

169 FERC ¶ 61,192
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Columbia Gulf Transmission, LLC

Docket Nos. RP19-211-000
RP19-787-000

ORDER FOLLOWING TECHNICAL CONFERENCE AND ESTABLISHING
HEARING PROCEDURES

(Issued December 6, 2019)

1. On October 31, 2018, Columbia Gulf Transmission, LLC (Columbia Gulf) filed revised tariff records¹ in Docket No. RP19-211-000 proposing a periodic transportation retainage adjustment (TRA), pursuant to Section 32 of the General Terms and Conditions (GT&C) of its FERC Gas tariff. On November 29, 2018, the Commission issued an order accepting and suspending the tariff records, to be effective December 1, 2018, subject to refund and the outcome of a technical conference.²
2. On March 1, 2019, Columbia Gulf filed a revised tariff record³ in Docket No. RP19-787-000 setting forth its annual TRA filing. On March 27, 2019, the Commission issued an order accepting and suspending the tariff record, to be effective April 1, 2019, subject to refund and the outcome of the technical conference in Docket No. RP19-211-000.⁴ As discussed below, we find that there remain material facts in

¹ Columbia Gulf Transmission, LLC, FERC NGA Gas Tariff, Columbia Gulf Tariffs, [Currently Effective Rates, Retainage Rates, 20.0.0, Rate Schedule FTS-1, 14.0.0](#), and [Rate Schedules, Rate Schedule ITS-1, 10.0.0](#).

² *Columbia Gulf Transmission, LLC*, 165 FERC ¶ 61,181 (2018) (November 2018 Order).

³ Columbia Gulf Transmission, LLC, FERC NGA Gas Tariff, Columbia Gulf Tariffs, [Currently Effective Rates, Retainage Rates, 21.0.0](#).

⁴ *Columbia Gulf Transmission, LLC*, 166 FERC ¶ 61,230 (2019) (March 29, 2019 Order).

dispute and therefore set Columbia Gulf's proposals in Docket Nos. RP19-211-000 and RP19-787-000 for evidentiary hearing.

I. Background and Proposal

3. In its March 1, 2019 filing, Columbia Gulf states that its TRA provisions are set forth in Section 32 of the GT&C of its tariff, which requires Columbia Gulf to file annually to implement revised fuel retainage percentages effective April 1 of each year, and allows Columbia Gulf to make interim filings to adjust its fuel retainage percentages, referred to as periodic TRAs. Columbia Gulf states that GT&C Section 32.4 sets forth how Columbia Gulf must calculate its fuel retainage percentages accounting for company-use gas (CUG) and lost-and-unaccounted-for gas (LAUF). Columbia Gulf states that its currently effective retainage rates include a mainline fuel retainage percentage (which applies to both south-to-north flows and north-to-south flows) and a mainline (former onshore) retainage percentage.

4. On October 31, 2018, Columbia Gulf made a periodic TRA filing.⁵ In addition to proposing to change its fuel retainage percentage amounts, Columbia Gulf also proposed changes to its fuel tracker mechanism.⁶ In its filing, Columbia Gulf asserted that its system was designed and functioned as a long-line pipeline transporting natural gas in a south-to-north direction. However, it stated that the growth of gas production from the Marcellus and Utica shale regions provided additional supply sources for Columbia Gulf shippers to access and, therefore, gas volumes that historically flowed south-to-north

⁵ As part of its filing, Columbia Gulf requested waiver of GT&C Sections 32.4(a) and 32.4(b) to allow it to amortize its current under-recovery over a 40-month period. The Commission granted the waiver for good cause shown in the November 2018 Order at P22.

