

167 FERC ¶ 61,220
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

June 14, 2019

In Reply Refer To:
Equitrans, L.P.
Docket No. RP19-1228-000

Equitrans, L.P.
2200 Energy Drive
Canonsburg, PA 15317

Attention: Sarah A. Shaffer, Rates Manager

Dear Ms. Shaffer:

1. On May 17, 2019, Equitrans, L.P. (Equitrans) filed a revised tariff record¹ to modify the reservation charge crediting exemption provisions set forth in Section 6.9[6(b)] of the General Terms and Conditions (GT&C) of its tariff. For the reasons discussed below, the Commission accepts the revised tariff record effective June 17, 2019, as requested.
2. Equitrans states that the purpose of this filing is to clarify that reservation charge credits will not apply in circumstances where a party, other than Equitrans, fails to maintain facilities for which they are responsible or the downstream party refuses to accept delivery from Equitrans. Equitrans asserts that its proposed language, eliminating reservation charge credits when failure to render services is due to the conduct of the customer, is based on Section 31.3(i) of the GT&C of Texas Eastern Transmission, L.P.'s (Texas Eastern) FERC Gas Tariff.²
3. Specifically, Equitrans proposes the following revisions (deletions in strikethrough, additions in underline):

Section 6.9[6(b)(ii)] The failure to render services is due solely to the conduct of ~~the Customer or the~~ upstream or

¹ Equitrans, L.P., FERC NGA Gas Tariff, Equitrans Tariff, [Section 6.9, Curtailment of Service, 17.0.0.](#)

² Equitrans Transmittal at n.1.

~~downstream party responsible for operator maintaining of the facilities at the receipt or delivery point or events not operated or controlled-controllable by Equitrans.~~

New Section 6.9[6(b)(ix)] The failure to render services due solely to the conduct of the Customer including, without limitation, the refusal to accept delivery of any quantity of Gas that Equitrans has made available for delivery at a point nominated by the Customer.

4. Public notice of Equitrans' filing was issued on May 20, 2019. Interventions and protests were due as provided by section 154.210³ of the Commission's regulations. Pursuant to Rule 214,⁴ all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. On May 30, 2019, Antero Resources Corporation (Antero) filed comments. On June 6, 2019, Equitrans filed a response to Antero's comments. Pursuant to Rule 213(a)(2) of the Commission's Rules of Practice and Procedure [18 C.F.R. § 385.213(a)(2) (2018)], answers to protests are prohibited unless otherwise ordered by the decisional authority. The Commission will accept the instant answer because it provides information that will assist us in our decision-making process.
5. Antero states that it generally agrees with the filing but suggests the following clarifications which it states it has unsuccessfully proposed to Equitrans (additions in underline):

Section 6.9[6(b)(ii)] The failure to render services is due solely to the conduct of the upstream or downstream party responsible for maintaining the facilities at the receipt or delivery point (and is in no way due to a failure by Equitrans to comply with the Tariff), provided that such party is not Equitrans, or events not controllable by Equitrans. (Emphasis added.)

Section 6.9[6(b)(ix)] The failure to render services due solely to the conduct of the Customer (and is in no way due to a failure by Equitrans to comply with the Tariff), including,

³ 18 C.F.R. § 154.210 (2018).

⁴ 18 C.F.R. § 385.214 (2018).

without limitation, the unjustified refusal to accept delivery of any quantity of Gas that Equitrans has made available for delivery at a point nominated by the Customer.

6. Antero states that these clarifications will ensure that the exemptions apply only when the failure to provide service is in no way due to a failure by Equitrans to comply with the tariff. Antero gives the following example: a downstream party or customer may reject delivery, rendering Equitrans unable to provide service, due to Equitrans' failure to meet the tariff's gas quality specifications at the delivery point. In such event, Antero argues, Equitrans should not be excused from crediting reservation charges.

7. Antero states that Commission policy "requires the pipeline to provide reservation charge credits for outages where the failure to deliver is due to events within the pipeline's control."⁵ In addition, Antero notes "the Commission has required pipelines to clarify" that exemptions from reservation charge crediting based on the conduct of upstream or downstream operators "are only applicable when the pipeline's failure to perform is caused solely by the conduct of others not controllable by the pipeline (i.e., operating conditions on upstream or downstream facilities)."⁶

8. In response, Equitrans states that Antero's clarifications are both unnecessary and confusing. Equitrans states that its proposed language already conforms to Commission policy, incorporating the concepts of "due solely" and control. Equitrans states that if it failed to comply with its own tariff, then any resulting inability to render services would not be due solely to the conduct of a third party or not controllable by Equitrans, and therefore its proposed language already provides Antero the clarity it seeks.

9. We find Equitrans' proposed revision to be just and reasonable. As Antero points out, the Commission limits exemptions from reservation charge crediting based on the conduct of upstream or downstream operators or customers to situations where "the pipeline's failure to perform is caused solely by the conduct of others not controllable by the pipeline."⁷ Consistent with that policy, Equitrans' proposed exemptions are expressly limited to situations where the failure to perform "is due solely to the conduct of the upstream or downstream party responsible for maintaining the facilities at the receipt or delivery point or events not controllable by Equitrans" or "due solely to the conduct of the customer." Contrary to Antero's assertions, we find the proposed language could not

⁵ Antero Comments at 4 & n.5 (citing *Equitrans, L.P.*, 148 FERC ¶ 61,250 (2014); and *Gulf South Pipeline Company, LP*, 141 FERC ¶ 61,224 (2012)(*Gulf South*)).

⁶ Antero Comments at 4 & n.6 (citing *Atlantic Coast Pipeline, LLC*, 161 FERC ¶ 61,042 (2017)).

⁷ *Gulf South*, 141 FERC ¶ 61,224 at P 84.

be reasonably read to apply if Equitrans did not follow its own tariff or otherwise by action or omission brought about a failure to provide service. Its failure to provide service would not allow the application of the revised tariff provision, nor would it be a situation where the pipeline could not deliver gas because of events solely not within its control. In that situation the pipeline would be violating its tariff – something wholly within its control. Therefore, we accept the referenced tariff record, effective June 17, 2019 as requested.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.