

169 FERC ¶ 61,117
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

November 21, 2019

In Reply Refer To:
Atmos Pipeline – Texas
Docket Nos. PR17-60-003
PR17-60-004

Atmos Pipeline – Texas
P.O. Box 650205
Dallas, TX 75265-0205

Attention: Kevin C. Frank
Senior Attorney

Reference: Compliance Filing

Dear Mr. Frank:

1. On July 18, 2019, the Commission accepted a January 25, 2018 filing (January 2018 filing) by Atmos Pipeline – Texas (Atmos) to revise its Statement of Operating Conditions (SOC), subject to various conditions.¹ On August 15, 2019, Atmos filed a tariff record² in Docket No. PR17-60-003 to amend its SOC (Initial Compliance Filing), in order to comply with the July 2019 Order. On September 23, 2019, Atmos submitted a tariff record³ in Docket No. PR17-60-004 to further amend its SOC in compliance with the July 2019 Order (Revised Compliance Filing). The Revised Compliance Filing supersedes the Initial Compliance Filing. The tariff record referenced in footnote 2 is therefore rejected as moot. We find that Atmos' SOC in its Revised Compliance Filing is

¹ *Atmos Pipeline–Texas*, 168 FERC ¶ 61,031 (2019) (July 2019 Order).

² Atmos Pipeline – Texas, FERC NGPA Gas Tariff, Atmos Pipeline – Texas SOC and Rate Summary, [SOC, Statement of Operating Conditions, 9.0.0](#).

³ Atmos Pipeline – Texas, FERC NGPA Gas Tariff, Atmos Pipeline – Texas SOC and Rate Summary, [SOC, Statement of Operating Conditions, 10.0.0](#).

fair and equitable under section 311 of the Natural Gas Policy Act (NGPA), and accept the tariff record referenced in footnote 3, effective September 1, 2017, as proposed.⁴

2. In the July 2019 Order, the Commission required several revisions to Atmos' proposed SOC Section 10, "Priority of Service." Specifically, the Commission directed Atmos to revise Section 10.1 of its SOC so as not to subordinate NGPA section 311 interruptible service to intrastate interruptible service in terms of priority of service, and to make other changes to Section 10 including the deletion of language allowing for separate priority queues.⁵

3. As proposed in Atmos' January 2018 filing addressed by the July 2019 Order, Section 10.1 provided: "Interstate Interruptible Transportation Service shall be the lowest priority service proved by Transporter." In its Initial Compliance Filing, Atmos proposed to comply with the July 2019 Order by eliminating the word "Interstate" in Section 10.1 (so that the section now refers to both interstate and intrastate interruptible transportation service). In addition, in conformance with the July 2019 Order, Atmos states that it has also deleted Section 10.2(b), which references separate priority queues, in its entirety, and added a new Section 10.2(c) that explicitly provides that shippers have the ability to pay up to the applicable maximum rate in order to obtain a higher scheduling priority.

4. Public notice of the Initial Compliance Filing was issued on August 19, 2019, with interventions and protests due on or before September 5, 2019. Public notice of the Revised Compliance Filing was issued on September 25, 2019, with interventions and protests due on or before October 15, 2019. Pursuant to Rule 214,⁶ 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. DCP Guadalupe Pipeline, LLC (Guadalupe) filed comments on September 5, 2019 with respect to Atmos' Initial Compliance Filing. No party filed adverse comments or a protest with respect to Atmos' Revised Compliance Filing.

5. Guadalupe argues that the Initial Compliance Filing fails to give interstate and intrastate interruptible transportation service equal priority of service. Guadalupe states that the removal of the word "Interstate" from the beginning of the sentence in Section 10.1 has no effect on the prior meaning of the language, which the Commission

⁴ This effective date is carried over from Atmos' original filing in Docket No. PR17-60-000.

⁵ July 2019 Order, 168 FERC ¶ 61,031 at P 33, P 43.

⁶ 18 C.F.R. § 385.214 (2019).

determined was discriminatory. Guadalupe argues that the capitalized term, “Interruptible Transportation Service,” which follows the deleted term and is defined in Section 2 of the SOC, only applies to NGPA section 311 transportation.⁷ Consequently, according to Guadalupe, by removing the word “Interstate,” Atmos has not changed the meaning of the sentence. Guadalupe argues that Atmos could accomplish compliance by simply decapitalizing “Service” in the first sentence of Section 10.1 and adding a clarifying statement: “In no event will Interruptible Transportation Service be subordinate to intrastate Interruptible Transportation service.”

6. On September 23, 2019, Atmos submitted its Revised Compliance Filing in response to Guadalupe’s comments. Atmos decapitalizes the word “Service” in the first sentence of Section 10.1, as suggested by Guadalupe, in order to clarify that the language in the SOC does not just refer to interstate Interruptible Transportation Service (which is governed by the SOC and thus is capitalized), but to both interstate and intrastate interruptible transportation service. However, Atmos states, it has not provided Guadalupe’s proposed clarifying statement indicating Interruptible Transportation Service will not be subordinate to intrastate transportation. Atmos states that the requested clarification is potentially confusing because in the event that Interruptible Transportation Service is at a lower price, it would be subordinate to intrastate Interruptible Transportation service.

7. We find that Atmos’ Revised Compliance Filing revises Section 10.1 of the SOC so as not to subordinate NGPA section 311 interruptible service to intrastate interruptible service in terms of priority of service and thus addresses all directives of the July 2019 Order. By decapitalizing the word “Service” in Section 10.1 in response to Guadalupe’s comments, Atmos has clarified that it is referring to both intrastate and interstate interruptible transportation service. Guadalupe’s proposed clarifying statement is not required. We also note that the section title in Section 10.2 clarifies that this section only applies to interstate service, allowing the reader to understand that the preceding language in Section 10.1 applies to all interruptible transportation customers. We find that Atmos’ SOC filed in its Revised Compliance Filing is fair and equitable under section 311 of the NGPA, and accept the tariff record referenced in footnote 3 effective September 1, 2017, as proposed.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁷ Guadalupe acknowledges that the SOC does not define the entire phrase, “Interruptible Transportation Service,” but rather defines each of its individual terms.