⁶ Columbia Gulf proposed a north-to-south (mainline) total retainage percentage of 1.947 percent, which constitutes an increase from its currently effective mainline total retainage percentage of 0.702 percent. Columbia Gulf proposed a mainline (former onshore) total fuel retainage percentage of 0.260 percent, which is unchanged from its currently effective mainline (former onshore) total fuel retainage percentage. Finally, Columbia Gulf proposed a new south-to-north (mainline) total fuel retainage percentage of 0.000 percent. Columbia Gulf states that, according to its tariff, the company use and unaccounted for percentage for south-to-north (mainline) was 0.130 percent but this was offset by a negative surcharge percentage which results in a fuel retainage of 0.000 percent.

from the Gulf Coast have been displaced in some measure. As a result, Columbia Gulf is now receiving and delivering gas along its entire mainline system, sometimes by displacement. Columbia Gulf maintains that these displacement deliveries have caused a steady decrease in its CUG and its retainage rates because less compression fuel is needed to achieve deliveries.

5. Columbia Gulf stated that its shippers now utilize predominantly northern supply sources and the direction of gas flow on its mainline system has been in the north-to-south direction. Columbia Gulf stated that no fuel is required to compress gas that has been nominated to move on the Columbia Gulf system in a south-to-north direction because those nominations are now accommodated via displacement.

6. Specifically, Columbia Gulf proposed to modify its fuel retainage tariff language to add a fuel retainage charge to the two charges its tariff currently permits so that it would have three fuel retainage percentages in its fuel tracker mechanism: (1) a north-to-south (mainline) retainage percentage; (2) a mainline (former onshore) retainage percentage; and (3) a south-to-north (mainline) retainage percentage. Under its proposed mechanism, Columbia Gulf would collect LAUF gas from both north-to-south shippers and south-to-north shippers on its system, but would only collect CUG from north-to-south shippers.⁷ Columbia Gulf stated that currently it uses compression, and associated fuel, to support only north-to-south flows on its system.

7. On November 29, 2018, the Commission issued an order accepting and suspending the tariff records to be effective December 1, 2018, subject to the outcome of a technical conference.

8. Subsequently, on March 1, 2019, Columbia Gulf filed a revised tariff record⁸ in Docket No. RP19-787-000 setting forth its annual TRA filing. On March 27, 2019, the Commission issued an order accepting and suspending the tariff record, effective

⁷ Columbia Gulf proposes to implement this change by adding a footnote to the tariff record listing its retainage percentages, which states: “North-to-South mainline throughput will be assessed the applicable company use and unaccounted-for retainage rate components. South-to-North mainline throughput will be assessed the applicable unaccounted-for retainage component. All mainline throughput will be assessed the applicable surcharge retainage rate component.”

⁸ Columbia Gulf Transmission, LLC, FERC NGA Gas Tariff, Columbia Gulf Tariffs, [Currently Effective Rates, Retainage Rates, 21.0.0](#).

April 1, 2019, subject to refund and the outcome of the technical conference in Docket No. RP19-211-000.⁹

9. On March 20, 2019, Commission staff convened a technical conference to explore the issues identified by the Commission in the above described proceedings for further investigation. At the technical conference, Columbia Gulf presented additional support for its proposal, and agreed to provide to shippers and the Commission certain operational flow data to clarify that it is no longer using CUG on its system to move natural gas in a south-to-north direction on its system. Columbia Gulf also committed to filing *pro forma* tariff records to clarify the calculation in its TRA proposal.

II. Initial Comments

10. During the March 20, 2019, technical conference, Commission staff and parties agreed to a procedural schedule providing for the submission of initial comments by May 1, 2019, and reply comments by May 15, 2019. These comments and reply comments are discussed below.

11. On May 30, 2019, CAP Shippers¹⁰ filed surreply comments and on June 4, 2019, Columbia Gulf filed surreply comments and an answer to CAP Shippers' comments. These submissions were not provided for by the procedural schedule adopted at the technical conference, and the parties submitting these extra procedural comments did not convincingly explain why such comments were necessary given the procedural schedule agreed to by the participants in these proceedings. Accordingly, the Commission will not consider these submissions in its instant decision.

