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June 5, 2015

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Tuscarora Gas Transmission Company
Compliance Filing
Docket No. RP15-954-____

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act ("NGA") and Part 154 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations,[1] and to comply with the Commission order issued May 27, 2015, in Docket No. RP15-954-000,[2] Tuscarora Gas Transmission Company ("Tuscarora") hereby respectfully submits for filing and acceptance revised tariff sections[3] to be part of its FERC Gas Tariff, Second Revised Volume No. 1 ("Tariff"), as more fully described below. Tuscarora respectfully requests that the Commission accept the tariff sections, included herein as Appendix A, to be effective June 1, 2015, as originally proposed.

Correspondence

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

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[1] 18 C.F.R. Part 154 (2015).
[2] *Tuscarora Gas Transmission Company*, Docket No. RP15-954-000 (May 27, 2015) (Unpublished Director's Letter Order) ("Order").
[3] Specifically, Part 5.4.2 – Rate Schedule PL, Applicability and Character of Service ("Section 5.4.2") and Part 6.3.8 – GT&C, Creditworthiness for Interruptible Transportation ("Section 6.3.8").

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Statement of the Nature, Reasons, and Basis for Filing

On May 1, 2015, in Docket No. RP15-954-000, Tuscarora filed a tariff proposal ("Tariff Filing") to reflect the conversion from the current interactive customer activities system, Pacific Express, to the new system, TC PLUS. On May 13, 2015, Sierra Pacific Power Company d/b/a NV Energy ("NV Energy") filed its Motion to Intervene and Protest ("NV Energy Protest"), which addressed three issues related to Tuscarora's Tariff Filing. NV Energy suggested that Tuscarora's proposed changes to limit FT and LFS *pro forma* service agreements to one primary delivery point and one primary receipt point would have an adverse impact on NV Energy's existing FT service agreement.[4] Additionally, NV Energy suggested that Tuscarora's proposal appears to require that shippers must enter into new transportation service agreements to receive parking or lending service at a point different from that originally utilized.[5] Finally, NV Energy claimed that the revisions proposed to determine the initial amount of credit support that otherwise non-creditworthy interruptible shippers must provide gives Tuscarora unrestricted discretion in estimating an interruptible shipper's anticipated usage.[6]

On May 21, 2015, Tuscarora filed its Motion for Leave to Answer and Answer to Protest ("Answer"), which addressed each of the concerns set forth in the NV Energy Protest. In the Answer, Tuscarora stated that the implementation of Tuscarora's TC PLUS system would have no impact on NV Energy's existing service agreements, and that such service will remain unchanged.[7] Additionally, Tuscarora proposed to further modify Section 5.4.2 to clarify that a shipper *must utilize* a separate transportation agreement to provide for the receipt or delivery of

[4] NV Energy Protest at pg 5.
[5] *Id.* at pg 6.
[6] *Id.* at pg 8.
[7] Answer at pg 3.

gas from or to a new point (replacing "*shall enter into*"). Finally, Tuscarora proposed further modifications to Section 6.3.8 [parts (1), (3), and (4)] to state that "the initial amount of the cash security deposit, letter of credit, or guarantee shall be based upon Shipper's anticipated usage…as determined *by Transporter and Shipper*" (as opposed to only *Transporter*).[8]

As a result of Tuscarora's Answer, on May 26, 2015, NV Energy filed to withdraw the NV Energy Protest, subject to Tuscarora making the revisions proposed in Tuscarora's Answer. On May 27, 2015, the Commission accepted Tuscarora's Tariff Filing, conditioned upon Tuscarora submitting a compliance filing with the tariff revisions proposed in Tuscarora's Answer.[9]

To comply with the Commission's directives as set forth in the Order, Tuscarora submits herein revised Sections 5.4.2 and 6.3.8, consistent with the revisions proposed in Tuscarora's Answer and as described above.

<u>Effective Date and Request for Waiver</u>

Tuscarora requests that the Commission accept the revised tariff sections listed in Appendix A to be effective June 1, 2015.

<u>Other Filings which May Affect This Proceeding</u>

There are no other filings before the Commission that may significantly affect the changes proposed herein.

<u>Contents of Filing</u>

In accordance with Section 154.7 of the Commission's regulations, Tuscarora is submitting the following XML filing package, which includes:

1) This transmittal letter;
2) The clean tariff sections (Appendix A); and
3) The marked tariff sections (Appendix B).

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[8] *Id.* at pgs 4-5.
[9] Order at pg 2.

Certificate of Service

As required by Sections 154.7 and 154.208 of the Commission's regulations, copies of this filing are being served on all of Tuscarora's existing customers and interested state regulatory agencies. A copy of this letter, together with the other attachments, is available during regular business hours for public inspection at Tuscarora's principal place of business.

