

169 FERC ¶ 61,014
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Texas Gas Transmission, LLC

Docket No. RP19-1549-000

ORDER ACCEPTING TARIFF RECORDS

(Issued October 9, 2019)

1. On September 9, 2019, Texas Gas Transmission, LLC (Texas Gas) filed revised tariff records¹ to implement revisions to its tariff that it states are necessary to facilitate the completion of GasQuest, a new gas management system that Texas Gas's parent company will use to manage its interstate natural gas companies. Texas Gas proposes to clarify the required length of term for service under certain rate schedules, add new terms to its Definitions in Section 6.2 of its tariff, revise Section 6.8[3], and remove Section 6.8[5.4], which allows for conversion of service from no-notice service under Rate Schedules NNS or SGT to service under Rate Schedules NNL or SGL, respectively. Atmos Energy Corporation (Atmos) protests Texas Gas's proposal to remove Section 6.8[5.4].

2. As discussed below, we accept the revised tariff records to be effective October 9, 2019.

I. Texas Gas's Filing

3. Texas Gas states that its parent company, Boardwalk Pipelines, LP (Boardwalk), operates three interstate natural gas companies in addition to Texas Gas.² Each of these companies currently uses a different software program to manage its business, including capacity sales, capacity releases, contracting, nominations, scheduling, and invoicing.³ Texas Gas states that Boardwalk is developing a new system called GasQuest, which will provide an efficient gas management system for all four of Boardwalk's interstate natural gas companies. According to Texas Gas, the GasQuest system is anticipated to go live as

¹ See *infra* Appendix.

² Transmittal Letter at 1-2.

³ *Id.* at 2.

early as the third quarter of 2020. Texas Gas states that its proposed tariff revisions, which can be implemented using Texas Gas's existing software program, are necessary to facilitate GasQuest's completion and will improve administrative efficiency. Texas Gas requests that the Commission approve the revisions to be effective October 9, 2019.⁴

4. Texas Gas proposes revisions to Rate Schedules NNS, NNL, SGT, and SGL⁵ to clarify the minimum required length of term for service under those rate schedules. Texas Gas proposes to revise these schedules to provide that the transportation service agreement must be for a term of one contract year or more. Texas Gas states that this revision is consistent with its current business practice and will not harm customers because Texas Gas already provides no-notice service for shorter periods of time under Rate Schedules SNS and WNS.⁶ As such, Texas Gas states that any customer desiring a service term of less than one year can contract for service under Rate Schedules SNS and WNS.⁷

5. Texas Gas proposes to revise Section 6.2 of its tariff to add the term "Maximum Contract Quantity" (MCQ) to its Definitions.⁸ Texas Gas states that this term will serve as a generic term that may be further qualified according to each rate schedule, to include such quantities as Maximum Daily Quantity (MDQ), Maximum Storage Quantity (MSQ), Maximum Daily Injection Quantity (MDIQ), and Maximum Daily Withdrawal Quantity (MDWQ). In addition, Texas Gas proposes to add several common terms, such as "Dth" and "MMBtu," that may be used interchangeably in its tariff and in any service agreement incorporating those terms. Texas Gas states that using such interchangeable

⁴ *Id.*

⁵ Texas Gas provides No-Notice Transportation Service under Rate Schedules NNS and NNL and also provides Small Customer General Transportation Service under Rate Schedules SGT and SGL. Service under Rate Schedules NNL and SGL is operationally similar to service under Rate Schedules NNS and SGT, except that NNL and SGL shippers, rather than Texas Gas, own the gas used for unominated storage withdrawals.

⁶ Texas Gas provides Summer No-Notice Service under Rate Schedule SNS and Winter No-Notice Service under Rate Schedule WNS.

⁷ Transmittal Letter at 2.