12. In its initial comments, Columbia Gulf asserts that its proposed fuel retention percentages and revised fuel mechanism are just and reasonable and should be accepted. It states that its system is operating in a nearly exclusive north-to-south direction. It adds that its system is being utilized at higher throughput levels due to increased supply on the farthest north point of the system and greater compressor utilization rates on its mainline.

13. Columbia Gulf states that its proposal to retain fuel only from north-to-south flows is consistent with Columbia Gulf's historic practice and Commission policy which allows a pipeline to "to exempt certain transactions or portions of its system from fuel charges if the pipeline identifies the specific transactions it intends to exempt from fuel charges, and

⁹ March 29, 2019 Order, 166 FERC ¶ 61,230 (2019).

¹⁰ The CAP Shippers are comprised of Total Gas & Power North America, Inc., Mitsui & Co. Cameron LNG Sales LLC, and Marubeni Natural Gas and LNG America Corp.

demonstrates that those transactions do not require the use of fuel.”¹¹ Columbia Gulf asserts that it proposes to exempt only specific transactions (i.e., mainline south-to-north transactions) from being assessed the CUG portion of the retainage rate.

14. Columbia Gulf asserts that south-to-north flow on its mainline system is *de minimis* and occurs only on discrete portions of the system for a limited time. Columbia Gulf provides, in Appendix C to its comments, annual operational flow data for the Clementsville and Inverness Compressor Stations.¹² Columbia Gulf states that this data reflects daily average model flows on Columbia Gulf’s Lines 100, 200, and 300 from January 1, 2018, through December 31, 2018, through each compressor station. According to Columbia Gulf, the flow data from the two compressor stations show that flows on its system over that time span were nearly exclusively in the north-to-south direction on the mainline, “with *de minimis* exceptions.”¹³

15. Columbia Gulf asserts that its flow data for the Clementsville Compressor Station shows a consistent low level of south-to-north flows on Line 200, but contends that these flows do not support south-to-north transportation transactions; instead, it asserts that such flows are the result of natural gas entering the Columbia Gulf system from a low-pressure interconnection with Texas Eastern Transmission, LP, and these flows travel a short distance northward on Line 200 before that natural gas is consolidated and pumped southwards using compression.

16. Columbia Gulf contends that the flow data for the Inverness Compression Station also reflects that “the overwhelming majority of flows are in the north-to-south direction.”¹⁴ It asserts that this data reflects two occurrences in 2018 where Columbia Gulf experienced south-to-north flows through the compressor station, but explains that both of these instances were due to unique operational circumstances involving the Leach Xpress Project. It contends that while both of these circumstances resulted in

¹¹ Columbia Gulf Initial Comments at 8 (citing *Ozark Gas Transmission, L.L.C.*, 122 FERC ¶ 61,295, at P 11 (2008) (accepting new backhaul-only service proposal with no fuel retention)).

¹² Columbia Gulf asserts that such data supported its proposal to implement bi-directional mainline retainage rates in its fuel tracker filing in Docket No. RP16-678-000. Columbia Gulf states that the 2016 data showed that its system was operating bi-directionally, whereas the data provided in the instant proposal demonstrates that flows on Columbia Gulf’s system are nearly exclusively in the north-to-south direction.

¹³ Columbia Gulf Initial Comments at 9.

¹⁴ *Id.* at 10.

south-to-north flow, “both of these situations were *de minimis*, and are not expected to reoccur during normal operations.”¹⁵ Columbia Gulf states that given the nearly exclusive north-to-south flows on its mainline system, it would be unreasonable to assess fuel use on south-to-north transportation transactions.

17. Further, Columbia Gulf states that it is not seeking to exempt south-to-north mainline transactions from being assessed the LAUF portion of the retainage rate. Columbia Gulf also includes proposed *pro forma* tariff records¹⁶ in its initial comments to clarify its GT&C so that it properly aligns with Columbia Gulf’s rate sheets. Specifically, Columbia Gulf breaks out how each retainage percentage will be calculated. Columbia Gulf includes this breakout for the north-to-south mainline CUG, Onshore CUG and LAUF, and mainline LAUF proposed retainage on its system.