Pursuant to Section 385.2005 and Section 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,
TUSCARORA GAS TRANSMISSION COMPANY

John A. Roscher

John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

Tuscarora Gas Transmission Company - FERC Gas Tariff, Second Revised Volume No. 1

Clean Tariff

Tariff Section	Version
5.4.2 – Rate Schedule PL, Applicability and Character of Service	v. 2.0.1
6.3.8 – GT&C, Creditworthiness for Interruptible Transportation	v. 2.0.1

5.4.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This Parking and Lending Service Rate Schedule and the rate set forth herein shall apply to all parking and lending service rendered under the Parking and Lending Service Agreement. The service provided hereunder is subject to curtailment or interruption as Transporter deems necessary. It shall be provided to the extent Transporter is able and willing to offer such service and the provision of such service shall not prevent Transporter from meeting all of its firm and interruptible transportation service obligations, including Transporter's system needs.

2. Natural gas may be parked or loaned for a minimum period of one day and for a period up to one calendar month, and such period may be extended with Transporter's permission.

3. Transporter shall establish and maintain a Parking and Lending Account for each Shipper utilizing the services herein. A credit balance indicates natural gas parked on Transporter's pipeline system; whereas, a debit balance indicates natural gas loaned by Transporter to the Shipper. The Parking and Lending Account balance will be stated in dekatherms.

4. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at points on Transporter's system (hereinafter referred to as "Receipt Point(s)") for parking or repayment of loaned natural gas. Such quantities received shall be credited to Shipper's Parking and Lending Account.

5. If Shipper and Transporter agree that Shipper may receive parked quantities or return loaned quantities at point(s) other than the point(s) of the park or loan, then Shipper and Transporter must utilize a separate Transportation Agreement(s) to effectuate receipt or delivery of Gas from or to the new point(s).

6.3.8 Creditworthiness for Interruptible Transportation.

(a) An interruptible Shipper will be considered creditworthy, and Transporter will extend credit, if one of the following conditions is met:

(1) Shipper's long-term unsecured debt securities, at the time it enters into a Transportation Service Agreement and throughout the term thereof, are rated BB+ or better by Standard & Poor's or Ba1 by Moody's Investor Service; or

(2) Shipper provides audited financial statements for itself, or for its parent company if it is a subsidiary that is consolidated with its parent company for reporting purposes and does not issue stand-alone financial statements, for the two (2) preceding years that in Transporter's opinion demonstrate adequate financial strength; or

(3) Transporter determines, in its sole discretion reasonably exercised, that, based upon factors such as the quantity and character of service requested and utilized, Shipper's credit history with other providers of natural gas service, and any other factors that a reasonable party in Transporter's position might consider, Shipper represents a reasonable credit risk.

(b) If Shipper does not establish or maintain creditworthiness as described above, or if Shipper's credit limit as determined by Transporter is insufficient to cover Shipper's anticipated usage as described below, Shipper may receive interruptible transportation service under this FERC Gas Tariff by providing one or more of the following credit alternatives:

(1) A cash security deposit. The initial amount of the cash security deposit shall be based upon Shipper’s anticipated usage for a three (3) month period, as determined by Shipper and Transporter. Thereafter, the amount shall be based on Shipper’s highest monthly bill for interruptible service over the previous rolling twelve (12) months multiplied by three (3). Cash security deposits will accrue interest at the actual interest rate earned by Transporter. Interest will be paid by Transporter on an annual basis each September 1 or at the time Shipper's deposit is returned due to either a return to creditworthiness by Shipper or the expiration of Shipper's Agreement(s); or

(2) A prepayment for service. Such prepayment will remain in place until Shipper exhausts its prepaid balance by utilizing interruptible transportation service. At the point Shipper's prepayment is exhausted, Transporter may suspend further activity under an interruptible agreement collateralized by a prepayment. Shipper will not earn interest on prepayments.

(3) A letter of credit. Shipper may post a letter of credit in a form acceptable to Transporter. Such letter of credit must be issued by a commercial bank or financial institution located in the United States whose long-term unsecured debt securities are rated A or better by Standard & Poor's, A or better by Dominion Bond Rating Service, or A2 or better by Moody's Investors Service. The initial amount of the letter of credit shall be based on Shipper's anticipated usage for a three (3) month period, as determined by Shipper and Transporter. Thereafter, the amount shall be based on Shipper's highest monthly bill for interruptible service over the previous rolling twelve (12) months multiplied by three (3); or

(4) A guarantee from a corporate affiliate or a third party in a form satisfactory to Transporter. For such Shippers, the credit limit will be based upon the financials of the guarantor. The initial amount of the guarantee shall be based upon Shipper's anticipated usage for a three (3) month period, as determined by Shipper and Transporter. Thereafter, the guarantee amount shall be based on Shipper's highest monthly bill for interruptible service over the previous rolling twelve (12) months multiplied by three (3). If during the term of service the guarantor does not meet the creditworthiness standards discussed above, then Transporter may request additional alternatives if Transporter agrees to release the original guarantor of all obligations at the time the Shipper provides the additional assurances; or

(5) Any other security mutually agreed upon by Shipper and Transporter. Such other security shall be accepted on a non-discriminatory basis.

