

170 FERC ¶ 61,270  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Columbia Gas Transmission, LLC

Docket No. RP20-622-000

ORDER ON TARIFF RECORDS

(Issued March 27, 2020)

1. On February 28, 2020, Columbia Gas Transmission, LLC (Columbia) filed tariff records<sup>1</sup> to establish Columbia's Transportation Costs Rate Adjustment (TCRA) for the annual period beginning April 1, 2020, pursuant to Section 36 of the General Terms and Conditions (GT&C) of its tariff. For the reasons discussed below, we accept the tariff records, effective April 1, 2020.

**Proposal**

2. Columbia states that its tariff provides for the recovery through its TCRA of costs incurred by Columbia for the transmission and compression of gas by others (i.e., Account No. 858 costs). Columbia states that these costs include amounts paid to upstream pipelines for contracts retained as a result of Columbia's Order No. 636 restructuring, and contracts utilized in Columbia's post-restructuring operations (collectively, Operational 858 Costs).<sup>2</sup> Columbia further states that the instant filing was submitted pursuant to GT&C Section 36.2<sup>3</sup> and that its purpose is to adjust its TCRA rates to reflect estimated prospective Operational 858 Costs for the 12-month period commencing April 1, 2020, and unrecovered past Operational 858 Costs for the period January 1, 2019 through December 31, 2019.

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<sup>1</sup> See Appendix.

<sup>2</sup> See *Columbia Gas Transmission Corp.*, 93 FERC ¶ 61,024 (2000) (approving Columbia's proposal to recover through its TCRA the costs of contracts entered into to meet its operational needs).

<sup>3</sup> Part VII.36.2 – General Terms & Conditions, Transportation Cost Rate Adjustment, Transporter's TCRA Filings.

3. Columbia states that its estimated prospective Operational 858 Costs for the 12-month period beginning April 1, 2020 are \$51,170,190. Columbia states that this amount is based upon the projected rates and respective billing determinants under its includable Account No. 858 contracts. Columbia asserts that included in these prospective Operational 858 Costs are projected costs associated with certain Account No. 858 contracts necessary for Columbia to continue service that was provided under the now terminated no-fee exchange agreement with Texas Eastern (Texas Eastern Replacement Contracts) which Columbia had previously utilized to effectuate deliveries on non-contiguous sections of its system serving Ohio markets. Columbia further states that it also included the continued costs associated with Columbia's lease of capacity from Columbia Gulf (Columbia Gulf Lease) in the estimated prospective Operational 858 Costs. Columbia states that the unrecovered past Operational 858 Costs, inclusive of interest, reflect a net under-recovery of \$2,623,242 which consists of an under-recovery of \$1,800,906 in demand costs and an under-recovery of \$822,336 in commodity costs.

4. Columbia states that it derived its proposed TCRA rates from demand determinants projected to be in effect at April 1, 2020, consistent with Section 36.4<sup>4</sup> of its Tariff. Columbia further states that the throughput levels for Rate Schedules FTS, NTS, NTS-S, TPS, SST, GTS, OPT, and ITS<sup>5</sup> are based on the 12-month period ending December 31, 2019, adjusted for known and measurable changes. Columbia states that, consistent with GT&C Sections 36.4(a)(1) and (2), its Current Operational TCRA Rates utilize the estimated prospective Operational 858 Costs and billing determinants noted above and its Operational TCRA Surcharges utilize the unrecovered past Operational 858 Costs and billing determinants noted above.

### **Notice and Responsive Pleadings**

5. Public notice of the instant filing was issued on March 2, 2020. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>6</sup> Pursuant to Rule 214,<sup>7</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

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<sup>4</sup> Part VII.36.4 – General Terms & Conditions, Transportation Cost Rate Adjustment, Adjustments to the Transportation Costs Rate (Section 36.4).

<sup>5</sup> Consistent with Part VII.36.1 – General Terms & Conditions, Transportation Cost Rate Adjustment, Purpose, of Columbia's Tariff.