18. In their initial comments, Antero Resources Corporation (Antero), CAP Shippers, and Range Resources-Appalachia, LLC (Range) assert that Columbia Gulf has failed to show that the south-to-north shippers moving natural gas on its system should be exempt from paying fuel use costs. Antero and Range assert that the Commission should reject Columbia Gulf’s proposal, and CAP Shippers request that the Commission set the proceeding for an evidentiary hearing.

19. Antero states that the Commission has found that a pipeline may only exempt shippers on a given route from fuel charges “if the pipeline can demonstrate that transactions on those transportation paths *never* require the use of fuel.”¹⁷ Antero asserts that the data provided by Columbia Gulf reflects that transportation of gas on the Columbia Gulf system occurred in the south-to-north direction during 2018 and thus the proposal to categorize the system as uni-directional flowing north-to-south should be rejected.¹⁸ Antero asserts that, based upon the data provided in Columbia Gulf’s Initial Comments,

¹⁵ *Id.*

¹⁶ Columbia Gulf Initial Comments *pro forma* tariff records, Third Revised Volume No. 1, Version 23.0.0 and Version 11.0.0.

¹⁷ Antero Initial Comments at 2 (citing *Texas Eastern Transmission, LP*, 144 FERC ¶ 61,039, at P 37 (2013)) (emphasis added by Antero).

¹⁸ Antero states that the flow data for the Clementsville Compressor Station reflects that volumes moved consistently north to south on Line 200 in 2018 and occasionally on Line 300 as well. Antero further states that the flow data for the Inverness Compressor Station shows that volumes for all three lines moved south to north at various times on all three lines during 2018.

the system continues to be bi-directional, and requests Columbia Gulf to provide disaggregated flow data for the three parallel lines, as it did in its 2016 TRA Filing.

20. CAP Shippers assert that while Columbia Gulf provided certain data that was requested by parties at the technical conference, it failed to provide all of the requested data. As a result, CAP Shippers ask that the Commission set the proceedings for formal hearing procedures. They state that a hearing is necessary in this case to allow further discovery to resolve the many gaps and discrepancies in the information provided by Columbia Gulf to date.

21. CAP Shippers mirror Antero's concerns that Columbia Gulf's data contradicts its primary claim that south-to-north volumes are *de minimis* on its system, detailing specific instances. CAP Shippers assert that the data provided by Columbia Gulf reflects that over the 2018 calendar year, south-to-north transactions accounted for 26 percent of the mainline scheduled volumes. They contend that, under the revised fuel tracker mechanism, the data provided reflects that less than 60 percent of the scheduled transactions on Columbia Gulf's mainline bear 100 percent of the fuel use costs. CAP Shippers further state that major questions remain regarding how Columbia Gulf assesses and recovers fuel charges under its lease capacity with an affiliate, and that Columbia Gulf has still not resolved fundamental concerns regarding its forecasting methodology.

22. CAP Shippers assert that Columbia Gulf provided only limited data with respect to pooling on its mainline and that there appear to be inconsistencies in the pooling data that Columbia Gulf did provide. They assert that further discovery in regard to pooling data is necessary to determine the criteria that Columbia Gulf uses to assess mainline fuel charges and to make sure that these fuel charges align with basic cost causation principles.

