

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Letter Order Pursuant to § 375.307
Guardian Pipeline, L.L.C.
Docket No. RP19-1082-000

April 18, 2019

Guardian Pipeline, L.L.C.
100 West Fifth Street
Tulsa, OK 74103

Attention: Ron M. Mucci, Vice President
Rates and Regulatory Affairs

Reference: Proposed New Tariff Section

Dear Mr. Mucci,

On April 1, 2019, Guardian Pipeline, L.L.C. (Guardian) filed revised tariff records¹ to add a new section 41 to Part 8 of the General Terms and Conditions (GT&C) of its tariff. The new section is entitled “Termination and Mutual Extension of Existing Service Agreements.” Guardian states that the Commission has found that its proposal is “consistent with Commission policy and precedent” when a pipeline proposed tariff language allowing it and a shipper “(1) to terminate a contract prior to its expiration in exchange for the shipper extending its use of all or part of the underlying capacity under new terms without competitive bidding or (2) to extend a contract with respect to all or part of the capacity as long as any applicable right of first refusal (ROFR) procedures have not been initiated.”² Guardian states it is adding new GT&C section 41 to clarify that it and its shippers have these same options. Waiver of the Commission’s 30-day notice requirement is granted, and the referenced tariff records are accepted effective May 1, 2019, as requested.

¹ Guardian Pipeline, L.L.C., FERC NGA Gas Tariff, Guardian FERC Gas Tariff, [Part 8.0, GT&C - Table of Contents, 5.0.0](#) and [Part 8, Section 41, GT&C-Termination and Mutual Extension of Service Agreements, 0.0.0](#).

² Guardian cites *ANR Pipeline Co.*, 116 FERC ¶ 61,201, P 1 (2006).

Public notice of the filing was issued on April 2, 2019. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2018)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2018)), all timely filed motions to intervene and any unopposed motion 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 protests or adverse comments were filed.

This acceptance for filing shall not be construed as a waiver of the requirements of section 7 of the Natural Gas Act, as amended; nor shall it be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rate or service contained in your tariff; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713 (2018).

Issued by: Marsha K. Palazzi, Director, Division of Pipeline Regulation

Document Content(s)

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April 1, 2019

Ms. Kimberly D. Bose
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Guardian Pipeline, L.L.C.
Tariff Volume No. 1
Termination and Mutual Extension of Existing Service
Agreements Docket No. RP19-1082-000

Dear Ms. Bose:

Pursuant to section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission's (Commission) regulations, Guardian Pipeline, L.L.C. (Guardian) respectfully submits the tariff record listed below as part of its FERC Gas Tariff, Volume No. 1 (Tariff). The proposed Tariff revision is submitted to become effective May 1, 2019.

Part 8.0, GT&C – Table of Contents, v.5.0.0
Part 8.41, GT&C – Termination and Mutual Extension of Existing Service Agreements, v.0.0.0

Statement of Nature, Reasons and Basis for the Proposed Changes

Guardian is submitting this filing to add Part 8 – GT&C, Section 41, Termination and Mutual Extension of Existing Service Agreements (Section 41) to its Tariff. Guardian proposes this Tariff addition in response to shipper interest in the ability to extend capacity on existing service agreements. Guardian seeks with this filing to provide to all shippers transparency in its Tariff of availability for amendments and extension of capacity on existing service agreements. Guardian respectfully submits in this filing, as described below, the proposed Tariff changes necessary to implement the new Section 41.

Extension of Existing Service Agreements

The Commission has found that it was “consistent with Commission policy and precedent” when a pipeline proposed tariff language allowing it and a shipper “(1) to terminate a contract prior to its expiration in exchange for the shipper extending its use of all or part of the underlying capacity under new terms without competitive bidding or (2) to extend a contract with respect to all or part of the capacity as long as any applicable right of first refusal

(ROFR) procedures have not been initiated.”¹ Guardian is adding new GT&C Section 41 to clarify that it and its shippers have these same options.

Section 41.1 specifies that Guardian and its shippers may mutually agree to terminate one or more service agreements prior to expiration in exchange for the shipper’s agreement to obtain all or part of the underlying capacity under new terms.² Section 41.2 provides for the simple extension of agreements under the same or renegotiated terms.³ Section 41.3 allows the parties to enter into extensions at discounted or negotiated rates and Section 41.4 ensures that the extension provisions do not conflict with ROFR pursuant to Guardian’s Tariff Section 23, Right of Refusal and Pregranted Abandonment.

Materials Enclosed

In accordance with section 154.7 of the Commission’s regulations, the following items are included in this filing:

1. an eTariff XML filing package containing the proposal in electronic format;
2. a transmittal letter in PDF format, which incorporates the Statement of Nature, Reasons and Basis for the filing required by section 154.7(a)(6) of the Commission’s regulations;
3. Appendix A – a clean version of the tariff records in PDF format for publishing in eLibrary; and,
4. Appendix B – a marked version of the tariff records in PDF format for publishing in eLibrary.