<sup>6</sup> 18 C.F.R. § 154.210 (2019).

<sup>7</sup> 18 C.F.R. § 385.214 (2019).

proceeding or place additional burdens on existing parties. On March 11, 2020, Indicated Shippers<sup>8</sup> filed a limited protest (Protest) and the Cities of Charlottesville and Richmond, Virginia (Cities) filed adverse comments (Comments).

6. On March 20, 2020, Columbia filed an answer to comments by Cities. Pursuant to Rule 213(a)(2) of the Commission's Rules of Practice and Procedure,<sup>9</sup> 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.

7. In their Protest, Indicated Shippers assert that Columbia is seeking to recover the costs associated with released capacity on Texas Eastern's system provided under a now terminated no-fee exchange agreement with Texas Eastern (i.e., the Texas Eastern Replacement Contracts) and costs associated with Columbia's lease of capacity from Columbia Gulf (i.e., the Columbia Gulf Lease). Indicated Shippers state that they and other parties protested the recovery of these costs in the proceedings in Docket Nos. RP19-763-000 and RP19-1191-000.<sup>10</sup> In those proceedings, the Technical Conference Order affirmed the Commission's prior rulings in the March 27 Order and May 31 Order allowing the costs of the Texas Eastern Replacement Contracts and the Columbia Gulf Lease to be recovered through the TCRA. The Technical Conference Order accepted the

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<sup>8</sup> Indicated Shippers consists of ConocoPhillips Company; Direct Energy Business Marketing LLC; Noble Energy, Inc.; Shell North America (US) LP; and XTO Energy, Inc.

<sup>9</sup> 18 C.F.R. § 385.213(a)(2) (2019).

<sup>10</sup> On March 1, 2019, in Docket No. RP19-763-000, Columbia filed revised tariff records to reflect its 2019 annual TCRA filing (2019 Annual TCRA Filing) to be effective April 1, 2019. In addition, on May 1, 2019, in Docket No. RP19-1191-000, Columbia filed revised tariff records to reflect a periodic TCRA (2019 Periodic TCRA Filing) to be effective June 1, 2019. In orders issued on March 27, 2019 in Docket No. RP19-763-000 (*Columbia Gas Transmission Co.*, 166 FERC ¶ 61,229 (2019) (March 27 Order)) and on May 31, 2019 in Docket No. RP19-1191-000 (*Columbia Gas Transmission Co.*, 167 FERC ¶ 61,191 (2019) (May 31 Order)), the Commission accepted and suspended the tariff records, subject to refund, to be effective April 1, 2019 and June 1, 2019, respectively, and found that the issues raised by these filings were to be addressed at a technical conference. On July 10, 2019, Commission staff convened the technical conference and established a schedule for comments. On March 5, 2020, the Commission issued an order following technical conference in Docket Nos. RP19-1191-000 and RP19-763-000 (*Columbia Gas Transmission, LLC*, 170 FERC ¶ 61,181 (2020) (Technical Conference Order)).

tariff records submitted in the 2019 Annual TCRA Filing and 2019 Periodic TCRA Filing, effective April 1 and June 1, 2019, and removed the refund condition imposed by the March 27 Order and May 31 Order.

8. Indicated Shippers state that the filing of rehearing requests of the Technical Conference Order are not due until April 6, 2020 and request that the Commission make its acceptance of the instant filing subject to its further action on any requests for rehearing of the Technical Conference Order. Indicated Shippers argue that the instant filing includes costs attributable to the Texas Eastern Replacement Contracts and the Columbia Gulf Lease and that the recovery of such was at issue in the Technical Conference Order. Indicated Shippers state that conditional acceptance of the instant filing is therefore necessary in order to provide parties with the time allowed by statute to file for rehearing of the order and preserve their rights to challenge the instant filing on the same issues.

