

170 FERC ¶ 61,053  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;  
Richard Glick and Bernard L. McNamee.

Trailblazer Pipeline Company LLC

Docket No. RP20-371-000

ORDER ACCEPTING AND SUSPENDING TARIFF RECORDS  
SUBJECT TO CONDITIONS

(Issued January 23, 2020)

1. On December 27, 2019, Trailblazer Pipeline Company LLC (Trailblazer) filed tariff records reflecting thirteen negotiated rate transportation service agreements (TSAs) with eight shippers (TSA Filing).<sup>1</sup> Trailblazer requests waiver of the Commission's thirty (30) day notice requirement to permit the tariff records in the TSA Filing to become effective October 1, 2019 or November 1, 2019, as outlined in the Appendix and consistent with the settlement filed on December 20, 2019 in Docket No. RP18-922-004 (Rate Case Settlement). The Rate Case Settlement will resolve issues in Trailblazer's general rate case filed on June 29, 2018 under section 4 of the Natural Gas Act (NGA) in Docket No. RP18-922-000 (June 2018 Rate Case). As discussed below, we accept and suspend the referenced tariff records, effective October 1, 2019 or November 1, 2019, as specified in the Appendix, subject to the outcome of the Rate Case Settlement.

**Background**

2. On July 31, 2018, the Commission issued an order addressing the June 2018 Rate Case, accepting and suspending the tariff records reflecting rate increases, effective January 1, 2019, with the tariff records reflecting rate decreases to become effective

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<sup>1</sup> See Appendix. The shippers and associated contract numbers are (1) Chevron U.S.A. Inc. (Chevron), Contract No. 912541; (2) Fortigen Geneva, LLC (Fortigen), Contract No. 949748; (3) Macquarie Energy LLC (Macquarie), Contract Nos. 947961, 948519; (4) Morgan Stanley Capital Group Inc. (Morgan Stanley), Contract Nos. 949230, 949232, 949234; (5) PRG, LC (PRG), Contract No. 932549; (6) Shell Energy North America (US), L.P. (Shell Energy), Contract No. 933225; (7) Tallgrass Interstate Gas Transmission, LLC (TIGT), Contract No. 901362; and (8) Tenaska Marketing Ventures (Tenaska), Contract Nos. 935680, 948563, 949617.

August 1, 2018, subject to refund and the outcome of hearing and settlement procedures.<sup>2</sup> Subsequently on February 21, 2019, the Commission issued a separate order addressing a paper hearing on tax issues.<sup>3</sup> Thereafter, on October 16, 2019, Trailblazer filed a motion to place interim settlement rates into effect, effective October 1, 2019, anticipating that the Rate Case Settlement would soon be filed and, if approved, would resolve all of the issues set for hearing in the Docket No. RP18-922-000 proceeding.<sup>4</sup>

3. On December 19, 2019, the Commission issued an order rejecting tariff records that were submitted in Docket Nos. RP20-216-000 and -001.<sup>5</sup> The Commission indicated that the tariff records filed in Docket Nos. RP20-216-000 and -001 were filed prematurely, as they reflected agreements that had been executed pursuant to the terms of the Rate Case Settlement, which had not yet been filed. The tariff records were rejected without prejudice to Trailblazer refileing them after the Rate Case Settlement had been filed. Trailblazer filed the Rate Case Settlement on December 20, 2019 in Docket No. RP18-922-004. The tariff records filed in the instant proceeding are identical to those initially filed in Docket Nos. RP20-216-000 and -001.

### **Proposal**

4. In its TSA Filing, Trailblazer states that the TSAs reflected herein will become effective pursuant to the anticipated Rate Case Settlement, but only in the event that the Rate Case Settlement becomes effective, as specified therein. According to Trailblazer, if the Rate Case Settlement does not become effective, then the TSAs shall be null and void, and both Trailblazer and the shippers shall be relieved of any rights or obligations specified in the TSAs.<sup>6</sup>

5. Trailblazer affirms in its TSA Filing that the TSAs do not deviate in any material respect from the form of service agreement in its tariff and asserts that it has authority to

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<sup>2</sup> See *Trailblazer Pipeline Co.*, 164 FERC ¶ 61,074 (2018) (Suspension Order).

<sup>3</sup> *Trailblazer Pipeline Co.*, 166 FERC ¶ 61,141 (2019).

<sup>4</sup> See *Trailblazer Pipeline Co.*, 169 FERC ¶ 63,008 (2019) (order of Chief Judge approving interim settlement rates).

<sup>5</sup> *Trailblazer Pipeline Co.*, 169 FERC ¶ 61,211 (2019).

<sup>6</sup> TSA Filing Transmittal Letter at 2.

enter into negotiated rates under the Commission's Policy Statement on Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines.<sup>7</sup>

6. In the instant filing, Trailblazer submitted fifteen tariff records with a requested effective date of October 1, 2019 and five tariff records with a requested effective date of November 1, 2019, to ensure the tariff records reflect accurate information from October 1, 2019 onwards.<sup>8</sup>

7. Trailblazer requests waiver of the thirty (30) day notice requirement in 18 C.F.R. § 154.207, to permit the tariff records to become effective October 1, 2019 or November 1, 2019, as indicated in the Appendix. Trailblazer asserts that waiver is in the public interest where "no other shipper will be harmed" and "the needs of the consumers are met."<sup>9</sup> According to Trailblazer, the Commission stated in the Policy Statement that "it would readily grant requests to waive the thirty (30) day notice requirement of Section 154.207 of . . . its regulations."<sup>10</sup>

### **Notice**

8. Public notice of the TSA Filing was issued on December 30, 2019. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>11</sup>

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<sup>7</sup> *Policy Statement on Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines*, 74 FERC ¶ 61,076 (Policy Statement), *clarified*, 74 FERC ¶ 61,194, *order on reh'g*, 75 FERC ¶ 61,024 (1996), *modified*, 104 FERC ¶ 61,134 (2003); *order on reh'g and clarification*, 114 FERC ¶ 61,042 (2006).