23. Range expresses concern over Columbia Gulf's proposed increases in fuel retention percentages, and asserts that Columbia Gulf has not met its burden of proof in justifying these increases. Range contends that Commission policy requires Columbia Gulf to continue to assess fuel use to south-to-north shippers because Columbia Gulf has failed to rebut the presumption that south-to-north transactions use fuel. Range asserts that Columbia Gulf appears to argue that the Commission should apply a *de minimis* exception to its policy so that it need not show that all transactions do not use fuel. However, Range argues that Commission policy prohibits such action.¹⁹ It asserts that Columbia Gulf's proposal contravenes cost causation principles by providing unwarranted rate preference to south-to-north shippers, because their fuel use costs will be shifted to north-to-south shippers. Range includes with its initial comments testimony

¹⁹ Range Initial Comments at 9 – 10 (citing, *Texas Eastern Transmission, LP*, 144 FERC ¶ 61,039).

stating that “while north to south flows do represent the majority of transactions on Columbia Gulf’s mainline, there are still a significant volume of transactions that flow from south to north.”²⁰

24. Range also contends that Columbia Gulf has not provided sufficient data to evaluate gas flows through each existing and expansion compressor station on its mainline system. Range states that it requested daily operational flow data for each of the 12 compressor stations on Columbia Gulf’s mainline system for the time period in question, and that Columbia Gulf provided the flow data for only two of the 12 compressor stations. Range states that the physical flows through the Clementsville and Inverness Compressor Stations may not always be representative of the physical daily flows through the other 10 compressor stations and asserts that the data provided by Columbia Gulf clearly shows that flows are not always north-to-south.

25. Range also argues that Columbia Gulf has not met its burden of showing that its filings are just and reasonable because the end result allows south-to-north shippers to escape their responsibility for Columbia Gulf’s under-collection of CUG in the past period. Range asserts that the aggregate under-recovery of CUG between January and September 2018 is proposed to be collected during a 40-month amortization period only from Columbia Gulf’s north-to-south shippers which Range argues is unjust and unreasonable.

26. In its initial comments, Exelon Corporation (Exelon) requests that, instead of Columbia Gulf modifying its fuel tracker mechanism to address changes in flow patterns, it should instead insert cell blocks in its fuel tracker mechanism to include a retention percentage for flows in either direction, with the understanding that Columbia Gulf will populate any such cell block at zero for which flows have been *de minimis*.

27. Kaiser Marketing Appalachian, LLC states that because Columbia Gulf showed that flows on its system are predominantly in the north-to-south direction, its proposal to exempt fuel use for south-to-north flows is just and reasonable.

III. Reply Comments

28. In their reply comments, Antero and CAP Shippers reiterate their earlier request that the Commission set the instant proceeding (as well as the proceeding in Docket No. RP19-787-000) for evidentiary hearing. Antero also states that Columbia Gulf did not provide sufficient data concerning the distances of the south-to-north movements of gas that are occurring on its system. Antero asserts that to determine whether Columbia Gulf’s mainline system is truly a uni-directional system, for each northbound movement,

²⁰ Range Testimony at 10, line 10-12 (Testimony of Timothy C. Sexton).

it is important to examine the volume and distance of such movements and the circumstances that led to those movements.

29. In its reply comments, Range states that Columbia Gulf has not met its burden of proof and that its claim of only *de minimis* flows occurring in the south-to-north direction is factually inaccurate. Range asserts that south-to-north flows represented 26.3 percent of its total deliveries during 2018.²¹ Range asserts that by claiming that the north-to-south flows on its system are “nearly exclusive,” Columbia Gulf is conceding that its system is sometimes operated in a south-to-north direction.²²

30. Range argues against Columbia Gulf’s claim that the north-to-south gas flows reflected in its operational data are accomplished by displacement and require no compression. Range asserts that the principles in this case are similar to those in *Texas Eastern*,²³ where the Commission found that “the fuel used for transportation and other services on a pipeline benefits all the pipeline’s shippers, even those who rely on backhaul deliveries, because a pipeline cannot physically deliver gas by displacement absent a corresponding forward haul. Accordingly, it is just and reasonable for Texas Eastern to assess a fuel charge on transportation flows that use fuel on certain days but may not use fuel on others.”²⁴

31. In its reply comments, SWN Energy Services Company, LLC (SWN) shares concerns discussed above, but also states that Columbia Gulf is changing both its methodology for determining retainage rates, as well as its mechanism for collecting prior period under-recoveries. As a result, SWN argues that Columbia Gulf now seeks to collect the under-collection from only some of the shippers who were legally responsible for paying fuel use during the time the under-recovery occurred, but not from all responsible parties. SWN contends that this proposal constitutes impermissible retroactive ratemaking. SWN also requests that the Commission set the proposal for hearing.

32. Washington Gas Light Company (Washington Gas) supports Columbia Gulf’s proposal, explaining that the future projections of flows on Columbia Gulf’s system show that the ratio of north-to-south flows and south-to-north flows will be 11.5 to 1, and that Columbia Gulf will not need to compress the southern receipts to be delivered

²¹ Range Reply Comments at 3.

²² *Id.* (citing Columbia Gulf Initial Comments at 2-10).

²³ Range Reply Comments at 4-5 (citing *Texas Eastern Transmission, LP*, 144 FERC ¶ 61,039 at P 42).

²⁴ *Id.*

in the north if there are 11.5 times the quantity of natural gas being transported south. Washington Gas states that these flows will be made by displacement and not require any compression.

33. In its reply comments, Columbia Gulf reiterates its contentions that any south-to-north flows on its mainline system are performed by displacement, or in short stretches to accommodate north-to-south flows. It continues to assert that south-to-north transportation transactions set forth in the provided data do not require the use of CUG. Columbia Gulf contends that displacement enables the transportation of gas to be effectuated instantaneously, regardless of the physical direction in which most of the gas in the pipeline is moving. It also argues that the Commission has recognized that pipelines may exempt transactions accomplished solely via displacement from fuel charges upon demonstrating that such transactions do not utilize fuel.²⁵

34. Columbia Gulf also responds to Exelon's request that it should instead insert cell blocks in its fuel tracker mechanism to include a retention percentage for flows in either direction, with the understanding that Columbia Gulf would populate any such cell block at zero for which flows have been *de minimis*. Columbia Gulf states that it does not support this tariff modification, and that Exelon's suggestion is unnecessary given Columbia Gulf's commitment to monitor transportation patterns on its system in connection with its Annual TRA filings, and to give shippers data concerning flow directions on its system.

35. With respect to CAP Shippers' concerns that Columbia Gulf has only provided limited data regarding its mainline pooling nominations, Columbia Gulf counters that it has provided all of the pooling data requested at the technical conference. Columbia Gulf clarifies that significant mainline volumes are scheduled to the mainline pool under rate schedules other than its Rate Schedule IPP, and that the data provided includes the mainline volumes scheduled for delivery to the mainline pool as well as the total mainline scheduled volumes for 2018. Columbia Gulf asserts that this data reflects that about 28 percent of north-to-south scheduled volumes and 41 percent of overall scheduled volumes on its mainline are delivered to the mainline pool. Columbia Gulf asserts that

²⁵ Columbia Gulf Reply Comments at 1 (citing *Ozark Gas Transmission, LLC*, 122 FERC ¶ 61,295 at P 11; *see also Mississippi River Transmission Corp.*, 98 FERC ¶ 61,119, at 61,354 (2002)).

consistent with Commission policy it does not assess fuel retainage on nominations scheduled into the mainline pool regardless of the direction of flow associated with the nomination.²⁶

IV. Discussion

36. Columbia Gulf maintains that it uses compression, and associated fuel, to support north-to-south flows on its system. Accordingly, in the instant proceeding Columbia Gulf proposes to modify its tariff to, *inter alia*, collect company use gas only from north-to-south shippers on its system.

