

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

CenterPoint Energy – Mississippi River Transmission
Corporation

Docket No. RP05-172-000

ORDER ACCEPTING AND SUSPENDING TARIFF SHEETS, SUBJECT TO
CONDITIONS AND FURTHER COMMISSION ACTION

(Issued March 3, 2005)

1. On February 1, 2005, CenterPoint Energy – Mississippi River Transmission Corporation (MRT) filed revised tariff sheets¹ to modify certain gas quality specifications set forth in section 4 of its General Terms and Conditions (GT&C). In general, MRT proposes to: (1) increase its allowable nitrogen content from 2 percent to 2.5 percent; (2) reduce its allowable sulfur content from 20 grains per 100 cubic feet to 5 grains per 100 cubic feet; (3) prohibit the delivery of gas at a temperature less than 40 degrees Fahrenheit; and, (4) require the hydrocarbon dew point level of gas to not exceed 0.2 gallons per Mcf. MRT also clarifies how it will measure water vapor content and includes a commingling provision in its gas quality specifications. MRT requests a March 3, 2005, effective date for the tariff sheets. MRT anticipates that its proposal may affect certain natural gas suppliers, and asks that the Commission suspend the effectiveness of the filing for five months to allow suppliers time to make any necessary facility modifications to accommodate the proposal.

2. The Commission accepts and suspends for five months MRT's proposed tariff sheets, to become effective August 3, 2005. This acceptance is subject to the conditions discussed below and further Commission action. This acceptance benefits the public by providing the Commission opportunity to ensure that MRT's proposal is just and reasonable.

¹ First Revised Sheet No. 87 and Second Revised Sheet No. 88 to its FERC Gas Tariff, Third Revised Volume No. 1.

Details of Filing

3. MRT proposes eight specific changes to the gas quality specifications set forth in section 4 of its GT&C. MRT contends that these changes are consistent with the gas quality specifications of other pipelines in MRT's geographic area, and will facilitate the transportation of natural gas and avoid future transportation issues resulting from conflicting gas quality specifications.

4. MRT proposes to include the following language as section 4.1 of its gas quality specifications:

Customer agrees that the Gas tendered for transport hereunder shall meet the specifications set forth in this section. MRT may reject Gas tendered or delivered by Customer that fails to conform to the quality specifications provided in this Tariff or which, in its reasonable judgment, may cause harm to its facilities or diminish the quality of Gas in its system. MRT may under all circumstances subject, or permit the subjection of, the Gas to compression, cooling, cleaning, products extraction and other processes.

5. Section 4.1(d) currently requires gas received or delivered on its system not to have a nitrogen content in excess of 2 percent by volume. MRT proposes to increase the allowable nitrogen content to 2.5 percent.

6. Section 4.1(f) currently provides that "The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered and the gas shall not contain any hydrocarbons which might condense to free liquids in the pipeline under normal pipeline conditions." MRT proposes to remove the following language from this provision: "...and the gas shall not contain any hydrocarbons which might condense to free liquids in the pipeline under normal pipeline conditions."

7. MRT proposes to clarify in section 4.1(g) that it will measure water vapor content at a pressure base of 14.73 psia and at a temperature of 60 degrees Fahrenheit.

8. Section 4.1(i) currently requires that gas delivered or received on MRT's system not contain more than 20 grains of total sulfur per 100 cubic feet. MRT proposes to reduce the allowable sulfur content to five grains of total sulfur per 100 cubic feet.

9. Currently effective section 4.1(k) requires that gas received or delivered on MRT's system not be delivered or received at a temperature in excess of 120 degrees Fahrenheit. MRT proposes to modify this provision to also require that gas received or delivered not be less than 40 degrees Fahrenheit.

10. MRT proposes new hydrocarbon dew point provisions as section 4.1(1). The provision provides that “The gas shall not have a hydrocarbon dew point (HDP) in excess of twenty degrees Fahrenheit. The HDP can usually be obtained when the pentanes and heavier content (C5+) of the gas is not in excess of two-tenths (0.2) gallons per MCF at any operating pressure, as determined by a chromatographic analysis using standard equipment performed in accordance with standard industry practices and procedures.”

11. Finally, MRT proposes new commingling provisions as section 4.4. The provision provides that:

MRT shall have the unqualified right to commingle Gas received for service hereunder with Gas from other sources. Accordingly, Gas received by MRT shall be subject to such changes as may result from such commingling and MRT shall, notwithstanding any other provisions herein, be under no obligation to deliver for Shipper’s account Gas identical to that received by MRT. Subject to other terms and provisions of this Tariff, MRT will transport and tender for delivery for the account of Shipper such thermally equivalent quantities of Gas, less Fuel Use and LUGF retained, as it receives for such Customer’s account.

Notice

12. The Commission issued notice of MRT’s filing on February 7, 2005. Interventions, comments, and protests were due as provided in section 154.210 of the Commission’s regulations (18 C.F.R. § 154.210 (2004)). Pursuant to Rule 214 of the Commission’s Rules and Practice and Procedure (18 C.F.R. § 385.214 (2004)), all timely filed motions to intervene and any 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. No party filed a protest or adverse comments.

Discussion

13. The Commission accepts and suspends MRT’s tariff sheets to become effective August 3, 2005. Although no party protested or commented on MRT’s filing, Commission staff needs additional information to fully evaluate MRT’s proposal. Accordingly, we direct MRT to file the following information within 30 days of the date this order issues: (1) justification for its proposal; (2) the corresponding nitrogen, sulfur, temperature, and hydrocarbon dew point standards for interconnecting pipelines; (3) an explanation of how it derived its proposed modified standards for nitrogen, sulfur, temperature, and hydrocarbon dew point; and, (4) an explanation of how MRT’s proposal would affect its shippers and the operations of interconnecting pipelines. In addition, the industry and the Commission are currently engaged in a process to reach some consensus

on the issues of gas quality and merchantability in Docket No. PL04-3-000. Our acceptance of MRT's filing in this case is subject to developments in Docket No. PL04-3-000.

Suspension

14. Based on a review of the filing, the Commission finds that the proposed tariff sheets have not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, the Commission will accept the tariff sheets for filing and suspend their effectiveness for the period set forth below, subject to refund, the conditions in this order, and further Commission action.

15. The Commission's policy regarding rate suspensions is that rate filings generally should be suspended for the maximum period permitted by statute where preliminary study leads the Commission to believe that the filing may be unjust, unreasonable, or that it may be inconsistent with other statutory standards.² It is recognized, however, that shorter suspensions may be warranted in circumstances where suspension for the maximum period may lead to harsh and inequitable results.³ Such circumstances do not exist here. Accordingly, the Commission will exercise its discretion to suspend the tariff sheets for the maximum period and permit the provisions to take effect on August 3, 2005, subject to refund, the conditions set forth in the body of this order, further Commission action, and the ordering paragraphs below.

The Commission orders:

(A) MRT's tariff sheets are accepted and suspended to become effective August 3, 2005, subject to conditions and further Commission action.

(B) MRT shall file the additional information discussed above within 30 days of the date this order issues.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.

² See *Great Lakes Gas Transmission Company*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

³ See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension).