

171 FERC ¶ 61,084  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Tennessee Gas Pipeline Company, L.L.C.

Docket No. RP20-621-000

ORDER APPROVING NEW FIRM STORAGE SERVICE

(Issued April 30, 2020)

1. On February 28, 2020, Tennessee Gas Pipeline Company, L.L.C. (Tennessee) filed *pro forma* tariff records proposing a firm flexible storage service (FS Flex) under proposed Rate Schedule FS-F at market-based rates for the service.<sup>1</sup> Tennessee requests approval of the *pro forma* tariff records by April 30, 2020 in order to allow Tennessee to complete certain modifications to its internal DART system,<sup>2</sup> and to market the proposed service prior to implementation, which Tennessee states is targeted for June 1, 2020. As discussed below, we accept the language proposed in the *pro forma* tariff records, subject to Tennessee filing actual tariff records reflecting the approved language at least 30 days prior to the commencement of the FS Flex service.

**Background**

2. Tennessee states it is a wholly owned subsidiary of Kinder Morgan, Inc. (Kinder Morgan). Tennessee states that its mainline transmission system extends in a northeasterly direction from Texas and the Gulf of Mexico to New England.<sup>3</sup> Tennessee states that it offers a variety of firm and interruptible transportation, storage, park and loan, and pooling services subject to cost-based rates under the jurisdiction of the

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<sup>1</sup> In a companion filing in Docket No. RP20-631-000, Tennessee is seeking authorization to charge market-based rates for the proposed FS Flex service.

<sup>2</sup> DART refers to Tennessee's electronic portal for customers to nominate and schedule gas as well as perform other activities.

<sup>3</sup> Transmittal at 2.

Commission.<sup>4</sup> Specifically, Tennessee states it has approximately 91.1 billion cubic feet (Bcf) of underground working natural gas storage capacity available to support its cost-based firm and interruptible storage services and system balancing needs.

According to the filing, approximately 33.6 Bcf of Tennessee's total storage capacity is located in the Gulf Coast region. Tennessee states that it holds storage contracts with two affiliates for this storage capacity, Bear Creek Storage Company, L.L.C. and Kinder Morgan Texas Pipeline, L.L.C. Tennessee states that it also utilizes additional third-party storage on occasion to support its system operations.<sup>5</sup> Tennessee states that in 2017, it entered into a firm storage contract with Pine Prairie Energy Center, LLC (Pine Prairie) at market-based rates for a 10-year period through March 31, 2027 to support Tennessee's near-term operational needs in the Gulf Coast region.

3. Tennessee states that the proposed FS Flex service is designed to meet the needs of liquefied natural gas (LNG) customers and other market participants in the Gulf Coast region. Specifically, Tennessee states that it expects significant interest in the service from LNG customers who require firm injection rights for a limited number of days per year to address short-term interruptions in the operation of LNG liquefaction facilities.

4. Tennessee proposes to use storage capacity and deliverability from a firm storage contract between Tennessee and Pine Prairie<sup>6</sup> to support its FS Flex service at market-based rates. According to Tennessee, that agreement provides Tennessee with 8,000,000 Dekatherms (Dth) of firm storage rights, 200,000 Dth per day (Dth/d) of firm

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<sup>4</sup> Tennessee asserts that under its Tariff, Tennessee offers shippers firm and interruptible transportation, storage, park and loan, and pooling services pursuant to individual rate schedules, including Rate Schedules FT-A, FT-GS, FT-G, FT-BH, FT-IL, IT PAT, FS, IS, PAL, LMS-MA, and LMS-PA.

<sup>5</sup> Tennessee asserts that its tariff permits it to acquire off-system capacity for operational reasons or to render service to its customers pursuant to its tariff. Transmittal at 3 (citing Tennessee Gas Pipeline Company, L.L.C. FERC Gas Tariff, Article XXI (Off-System Capacity)).