9. On March 11, 2020, Cities filed comments wherein they also request that the Commission make its ruling on the instant filing subject to its ruling on requests for rehearing of the Technical Conference Order. Cities state that they also opposed the recovery of the released capacity and lease costs noted above in the proceedings in Docket Nos. RP19-763-000 and RP19-1191-000.

10. Cities also request that the Commission require Columbia to revise its TCRA rates, submit an out-of-cycle TCRA filing, or show cause why it should not be required to make such a filing, to account for known changes to the Account No. 858 costs included in the instant filing. Cities note that Columbia included in the costs to be recovered under its TCRA certain Texas Eastern contract costs, Texas Eastern released capacity costs, and Account No. 858 costs under a contract with National Fuel Gas Supply Corporation (National Fuel). Cities state that both the Texas Eastern and National Fuel contracts reflected in the TCRA are based on the higher rates that these pipelines filed in their recent rate cases. However, the Commission has recently approved a settlement in Texas Eastern's rate case<sup>11</sup> and the Commission's Chief Judge has recently granted National Fuel's motion to implement interim settlement rates<sup>12</sup> that will result in reduced rates for those contracts. Therefore, because Columbia made an out-of-cycle TCRA filing to pass through the Texas Eastern cost increases when Texas Eastern filed its rate case, Cities states Columbia should volunteer or be required to make an out-of-cycle TCRA filing to reduce its TCRA when those lower rates go into effect.

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<sup>11</sup> *Texas Eastern Transmission, LP*, 170 FERC ¶ 61,152 (2020).

<sup>12</sup> *National Fuel Gas Supply Corp.*, 170 FERC ¶ 63,020 (2020).

11. In its answer, Columbia argues that it is not required to submit an out-of-cycle TCRA filing, but nevertheless agrees to make a periodic TCRA filing once the subject costs are finalized in those rate proceedings referenced by Cities.

**Discussion**

12. We accept the proposed tariff records as just and reasonable. Conditioning this order on the outcome of potential future requests for rehearing of the Technical Conference order is not necessary. Cities and Indicated Shippers have the opportunity to seek rehearing of the Technical Conference Order, and in the event that they prevail on rehearing, the Commission will adjust the TCRA at that time.

13. Further, we do not find it necessary to compel an out-of-cycle TCRA filing. Under the TCRA, it is left to the discretion of Columbia whether over- and under-recoveries are trued up earlier than the required annual filing. In its answer, Columbia agrees to make a periodic TCRA filing once the subject costs are finalized. Accordingly, we find that no action by the Commission is required at this time.

**The Commission orders:**

The tariff records identified in the Appendix to this order are accepted effective April 1, 2020.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

**Appendix**

Columbia Gas Transmission, LLC  
FERC NGA Gas Tariff  
Baseline Tariffs

*Tariff records accepted effective April 1, 2020:*

[Currently Effective Rates, FTS Rates, 61.0.0](#)  
[Currently Effective Rates, FTS-APX Rates, 46.0.0](#)  
[Currently Effective Rates, NTS and NTS-S Rates, 61.0.0](#)  
[Currently Effective Rates, ITS Rates, 60.0.0](#)  
[Currently Effective Rates, GTS Rates, 60.0.0](#)  
[Currently Effective Rates, OPT Rates, 61.0.0](#)  
[Currently Effective Rates, TPS Rates, 61.0.0](#)  
[Currently Effective Rates, SST Rates, 61.0.0](#)  
[Currently Effective Rates, FTS-GC Rates, 26.0.0](#)  
[Currently Effective Rates, FTS-ESE Rates, 21.0.0](#)  
[Currently Effective Rates, NTS-ESE Rates, 21.0.0](#)  
[Currently Effective Rates, FTS-LXP Rates, 12.0.0](#)  
[Currently Effective Rates, FTS-WBX Rates, 8.0.0](#)  
[Currently Effective Rates, FTS-MXP Rates, 8.0.0](#)