



June 18, 2015

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

**Gas Transmission Northwest LLC**  
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Re: Gas Transmission Northwest LLC  
Compliance Filing  
Docket No. RP15-905-

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,<sup>1</sup> and the Commission’s Order dated May 29, 2015, in Docket No. RP15-905-000 (“Order”),<sup>2</sup> Gas Transmission Northwest LLC (“GTN”) hereby submits for filing and acceptance a revised tariff section<sup>3</sup> to be part of its FERC Gas Tariff, Fourth Revised Volume No. 1-A (“Tariff”), as more fully described below. GTN respectfully requests that the Commission accept the proposed tariff section, included herein as Appendix A, to be effective June 1, 2015, as originally proposed.

### **Correspondence**

The names, titles and mailing address of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

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<sup>1</sup> 18 C.F.R. Part 154 (2015).

<sup>2</sup> *Gas Transmission Northwest, LLC*, 151 FERC ¶ 61,180 (2015).

<sup>3</sup> Specifically, Section 5.5.2 – Rate Sched PAL, Applicability and Character of Service (“Section 5.5.2”).

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### **Statement of Nature, Reasons and Basis for Filing**

On April 24, 2015, in Docket No. RP15-905-000, GTN filed a tariff proposal (“Tariff Filing”) to consolidate its separate parking (PS-1) and lending (AIS-1) services into a single interruptible service under Rate Schedule PAL. On May 8, 2015, Sierra Pacific Power Company d/b/a NV Energy (“NV Energy”) filed its Motion to Intervene Out-of-Time and Protest (“Protest”), which, *inter alia*, addressed GTN’s proposal to require a separate transportation agreement in order to receive parking or lending service at a point different from that originally utilized. Specifically, NV Energy suggested that GTN’s proposal appeared to require that shippers must enter into *a new* transportation agreement to satisfy GTN’s proposed requirement.<sup>4</sup> On May 14, 2015, GTN filed its Motion for Leave to Answer and Answer to Protests (“Answer”), which stated that it was not GTN’s intent to prevent shippers from utilizing existing transportation service agreements. GTN proposed to further modify Section 5.5.2 to clarify that a shipper *must utilize* a separate transportation agreement to provide for the receipt or delivery of gas from or to a new point (replacing “*shall enter into*”).<sup>5</sup>

On May 29, 2015, the Commission accepted GTN’s Tariff Filing, conditioned upon GTN submitting a compliance filing with the tariff revision proposed in GTN’s Answer.<sup>6</sup> To comply with the Commission’s directives as set forth in the Order, GTN submits herein revised Section 5.5.2, consistent with the revision proposed in GTN’s Answer and as described above.

As part of its Tariff Filing, GTN additionally proposed to revise the penalties for non-performance in order to remove the Kingsgate Monthly Contract Index, as it is no longer published in Gas Daily. GTN proposed instead to utilize daily midpoint prices published by Gas Daily for Kingsgate, Stanfield, Ore.,

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<sup>4</sup> Protest at pg. 4.

<sup>5</sup> Answer at pg. 3.

<sup>6</sup> Order at P 9.

and PG&E-Malin, as applicable, to better align a penalty to the location of the PAL transaction.<sup>7</sup> In its Order, the Commission conditionally accepted the changes proposed by GTN, finding that GTN did not provide the supporting documentation to show that the Stanfield, Ore. index point meets the Commission’s minimum liquidity standards.<sup>8</sup> As set forth in the Commission’s *Index Policy*,<sup>9</sup> a pipeline adding an index point to a jurisdictional tariff must provide supporting documentation showing that the proposed index point meets the criteria for minimum levels of activity.<sup>10</sup>