⁸ *Id.* at 3. Texas Gas states that MCQ shall refer to the maximum quantity(ies) of gas which Texas Gas shall agree to deliver under a firm service agreement on any given day on behalf of a customer. *Id.*

terms will allow its new GasQuest system to utilize a common term without requiring extensive and redundant revisions to its tariff.⁹

6. Texas Gas also proposes two revisions to Section 6.8[3] of its tariff, which provides that a request for service on Texas Gas's system will be deemed invalid if it is received more than six months prior to the commencement of service (6-Month Rule). First, Texas Gas seeks to revise this section to clarify that the listed exceptions to the 6-Month Rule are only applicable to requests for firm service. Second, Texas Gas proposes to add an exception to the 6-Month Rule that would allow a customer with an existing contract that contains an evergreen provision to submit a request more than six months before the commencement of service to increase its MCQ¹⁰ under its contract during a future evergreen term.¹¹

7. In addition, Texas Gas proposes to revise its tariff to remove Section 6.8[5.4]. Section 6.8[5.4] allows a customer receiving no-notice service under Rate Schedules NNS or SGT to convert all or part of its service to service under Rate Schedules NNL or SGL, respectively, contingent upon the agreement of the customer and Texas Gas to a mutually acceptable price for the sale of working gas in storage. Texas Gas explains that it provided this conversion option at the time it proposed Rate Schedules NNL and SGL in 2008 in order to make service under those rate schedules available to existing NNS and SGT customers who did not previously have the ability to contract for NNL or SGL service.¹² Texas Gas submits that removing this section is appropriate because the conversion provision has never been utilized and complicates the contracting process. Moreover, Texas Gas states that the conversion option is no longer necessary because

⁹ *Id.*

¹⁰ Texas Gas states in its transmittal letter that this proposed exception applies to a customer's request to increase its MCQ, but the applicable provision in the revised tariff record refers to a customer's "request to increase its MDQ." *Id.* However, this discrepancy appears to be immaterial because the revised tariff record defines MCQ to mean "the maximum quantity(ies) of gas which Texas Gas shall agree to deliver under a firm Service Agreement on any given Day on behalf of a Customer, including but not limited to MDQ"

¹¹ Transmittal Letter at 3.

¹² *Id.* at 4 (citing *Tex. Gas Transmission, LLC*, 123 FERC ¶ 61,319 (2008)).

customers who desire to convert to NNL or SGL service may simply plan to contract for such service when their existing NNS or SGT agreements expire.¹³

8. Finally, Texas Gas proposes various clarifications and clean-up items to the *pro forma* agreements in its tariff, such as correcting instances where section references were incorrectly formatted and inserting the phrase “Very truly yours” into certain letter agreements.

II. Notice, Interventions, and Comments

9. Public notice of the filing was issued on September 10, 2019. Interventions and protests were due September 23, 2019. Pursuant to Rule 214, all timely filed motions to intervene and 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 the proceeding or place additional burdens on existing parties. On September 23, 2019, Atmos filed a protest, which is discussed below. On September 27, 2019, Texas Gas filed a motion for leave to answer and answer to Atmos’s protest. On October 3, 2019, Atmos filed a motion for leave to reply and reply to Texas Gas’s answer. Rule 213(a)(2) of the Commission’s Rules of Practice and Procedure¹⁴ prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We are not persuaded to accept either Texas Gas’s answer or Atmos’s reply and will, therefore, reject them.

10. Atmos protests Texas Gas’s proposal to remove Section 6.8[5.4] from its tariff. Atmos contends that the ability to convert service under Section 6.8[5.4] is valuable for shippers because it allows for the possibility of transitioning from one service to the other without having to hold two storage contracts simultaneously.¹⁵ Atmos claims that if a shipper allowed its existing NNS or SGT contract to terminate, it would have to pay demand charges associated with that contract through the injection season of the existing contract term as the shipper returned borrowed gas to Texas Gas. Atmos adds that the shipper would have to simultaneously pay demand charges on a new NNL or SGL contract to run during the same injection season so that it could approach the next winter season with a full storage contract.¹⁶

¹³ *Id.*

¹⁴ 18 C.F.R. § 385.213(a)(2) (2019).

¹⁵ Atmos Protest at 5.

