced tariff record effective January 15, 2020, subject to conditions.

2. In the instant filing, Great Lakes proposes to add subsection 7 to section 6.9 of the General Terms and Conditions (GT&C) of its tariff, which would allow Great Lakes to agree to accept, in a not unduly discriminatory manner, a shipper's prepayment towards unpaid reservation fees obligated under an existing or new service agreement for firm

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<sup>1</sup> Great Lakes Gas Transmission Limited Partnership, FERC NGA Gas Tariff, GLGT Tariffs, [6.9.7 - GT&C, Prepayment of Reservation Fees, 0.0.0](#).

<sup>2</sup> Great Lakes requested a January 15, 2020 effective date for the filed tariff record, which provided the Commission one day less than the 30-day notice required by section 4(d) of the Natural Gas Act and the Commission's regulations. 18 C.F.R. § 154.207 (2019).

service. Great Lakes explains that the prepayment provisions are optional but provide existing or potential shippers the ability to request an alternate payment option.<sup>3</sup>

3. Great Lakes explains that the option to prepay reservation fees will not change the rates in that shipper's underlying service agreement. Great Lakes clarifies in the transmittal letter that a shipper choosing to prepay reservation fees for a new firm service agreement under the new subsection 7 of section 6.9 will not be considered in the evaluation of the net present value of a bid for available unsubscribed capacity. Great Lakes further explains that the proposed option will only apply after capacity has been awarded.<sup>4</sup>

4. Great Lakes states that any prepayments made pursuant to this new provision will not qualify as cash security deposits for purposes of establishing creditworthiness under Great Lakes' tariff, nor will cash security deposits received by Great Lakes for purposes of establishing creditworthiness be considered as a prepayment of a reservation fee obligation. Furthermore, Great Lakes explains that any prepaid recourse reservation fees will be subject to adjustment if Great Lakes' recourse rates are changed pursuant to section 4 or 5 of the Natural Gas Act during the period for which a shipper has prepaid for service.<sup>5</sup> Great Lakes explains that any such changes to Great Lakes' applicable recourse rates will require the underlying reservation fees of a service agreement for which a shipper has prepaid to be adjusted in the same manner as if the shipper had not made its prepayment.<sup>6</sup>

5. Public notice of the filing was issued on December 17, 2019. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>7</sup> Pursuant to Rule 214,<sup>8</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. No protests or adverse comments were filed.

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<sup>3</sup> Transmittal at 2.

<sup>4</sup> *Id.* at n.3.

<sup>5</sup> *Id.* at 2.

<sup>6</sup> *Id.* at 3 (citing *S. Natural Gas Co.*, 128 FERC ¶ 61,211, at P 58 (2009)).

<sup>7</sup> 18 C.F.R. § 154.210 (2019).

<sup>8</sup> 18 C.F.R. § 385.214 (2019).

6. We accept Great Lakes' proposed tariff record, and grant waiver of the Commission's 30-day notice requirement, to allow it to be effective January 15, 2020, subject to conditions. Great Lakes' proposed tariff revision provides existing or potential shippers flexibility to request an alternate payment option depending on individual circumstances. The Commission has previously approved prepayments for capacity if they are limited to giving firm shippers an opportunity to prepay the amounts that they are already obligated to pay under their existing service agreements.<sup>9</sup> We note Great Lakes' proposed tariff revisions are similar to those recently submitted by ANR Pipeline Company (ANR) where the Commission required ANR to file additional tariff language "to clarify that any prepayment made pursuant to the proposed tariff section may not be used in the evaluation of the net present value of a bid during its bid evaluation process to award capacity."<sup>10</sup> Great Lakes is similarly directed to revise its tariff, within 30 days of the date of issuance of this order, to clarify that any prepayment made pursuant to the proposed tariff section may not be used in the evaluation of the net present value of a bid during its bid evaluation process to award capacity.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>9</sup> *S. Natural Gas Co.*, 128 FERC ¶ 61,211 at P 57.

<sup>10</sup> *ANR Pipeline Co.*, 169 FERC ¶ 61,244, at P 6 (2019).