To comply with the Commission directive as set forth in the Order, GTN is providing the following supporting documentation. GTN submits that the proposed Stanfield, Ore. index point complies with the Commission’s minimum liquidity standards since the average daily number of transactions exceeds five transactions for non-holiday weekdays within a five-month period,<sup>11</sup> as illustrated below:

| Stanfield Ore. Average Daily Transactions<br>as Published by Gas Daily |                          |                                     |                                 |
|--|--------------------------|-------------------------------------|---------------------------------|
| Date   | Transactions In<br>Month | Non-Holiday<br>Weekdays<br>In Month | Average Transactions<br>Per Day |
| May 2015   | 253                      | 20                                  | 13                              |
| April 2015   | 262                      | 21                                  | 12                              |
| March 2015   | 334                      | 22                                  | 15                              |
| February 2015  | 193                      | 19                                  | 10                              |
| January 2015   | 289                      | 20                                  | 14                              |

Source: MarketView data for the Stanfield, Ore. index point published by Gas Daily.

**Effective Date**

GTN respectfully requests that the Commission grant all waivers of its regulations and GTN’s Tariff necessary to accept this filing and approve the tariff section included at Appendix A to be effective June 1, 2015.

<sup>7</sup> These revisions are reflected in Section 5.5.2, paragraphs (6) and (7).

<sup>8</sup> Order at P 15. The Order further stated that the GTN Tariff currently utilizes GTN Kingsgate and PG&E-Malin and that GTN now appears to be introducing the Stanfield, Ore. index point into its Tariff.

<sup>9</sup> *Price Discovery in Natural Gas and Electric Markets*, 109 FERC ¶ 61,184 (2004) (“Index Policy”).

<sup>10</sup> *Id.* at P 66. A daily index satisfies the Commission’s minimum by meeting at least one of the three following conditions, on average, for all non-holiday weekdays within a 90 day period: (1) average daily volume of at least 25,000 MMBtus; (2) average daily number of transactions of five or more; and (3) average daily number of counterparties of five or more.

<sup>11</sup> While the Commission only requires that a pipeline’s review encompass a 90-day period, GTN has instead opted to provide the average daily transactions covering a five-month (151-day) period.

**Other Filings Which May Affect This Proceeding**

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

**Contents of Filing**

In accordance with Section 154.7 of the Commission’s Regulations, GTN is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. A clean version of the tariff section (Appendix A);
3. A marked version of the tariff section (Appendix B).

**Certificate of Service**

As required by Sections 154.7(b) and 154.208 of the Commission’s regulations, copies of this filing are being served upon all of GTN’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 GTN’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. Additionally, 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,

GAS TRANSMISSION NORTHWEST LLC



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John A. Roscher  
Director, Rates & Tariffs

Enclosures

# Appendix A

## *Gas Transmission Northwest LLC - FERC Gas Tariff, Fourth Revised Volume No. 1-A*

### Clean Tariff

| <u>Tariff Section</u>  | <u>Version</u> |
|--|----------------|
| 5.5.2 – Rate Sched PAL, Applicability and Character of Service | v.4.0.1        |

## 5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This rate schedule shall apply to Parking and Lending Service (“PAL”) performed by GTN, where gas may be received (park) or advanced (loan) by GTN for a Shipper.
2. Service under this rate schedule shall be provided up to Shipper’s Maximum Quantity, as set forth on Exhibit A of Shipper’s effective PAL Service Agreement, to the extent GTN’s system permits the provision of such service and that the provision of such service shall not prevent GTN from meeting all of its firm and interruptible service obligations, including GTN’s system needs.
  - (a) Parking Service is an interruptible service that provides for:
    - (i) The receipt by GTN of gas quantities that have been delivered by Shipper at a PAL Point, as set forth on Exhibit A of an effective PAL Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be parked, which may include a requirement for Shipper to park such quantities ratably;
    - (ii) GTN holding the parked gas quantities; and
    - (iii) The subsequent return of parked gas quantities to the Shipper at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably.
  - (b) Lending Service is an interruptible service that provides for:
    - (i) The receipt of gas quantities by Shipper from GTN at a PAL Point, as set forth on Exhibit A of an effective PAL Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
    - (ii) The subsequent return of the loaned gas quantities to GTN at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably.

3. GTN shall maintain separate Parking Service and Lending Service PAL Account(s) for each Shipper utilizing the services herein.