¹⁶ *Id.*

11. Atmos also states that Texas Gas's assertion that the conversion process has never been utilized is misleading because Atmos has previously requested to convert service under Section 6.8[5.4], but was unsuccessful due to the inability of Atmos and Texas Gas to agree upon a sales price for the relevant volume of working gas in storage.¹⁷ Atmos states that it is unclear if other parties have also requested to convert their service under Section 6.8[5.4] and were likewise unable to reach an agreement with Texas Gas on a price for the sale of working gas. Atmos asserts that the ambiguity in Section 6.8[5.4]'s pricing provision may have dissuaded shippers from requesting conversion.¹⁸

12. Atmos requests that the Commission reject Texas Gas's proposal to remove Section 6.8[5.4] and direct Texas Gas to modify that section's pricing provision to establish reasonable limits upon what Texas Gas may request as the price of working gas. Atmos proposes a mechanism for calculating the price of working gas¹⁹ and requests that the Commission issue an order directing Texas Gas to modify Section 6.8[5.4] consistent with Atmos's proposal.²⁰

III. Discussion

13. As discussed below, we will accept the tariff records listed in the Appendix to be effective October 9, 2019, as requested.

14. We reject Atmos's protest and find that Texas Gas's proposal to remove Section 6.8[5.4] does not violate Commission policy. Texas Gas voluntarily added this section to its tariff at the same time it added Rate Schedules NNL and SGL to allow existing NNS and SGT shippers to convert to service under its new rate schedules.²¹ Although this conversion option may be beneficial to shippers, the Commission does not require pipelines to provide such an option. Accordingly, we find that Texas Gas's proposal to remove Section 6.8[5.4] from its tariff does not violate Commission policy and Atmos has not shown that removing this section would lead to an unjust and unreasonable result. Because we conclude that Texas Gas may remove Section 6.8[5.4], we decline to address Atmos's proposed revisions to the working gas pricing provision and deny its request for an order directing Texas Gas to revise Section 6.8[5.4].

¹⁷ *Id.* at 3.

¹⁸ *Id.*

¹⁹ *Id.* at 3-4.

²⁰ *Id.* at 5.

²¹ *See Tex. Gas Transmission, LLC*, 123 FERC ¶ 61,319 at PP 4-5.

The Commission orders:

The tariff records listed in the Appendix are accepted to be effective October 9, 2019.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix

Texas Gas Transmission, LLC
FERC NGA Gas Tariff
Tariffs

Tariff Records Accepted Effective October 9, 2019:

[Section 5.4, Rate Schedules - NNS, 7.0.0](#)

[Section 5.5, Rate Schedules - NNL, 7.0.0](#)

[Section 5.6, Rate Schedules - SGT, 7.0.0](#)

[Section 5.7, Rate Schedules - SGL, 8.0.0](#)

[Section 6.2, G T & C - Definitions, 11.0.0](#)

[Section 6.8, G T & C - Requests for Service, 8.0.0](#)

[Section 7.1, Form\(s\) of Serv Agmts - Firm Services, 6.0.0](#)

[Section 7.2, Form\(s\) of Serv Agmts - Umbrella Agreement, 4.0.0](#)

[Section 7.3, Form\(s\) of Serv Agmts - EFT, 3.0.0](#)

[Section 7.6, Form\(s\) of Serv Agmts - ISS/ISS-M/FSS/FSS-M, 3.0.0](#)

[Section 7.8, Form\(s\) of Serv Agmts - PAL, 3.0.0](#)

[Section 7.10, Form\(s\) of Serv Agmts - Addendum - ENS, 7.0.0](#)

[Section 7.11, Form\(s\) of Serv Agmts - Negotiated Rate Letter Agreement, 8.0.0](#)

[Section 7.13, Form\(s\) of Serv Agmts - Discounted Rate - Firm Services, 8.0.0](#)

[Section 7.16, Form\(s\) of Serv Agmts-Discounted Rate-Interruptible Services, 5.0.0](#)

[Section 7.17, Form\(s\) of Serv Agmts - Discounted Rate - HOT, 4.0.0](#)

[Section 7.18, Form\(s\) of Serv Agmts - Discounted Rate - FSS/ISS, 4.0.0](#)

[Section 7.22, Form\(s\) of Serv Agmts-FLS Rate Schedule Option Addendum, 2.0.0](#)