<sup>8</sup> Trailblazer notes that on October 30, 2019, various tariff records were filed with the Commission with an effective date of November 1, 2019 in Docket No. RP20-132-000. Trailblazer further states that because versions of those tariff records are also being filed herein with an effective date of October 1, 2019, it is necessary to submit a second version of certain tariff records with an effective date of November 1, 2019, so that the tariff records effective on November 1, 2019 will reflect the changes approved in Docket No. RP20-132-000 and as proposed in the instant filing.

<sup>9</sup> TSA Filing Transmittal Letter at 3.

<sup>10</sup> *Id.* (citing Policy Statement, 74 FERC ¶ 61,076 at 61,241-42; *Gulfstream Natural Gas Sys.*, 107 FERC ¶ 61,189, at P 8 (2004)).

<sup>11</sup> 18 C.F.R. § 154.210 (2019).

Pursuant to Rule 214,<sup>12</sup> all timely filed unopposed motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

### **Discussion**

9. We accept and suspend the proposed tariff records to become effective October 1, 2019 or November 1, 2019, as indicated in the Appendix, subject to the outcome of the Rate Case Settlement.<sup>13</sup> Trailblazer has represented that the terms of the Rate Case Settlement establish the effective date for the TSAs and that, if the Rate Case Settlement is not approved, the tariff records associated with the TSAs shall be “null and void.”<sup>14</sup> The Commission has not yet acted on the recently filed Rate Case Settlement, and, in the event the Settlement is not approved, it will be necessary for Trailblazer to file to remove those tariff records from its tariff. Because the TSAs implement terms of the Rate Case Settlement, we also grant the unopposed waiver of the thirty (30) day notice requirement to permit the TSAs to take effect on October 1, 2019 or November 1, 2019, as indicated in the Appendix.

### **Suspension**

10. Based upon a review of the filing, we find that the proposed tariff records have not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, we shall accept such tariff records for filing and suspend their effectiveness for the period set forth below, subject to the conditions set forth in this order.

11. The Commission’s policy regarding suspension is that tariff filings generally should be suspended for the maximum period permitted by statute where preliminary study leads the Commission to believe that the filing may be unjust, unreasonable, or inconsistent with other statutory standards.<sup>15</sup> It is recognized, however, that shorter

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<sup>12</sup> 18 C.F.R. § 385.214 (2019).

<sup>13</sup> See *Trailblazer Pipeline Co.*, 170 FERC ¶ 61,003 (2020) (addressing a related filing of agreements implementing the settlement).

<sup>14</sup> See, e.g., TIGT Negotiated Rate Agreement, Art. 1.1 (submitted with filing).

<sup>15</sup> See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

suspensions may be warranted in circumstances where suspension for the maximum period may lead to harsh and inequitable results.<sup>16</sup> Such circumstances exist here where the filing is a set of uncontested negotiated rate agreements submitted to implement a rate case settlement. Therefore, we exercise our discretion to suspend the tariff records referenced above to take effect on October 1, 2019 or November 1, 2019, as indicated in the Appendix, subject to the conditions set forth in the body of this order and in the ordering paragraph below.

The Commission orders:

The tariff records identified in the Appendix to this order are accepted and suspended to become effective October 1, 2019 or November 1, 2019, subject to the outcome of the Rate Case Settlement, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>16</sup> See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension).

**Appendix**

Trailblazer Pipeline Company LLC  
FERC NGA Gas Tariff  
Tariffs

*Tariff records accepted and suspended effective October 1, 2019, subject to conditions:*

[Rates, Negotiated Rates, 49.2.0](#)  
[TOC, Table of Contents - Volume No. 2, 37.2.0](#)  
[NRA, Section 2.2 NRA TIGT K# 901362, 5.1.0](#)  
[NRA, Section 2.3 - NRA Tenaska K# 948563, 7.1.0](#)  
[NRA, Section 2.5 NRA Tenaska K# 935680, 6.1.0](#)  
[NRA, Section 2.12 NRA Macquarie K# 947961, 1.1.0](#)  
[NRA, Section 2.14 - NRA Morgan Stanley K# 949230, 1.1.0](#)  
[NRA, Section 2.15 NRA Morgan Stanley K# 949234, 1.1.0](#)  
[NRA, Section 2.16 NRA - Morgan Stanley K# 949232, 1.1.0](#)  
[NRA, Section 2.39 NRA Chevron K# 912541, 5.0.0](#)  
[NRA, Section 2.40 NRA PRG K# 932549, 5.0.0](#)  
[NRA, Section 2.41 NRA Shell Energy K# 933225, 5.0.0](#)  
[NRA, Section 2.42 NRA Macquarie K# 948519, 5.0.0](#)  
[NRA, Section 2.43 NRA Tenaska K# 949617, 5.0.0](#)  
[NRA, Section 2.48 NRA Fortigen K# 949748, 0.1.0](#)

*Tariff records accepted and suspended effective November 1, 2019, subject to conditions:*

[NRA, Section 2.39 NRA Chevron K# 912541, 6.0.0](#)  
[NRA, Section 2.40 NRA PRG K# 932549, 6.0.0](#)  
[NRA, Section 2.41 NRA Shell Energy K# 933225, 6.0.0](#)  
[NRA, Section 2.42 NRA Macquarie K# 948519, 6.0.0](#)  
[NRA, Section 2.43 NRA Tenaska K# 949617, 6.0.0](#)