GTN shall receive from, or advance to, Shipper such daily quantities of gas nominated and scheduled for receipt or delivery by GTN, and park or lend such gas for a minimum of one (1) day. Such quantities received or advanced shall be recorded in Shipper's PAL Account, as applicable.

Shippers electing to withdraw parked gas or redeliver loaned gas from their respective PAL Account shall nominate a quantity up to the quantity of gas available in their respective PAL Account at the point the gas was either received or advanced by GTN.

4. If GTN and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at point(s) that are different from those specified on Exhibit A of Shipper's effective PAL Service Agreement, then Shipper and GTN must utilize a separate Transportation Service Agreement(s) to effectuate receipt or delivery of such gas at the new point(s).
5. In the event GTN does not have sufficient capacity on a given day to satisfy all nominations under this PAL rate schedule, GTN shall schedule nominations in sequence, starting with the nomination of the Shipper paying the highest rate for service under this rate schedule. If two or more Shippers are paying the same rate for service under this rate schedule, the nominations of such Shippers shall be scheduled on a pro-rata basis, using confirmed quantities.
6. If GTN, upon nomination by Shipper fails to schedule quantities of gas for withdrawals from Shipper's PAL Account for a period of thirty (30) consecutive days, GTN will be obligated to purchase the quantity of gas in Shipper's PAL Account at a price equal to 120% of the average daily midpoint prices, as published in the daily price survey by Gas Daily for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, for the thirty (30) days in which the curtailment occurs.
7. Unless otherwise agreed to by GTN, if Shipper fails to return to GTN loaned quantities of gas as agreed to in Exhibit A of an effective PAL Service Agreement, Shipper will be obligated to purchase such quantities of gas from GTN at the highest price, determined as 200% of the highest daily midpoint price for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, as published in the daily price survey by Gas Daily, that occurred either:
  - (a) within the month in which the loan of the gas quantities occurred; or
  - (b) within the month in which return of the loaned gas quantities was scheduled but did not occur.

GTN may require Shipper to withdraw all, or any portion of the gas quantities parked by GTN for Shipper, as agreed to in Exhibit A of an effective PAL Service Agreement, within thirty (30) days of GTN's notice to Shipper. If Shipper fails to arrange for the withdrawal of such parked quantities as specified in GTN's notice, despite the availability of capacity for the withdrawal of Shipper's gas under its PAL Service Agreement, GTN shall take title to that portion of Shipper's PAL Account that Shipper was instructed to withdraw, free and clear of any adverse claims. GTN's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. To protect its system, GTN may require the withdrawal of quantities of parked gas in Shipper's PAL Account within 24 hours. In the event Shipper does not cause the withdrawal of such parked gas within 24 hours, GTN shall have the right to take title to those quantities of parked gas in Shipper's PAL Account free and clear of any adverse claims.

8. Not more than thirty (30) days after the termination of Shipper's PAL Service Agreement, GTN will notify Shipper of Shipper's PAL Account balance. Shipper will nominate to eliminate any remaining balance within thirty (30) days of the date of GTN's notice.
9. PAL Service shall be subject to curtailment pursuant to the applicable Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

# **Appendix B**

## ***Gas Transmission Northwest LLC - FERC Gas Tariff, Fourth Revised Volume No. 1-A***

### **Marked Tariff**

| <b><u>Tariff Section</u></b>                                   | <b><u>Version</u></b> |
|--|-----------------------|
| 5.5.2 – Rate Sched PAL, Applicability and Character of Service | v.4.0.1               |