<sup>6</sup> Tennessee asserts that Pine Prairie is owned by Plains All American Pipeline, L.P. which is not affiliated with Tennessee and that Pine Prairie operates the Pine Prairie Energy Center facility located in the Gulf Coast Production area which provides natural gas storage, hub, and wheeling services at market-based rates.

injection rights and 400,000 Dth/d of firm withdrawal rights at the Pine Prairie Energy Center facility.<sup>7</sup>

5. Tennessee states that the proposed FS Flex service will provide customers with the flexibility to select the level of storage capacity, withdrawal, and injection rights that best meet their needs. According to the filing, the proposed service will offer customers three firm injection options. The Class A service option is designed for traditional storage customers that require firm injection rights year-round. The Class B service option is designed for LNG customers that may require large firm injection rights for a limited number of days each year to address short-term interruptions in the operation of LNG liquefaction facilities. The Class C service option is designed for those customers, such as marketers, who are willing to accept interruption of their firm injection rights for a limited number of days each year. Tennessee states that the Class B and C service options are complementary because those contracts can be paired to allow a Class B shipper's firm injection rights to rely on the firm injection rights of a related set of Class C shippers. Tennessee states that the FS Flex service is a flexible storage service designed to meet the current needs of LNG customers and other market participants in the Gulf Coast Production Area.

6. Tennessee proposes to provide the firm service at a service point on its 800 Line system that interconnects with the Pine Prairie facility. Transportation to and from the service point will be done under separate transportation contracts, and any nominations and scheduling priorities under the transportation agreements will be subject to the existing terms and conditions of Tennessee's tariff. Tennessee asserts that because FS Flex service would rely exclusively on the use of the Pine Prairie storage agreement, the FS Flex service will not adversely impact existing services and operations.

7. Tennessee proposes *pro forma* tariff records to establish the proposed FS Flex service under proposed Rate Schedule FS-F. Tennessee states that given the related nature of Class B and Class C shippers, it asserts that it is necessary to condition the release of firm injection rights of both classes of shippers such that the replacement shippers maintain the rights and obligations of the releasing shippers. Tennessee states that these conditions are necessary to avoid impairing its ability to provide the FS Flex service.

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<sup>7</sup> Tennessee states that the Pine Prairie Energy Center facility physically interconnects with Tennessee on its 800 Line system. The facility has approximately 56,000,000 Dth of working gas capacity and 3,200,000 Dth/d of daily deliverability.

### **Public Notice and Interventions**

8. Public notice of the filing was issued on March 2, 2020. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>8</sup> Pursuant to Rule 214,<sup>9</sup> all timely filed motions to intervene and any unopposed motion to intervene filed out of time 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. No protests or adverse comments were filed.

### **Discussion**

9. The proposed Rate Schedule FS-F contains the typical provisions of a rate schedule including: (1) availability, (2) qualification for service, (3) applicability and character of service, (4) definitions, (5) rates and charges, (6) excuse of performance, (7) transfer of gas in place, (8) warranty of title, (9) termination of contract, and (10) the incorporation of the general terms and conditions of Tennessee's tariff in the rate schedule. Further, Tennessee represents that because the proposed FS Flex service relies exclusively on the capacity and deliverability available from the firm storage agreement with Pine Prairie, and that agreement is not necessary to support any existing services or to meet future operational needs, the proposed service will not adversely impact existing services and operations. Moreover, the proposed FS Flex service will meet the needs and provide flexibility for LNG customers and other market participants in the Gulf Coast area.

10. We find the language in the *pro forma* tariff records acceptable and direct Tennessee to file actual tariff records reflecting such language not less than 30 days nor more than 60 days before the commencement of the FS Flex service. We also direct Tennessee to comply with the Commission's electronic filing requirements set forth in Order No. 714<sup>10</sup> and Part 154 of the Commission's regulations.<sup>11</sup>

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<sup>8</sup> 18 C.F.R. § 154.210 (2019).

<sup>9</sup> 18 C.F.R. § 385.214 (2019).

<sup>10</sup> *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

<sup>11</sup> 18 C.F.R. § 154.4 (2019).

The Commission orders:

The language proposed in the *pro forma* tariff records is accepted subject to Tennessee filing actual tariff records reflecting the approved language not less than 30 days nor more than 60 days prior to the commencement of the FS Flex service.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.