Proposed Effective Date

Pursuant to section 154.7(a)(3) of the Commission’s regulations, Guardian respectfully requests that the tariff records submitted herewith be approved by the Commission effective May 1, 2019. In accordance with section 154.7(a)(9) of the Commission’s regulations, Guardian hereby files a motion to place the proposed tariff records into effect at the end of any suspension period if one is so ordered by the Commission in this proceeding.

¹ *ANR Pipeline Co.*, 116 FERC ¶ 61,201, P 1 (2006).

² In *Columbia Gas Transmission Corp.*, 120 FERC ¶ 61,289 (2007), Columbia Gas proposed similar language that would allow it and a shipper to “mutually agree to the early termination of one or more service agreements in exchange for Shipper’s extension of the use of all or part of the underlying capacity under new terms.” *Id.* P 2. The Commission accepted this provision, finding that it was consistent with language the Commission had previously accepted. *Id.* P 13.

³ In *Algonquin Gas Transmission, LLC*, 112 FERC ¶ 61,262, PP 13-14 (2005), the Commission, despite objections, accepted language that allowed “Algonquin and a shipper to mutually agree to an extension of the term of the service agreement prior to the expiration of the agreement and prior to posting the capacity under Algonquin’s right-of-first refusal provisions.” *See also Gulfstream Natural Gas System, L.L.C.*, Docket No. RP10-1088-000 (Letter Order Sept. 14, 2010) and *Viking Gas Transmission Company*, Docket No. RP13-378-000 (Letter Order August 27, 2013) (accepting similar provisions).

Waivers

Pursuant to section 154.7(a)(7) of the Commission’s regulations, Guardian has not identified any waivers of the Commission’s regulations needed to permit its filing to become effective as proposed; however, Guardian respectfully requests that, should the Commission determine that any such waivers are required, the Commission grant such waivers as are necessary in order that the revised tariff record may be made effective as proposed.

Service and Correspondence

In accordance with section 154.208 of the Commission’s regulations, the undersigned certifies that a copy of this filing has been served electronically on Guardian’s shippers and affected state regulatory commissions. A paper copy of this filing may only be served if a shipper has been granted waiver of electronic service pursuant to Part 390 of the Commission’s regulations. In addition, a copy of this filing is available for public inspection during regular business hours at Guardian’s office at 100 West Fifth Street, Tulsa, Oklahoma 74103.

Pursuant to section 385.2005 and section 385.2011(c)(5) of the Commission’s regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best knowledge and belief of the undersigned.

It is requested that a copy of all communications, correspondence, and pleadings with respect to this filing be sent to:

Denise Adams Director, Regulatory Affairs ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 732-1408 Email: denise.adams@oneok.com	Lisa Nishimuta Legal Counsel, Interstate Regulatory ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 588-7730 Email: lisa.nishimuta@oneok.com
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Any questions regarding this filing may be directed to Denise Adams at (918) 732-1408.

Respectfully submitted,

/s/ Ron M. Mucci
Ron M. Mucci
Vice President, Rates and Regulatory Affairs
ONEOK, Inc.
100 West 5th Street
Tulsa, Oklahoma 74103

Attachments

Appendix A

Clean Tariff Records

GENERAL TERMS AND CONDITIONS

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Section	Title
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8	Billing and Payment
9	Notices
10	Service Requests and Contracting for Service
11	Nominations
12	Service Scheduling, Service Priority and Impairment of Deliveries
13	Determination of Receipts and Deliveries
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22	Marketing Fees
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25	Shared Operating Personnel and Facilities and Complaint Resolution
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32	Transporter's Use Gas Adjustment
33	Third Party Use Gas Adjustment
34	Electric Power Cost Recovery Provision
35	North American Energy Standards Board Wholesale Gas Quadrant ("NAESB WGQ") Standards
36	Flow Through of Cash-out Revenues and Penalties in Excess of Costs
37	Reservation of Capacity for Pre-Arranged Deals and Expansion/Extension Projects
38	Non-Conforming Agreements
39	Sales and Purchases of Gas for Operational Purposes
40	Reservation Rate Crediting
41	Termination and Mutual Extension of Service Agreements

41. TERMINATION AND MUTUAL EXTENSION OF SERVICE AGREEMENTS

41.1 Early Termination in Exchange for Extension

Shipper and Transporter may mutually agree to the early termination of one or more service agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. Shipper need not participate in an open season for the extension nor must the extended capacity be posted on Transporter's Informational Postings web site as unsubscribed, available capacity prior to the extension.

41.2 Extension of Capacity Use

Shipper and Transporter may mutually agree to extend the term of a service agreement with respect to all or part of the underlying capacity.

41.3 Negotiated Rates

Transporter and Shipper may mutually agree on a not unduly discriminatory basis that the extension of a service agreement will be at a discounted or negotiated rate as set forth in Section 26 of these General Terms and Conditions.

41.4 Rights of First Refusal

The agreement to extend under this Section 41 must be reached prior to the posting of the capacity pursuant to Subsection 23.4 of the General Terms and Conditions. Nothing in this section shall preclude the Shipper from making a timely election pursuant to Subsections 23.2 and 23.3 of the General Terms and Conditions if Shipper and Transporter are not able to agree upon a new term length or other terms and conditions of service.

Appendix B
Marked Tariff Records

GENERAL TERMS AND CONDITIONS

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