Appendix B

Tuscarora Gas Transmission Company - FERC Gas Tariff, Second Revised Volume No. 1

Marked Tariff

Tariff Section	**Version**
5.4.2 – Rate Schedule PL, Applicability and Character of Service	v. 2.0.1
6.3.8 – GT&C, Creditworthiness for Interruptible Transportation	v. 2.0.1

5.4.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This Parking and Lending Service Rate Schedule and the rate set forth herein shall apply to all parking and lending service rendered under the Parking and Lending Service Agreement. The service provided hereunder is subject to curtailment or interruption as Transporter deems necessary. It shall be provided to the extent Transporter is able and willing to offer such service and the provision of such service shall not prevent Transporter from meeting all of its firm and interruptible transportation service obligations, including Transporter's system needs.

2. Natural gas may be parked or loaned for a minimum period of one day and for a period up to one calendar month, and such period may be extended with Transporter's permission.

3. Transporter shall establish and maintain a Parking and Lending Account for each Shipper utilizing the services herein. A credit balance indicates natural gas parked on Transporter's pipeline system; whereas, a debit balance indicates natural gas loaned by Transporter to the Shipper. The Parking and Lending Account balance will be stated in dekatherms.

4. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at points on Transporter's system (hereinafter referred to as "Receipt Point(s)") for parking or repayment of loaned natural gas. Such quantities received shall be credited to Shipper's Parking and Lending Account.

5. If Shipper and Transporter agree that Shipper may receive parked quantities or return loaned quantities at point(s) other than the point(s) of the park or loan, then Shipper and Transporter ~~shall enter into~~must utilize a separate Transportation Agreement(s) to effectuate receipt or delivery of Gas from or to the new point(s).

6.3.8 Creditworthiness for Interruptible Transportation.

(a) An interruptible Shipper will be considered creditworthy, and Transporter will extend credit, if one of the following conditions is met:

(1) Shipper's long-term unsecured debt securities, at the time it enters into a Transportation Service Agreement and throughout the term thereof, are rated BB+ or better by Standard & Poor's or Ba1 by Moody's Investor Service; or

(2) Shipper provides audited financial statements for itself, or for its parent company if it is a subsidiary that is consolidated with its parent company for reporting purposes and does not issue stand-alone financial statements, for the two (2) preceding years that in Transporter's opinion demonstrate adequate financial strength; or

(3) Transporter determines, in its sole discretion reasonably exercised, that, based upon factors such as the quantity and character of service requested and utilized, Shipper's credit history with other providers of natural gas service, and any other factors that a reasonable party in Transporter's position might consider, Shipper represents a reasonable credit risk.

(b) If Shipper does not establish or maintain creditworthiness as described above, or if Shipper's credit limit as determined by Transporter is insufficient to cover Shipper's anticipated usage as described below, Shipper may receive interruptible transportation service under this FERC Gas Tariff by providing one or more of the following credit alternatives:

(1) A cash security deposit. The initial amount of the cash security deposit shall be based upon Shipper’s anticipated usage for a three (3) month period, as determined by Shipper and Transporter. Thereafter, the amount shall be based on Shipper’s highest monthly bill for interruptible service over the previous rolling twelve (12) months multiplied by three (3). Cash security deposits will accrue interest at the actual interest rate earned by Transporter. Interest will be paid by Transporter on an annual basis each September 1 or at the time Shipper's deposit is returned due to either a return to creditworthiness by Shipper or the expiration of Shipper's Agreement(s); or

(2) A prepayment for service. Such prepayment will remain in place until Shipper exhausts its prepaid balance by utilizing interruptible transportation service. At the point Shipper's prepayment is exhausted, Transporter may suspend further activity under an interruptible agreement collateralized by a prepayment. Shipper will not earn interest on prepayments.

(3) A letter of credit. Shipper may post a letter of credit in a form acceptable to Transporter. Such letter of credit must be issued by a commercial bank or financial institution located in the United States whose long-term unsecured debt securities are rated A or better by Standard & Poor's, A or better by Dominion Bond Rating Service, or A2 or better by Moody's Investors Service. The initial amount of the letter of credit shall be based on Shipper's anticipated usage for a three (3) month period, as determined by Shipper and Transporter. Thereafter, the amount shall be based on Shipper's highest monthly bill for interruptible service over the previous rolling twelve (12) months multiplied by three (3); or

(4) A guarantee from a corporate affiliate or a third party in a form satisfactory to Transporter. For such Shippers, the credit limit will be based upon the financials of the guarantor. The initial amount of the guarantee shall be based upon Shipper's anticipated usage for a three (3) month period, as determined by Shipper and Transporter. Thereafter, the guarantee amount shall be based on Shipper's highest monthly bill for interruptible service over the previous rolling twelve (12) months multiplied by three (3). If during the term of service the guarantor does not meet the creditworthiness standards discussed above, then Transporter may request additional alternatives if Transporter agrees to release the original guarantor of all obligations at the time the Shipper provides the additional assurances; or

(5) Any other security mutually agreed upon by Shipper and Transporter. Such other security shall be accepted on a non-discriminatory basis.