37. The Commission requires that a pipeline must specifically identify any fuel exemptions in its tariff.²⁷ In the instant proceeding, Columbia Gulf proposes to apply fuel exemptions to south-to-north shippers on its system. Identifying such fuel exemptions in a tariff assures that there will only be non-discriminatory selection of exempted transactions, so as to avoid unwarranted cost shifts to other shippers.²⁸ The Commission has permitted pipelines to exempt certain transactions along particular transportation paths from fuel charges only if no fuel is used in those transactions. However, the Commission has only permitted the pipeline to provide such exemptions if the pipeline can demonstrate that transactions on those transportation paths never require the use of fuel.²⁹ The Commission elaborated that it is just and reasonable to assess a fuel charge on contract paths that “may experience reverse flows from time to time and thus consume fuel only on certain days”

²⁶ Columbia Gulf Reply Comments at 15, (citing *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-F, FERC Stats. & Regs. ¶ 32,527, at 33,351 (1997) (cross-referenced at 81 FERC ¶ 61,181).

²⁷ *El Paso Natural Gas Co.*, 129 FERC ¶ 61,280, at P 26 (2009).

²⁸ *Northern Natural Gas Co.*, 82 FERC ¶ 61,270, at 62,062 (1998).

²⁹ *Texas Eastern Transmission, LP*, 144 FERC ¶ 61,039 at P 37; *See e.g., Ozark Gas Transmission, LLC*, 122 FERC ¶ 61,295 at P 11 (citing *Colorado Interstate Gas Co.*, 112 FERC ¶ 61,199, at P 19 (2005)). Absent a showing that a transaction does not consume fuel, an exemption from fuel charges would constitute an impermissible discount of the pipeline's variable cost of fuel. *See* § 284.10(c)(4) of the Commission's regulations, stating that a pipeline's minimum rate “must be based on the average variable costs which are properly allocated to the service to which the rate applies,” and *Mississippi River Transmission Corp.*, 98 FERC ¶ 61,119 at 61,352.

and that it is also just and reasonable to assess a fuel charge on transportation using fuel on certain days but not on others.³⁰

38. In the instant proceeding, Columbia Gulf contends that south-to-north flows on its system are now *de minimis* due to changing market conditions, and as such, it no longer proposes to collect CUG from south-to-north shippers. However, our review of the operational flow data and other evidence provided by Columbia Gulf does not conclusively show that no gas flows in a south-to-north direction on its system, but rather such evidence reflects possible south-to-north flows.³¹ Further, Columbia Gulf only provides average modeled operational flow data for two of the 12 compressor stations on its system. Although Columbia Gulf argues that the compressor station data provided in the instant filing is the same data provided to support its 2016 TRA filing for bi-directional mainline retainage rates on its system,³² parties to the instant proceeding convincingly argue that such data may not be representative of total system flows on Columbia Gulf's system.

39. Therefore, we find that there remain material facts in dispute such that we cannot find, based upon the evidence provided thus far in these proceedings, that gas flows on the Columbia Gulf system would support its proposal as consistent with the Commission's policies. In addition to the issue of gas flow direction, we also find that there are disputed issues of material fact regarding, but not limited to, the responsibility to pay CUG for past periods over the 40-month amortization period, and Columbia Gulf's proposed *pro forma* tariff language modifications included in Columbia Gulf's May 1, 2019 Initial Comment. Accordingly, we set Columbia Gulf's proposed filings in Docket Nos. RP19-211-000 and RP19-787-000 for evidentiary hearing.

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and the NGA, particularly sections 4, 5, 8, 9, and 15 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the NGA (18 C.F.R. Chapter I), a public hearing shall be held concerning the justness and reasonableness of Columbia Gulf's proposal, as discussed in the body of this order.

³⁰ *Texas Eastern Transmission, LP*, 144 FERC ¶ 61,039 at P 42.

³¹ For example, Columbia Gulf Initial Comments at Appendix C.

³² Columbia Gulf Reply Comments at 5 n.12.

(B) A presiding judge, to be designated by the Chief Judge for that purpose, shall, within fifteen (15) days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates, and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.