## 5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This rate schedule shall apply to Parking and Lending Service (“PAL”) performed by GTN, where gas may be received (park) or advanced (loan) by GTN for a Shipper.
2. Service under this rate schedule shall be provided up to Shipper’s Maximum Quantity, as set forth on Exhibit A of Shipper’s effective PAL Service Agreement, to the extent GTN’s system permits the provision of such service and that the provision of such service shall not prevent GTN from meeting all of its firm and interruptible service obligations, including GTN’s system needs.
  - (a) Parking Service is an interruptible service that provides for:
    - (i) The receipt by GTN of gas quantities that have been delivered by Shipper at a PAL Point, as set forth on Exhibit A of an effective PAL Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be parked, which may include a requirement for Shipper to park such quantities ratably;
    - (ii) GTN holding the parked gas quantities; and
    - (iii) The subsequent return of parked gas quantities to the Shipper at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably.
  - (b) Lending Service is an interruptible service that provides for:
    - (i) The receipt of gas quantities by Shipper from GTN at a PAL Point, as set forth on Exhibit A of an effective PAL Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
    - (ii) The subsequent return of the loaned gas quantities to GTN at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably.

3. GTN shall maintain separate Parking Service and Lending Service PAL Account(s) for each Shipper utilizing the services herein.

GTN shall receive from, or advance to, Shipper such daily quantities of gas nominated and scheduled for receipt or delivery by GTN, and park or lend such gas for a minimum of one (1) day. Such quantities received or advanced shall be recorded in Shipper's PAL Account, as applicable.

Shippers electing to withdraw parked gas or redeliver loaned gas from their respective PAL Account shall nominate a quantity up to the quantity of gas available in their respective PAL Account at the point the gas was either received or advanced by GTN.

4. If GTN and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at point(s) that are different from those specified on Exhibit A of Shipper's effective PAL Service Agreement, then Shipper and GTN ~~shall enter into~~ must utilize a separate Transportation Service Agreement(s) to effectuate receipt or delivery of such gas at the new point(s).
5. In the event GTN does not have sufficient capacity on a given day to satisfy all nominations under this PAL rate schedule, GTN shall schedule nominations in sequence, starting with the nomination of the Shipper paying the highest rate for service under this rate schedule. If two or more Shippers are paying the same rate for service under this rate schedule, the nominations of such Shippers shall be scheduled on a pro-rata basis, using confirmed quantities.
6. If GTN, upon nomination by Shipper fails to schedule quantities of gas for withdrawals from Shipper's PAL Account for a period of thirty (30) consecutive days, GTN will be obligated to purchase the quantity of gas in Shipper's PAL Account at a price equal to 120% of the average daily midpoint prices, as published in the daily price survey by Gas Daily for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, for the thirty (30) days in which the curtailment occurs.
7. Unless otherwise agreed to by GTN, if Shipper fails to return to GTN loaned quantities of gas as agreed to in Exhibit A of an effective PAL Service Agreement, Shipper will be obligated to purchase such quantities of gas from GTN at the highest price, determined as 200% of the highest daily midpoint price for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, as published in the daily price survey by Gas Daily, that occurred either:
  - (a) within the month in which the loan of the gas quantities occurred; or
  - (b) within the month in which return of the loaned gas quantities was scheduled but did not occur.

GTN may require Shipper to withdraw all, or any portion of the gas quantities parked by GTN for Shipper, as agreed to in Exhibit A of an effective PAL Service Agreement, within thirty (30) days of GTN's notice to Shipper. If Shipper fails to arrange for the withdrawal of such parked quantities as specified in GTN's notice, despite the availability of capacity for the withdrawal of Shipper's gas under its PAL Service Agreement, GTN shall take title to that portion of Shipper's PAL Account that Shipper was instructed to withdraw, free and clear of any adverse claims. GTN's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. To protect its system, GTN may require the withdrawal of quantities of parked gas in Shipper's PAL Account within 24 hours. In the event Shipper does not cause the withdrawal of such parked gas within 24 hours, GTN shall have the right to take title to those quantities of parked gas in Shipper's PAL Account free and clear of any adverse claims.

8. Not more than thirty (30) days after the termination of Shipper's PAL Service Agreement, GTN will notify Shipper of Shipper's PAL Account balance. Shipper will nominate to eliminate any remaining balance within thirty (30) days of the date of GTN's notice.
9. PAL Service shall be subject to curtailment pursuant to the applicable Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.