



TRUNKLINE GAS COMPANY

An ENERGY TRANSFER Company

August 13, 2020

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

Re: Trunkline Gas Company, LLC
Docket No. RP20-
Reservation Charge Credit Clarification

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and the provisions of Section 154.204 of the Regulations of the Federal Energy Regulatory Commission (Commission), Trunkline Gas Company, LLC (Trunkline) hereby electronically submits for filing with the Commission the revised tariff record listed below to its FERC NGA Gas Tariff, Fourth Revised Volume No. 1 (Tariff), proposed to become effective September 13, 2020.

<u>Version</u>	<u>Description</u>	<u>Title</u>
2.0.0	GT&C Section 29.	Reservation Charge Credit

STATEMENT OF NATURE, REASONS AND BASIS

The purpose of this filing is to update and clarify several tariff provisions in Section 29 of the General Terms and Conditions (GT&C) of Trunkline's Tariff.

First, Trunkline proposes revisions to GT&C Section 29.1(A)(2) and 29.2(B) to clarify reservation charge crediting in the case where Trunkline has given advanced notice of an outage due to a non-force majeure event or a force majeure event, respectively. The purpose of these revisions is to more clearly state that, when Trunkline provides advance notice of an outage, the 7-day period applied to average a Shipper's usage for determining reservation charge credits is based on the seven (7) days immediately preceding the notice of the outage. Although this is the intent of the currently effective tariff language, the current wording "announced outage" as compared to "notice of the outage" may create confusion.

The Commission has repeatedly found that "when a pipeline gives notice of curtailment before the shipper's first opportunity to submit nominations for service during the curtailment period, the pipeline may use an appropriate historical average of past usage to determine the level of the shipper's reservation charge credits" and the purpose of doing so is "to eliminate gaming by the shipper".¹ Moreover, given gaming concerns, the Commission has approved reservation charge crediting provisions that provide for an averaging of a shipper's usage on a 7-day period preceding the announcement of the outage.² Also, in light of gaming concerns, the Commission has stated that

¹ *TransColorado Gas Transmission Company LLC*, 139 FERC ¶ 61,229 (2012) ("*TransColorado*").

² *Rockies Express Pipeline LLC*, 142 FERC ¶ 61,075 (2013) (approving use of seven-day period preceding the announcement of a non-force majeure outage or the seven-day period prior to the notice of a force majeure outage). *TransColorado*, 139 FERC ¶ 61,229 at P 35 (approving use of seven-day period preceding the announcement of a curtailment to eliminate gaming by shipper).

requiring a pipeline to use a 7-day period immediately preceding the curtailment could discourage the pipeline from providing detailed information about planned outages that benefits shippers and the market.³ The proposed 7-day period immediately preceding the notice of the outage also gives the shipper a greater opportunity to plan alternative arrangements to obtain needed gas supplies.

Second, Trunkline also proposes tariff language to address the possibility that the 7-day period used for averaging a shipper's usage could include days that are already subject to an outage or *Force Majeure* event. Therefore, Trunkline proposes language in Section 29.1(A)(2) and Section 29.2(B) providing that the 7-day averaging period include the 7 days immediately preceding the notice that are not affected by an outage or *Force Majeure* event.

The Commission should accept the proposed revisions to GT&C Sections 29.1 and 29.2 because they are consistent with Commission precedent and are identical to revisions recently approved for Rover Pipeline LLC.⁴

Lastly, Trunkline is proposing to eliminate Section 29.3 which addresses Pipeline and Hazardous Materials Safety Administration (PHMSA) outages that are required to comply with PHMSA orders pursuant to Section 60139(c) of Title 49 of the United States code, Chapter 601. In this event, shippers would be eligible for reservation charge credits using the Safe Harbor methodology. Trunkline proposed this tariff provision be applicable for a two year period beginning April 1, 2017. Since the two year period expired on March 30, 2019, this section is no longer valid and should be eliminated from the tariff.

IMPLEMENTATION

Pursuant to Section 154.7(a)(9) of the Commission's regulations, Trunkline requests that the proposed tariff records submitted herewith be accepted effective September 13, 2020. Trunkline respectfully requests that the Commission grant any and all waivers of its regulations it deems necessary in order to accept the tariff records effective September 13, 2020, as proposed.

CONTENTS OF THE FILING

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. The proposed tariff records in RTF format with metadata attached are being submitted as part of an XML filing package containing the following:

- . A transmittal letter in PDF format
- . A clean copy of the proposed tariff records in PDF format
- . A marked version of the proposed tariff changes in PDF format
- . A copy of the complete filing in PDF format for publishing in eLibrary

³ *TransColorado*, 139 FERC ¶ 61,229 at P. 38.

⁴ *Rover Pipeline LLC*, 172 FERC ¶ 61,103 (July 29, 2020).

COMMUNICATIONS, PLEADINGS AND ORDERS

Trunkline requests that all Commission orders and correspondence as well as pleadings and correspondence from other parties concerning this filing be served on each of the following:

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In accordance with Section 154.2(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at Trunkline's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being served electronically on jurisdictional customers and interested state regulatory agencies. Trunkline has posted a copy of this filing on its Internet web site accessible via <http://tgcmessage.energytransfer.com> under Informational Postings, Regulatory.

Pursuant to Section 385.2005(a) of the Commission's Regulations, the undersigned has read this filing and knows its contents, the contents are true as stated, to the best of her knowledge, and belief, and possesses full power and authority to sign such filing.

Respectfully submitted,

TRUNKLINE GAS COMPANY, LLC

/s/ Deborah A. Bradbury

Deborah A. Bradbury
Sr. Director, Regulatory Tariffs & Reporting

⁵ Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. Trunkline respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow Trunkline to include additional representatives on the official service list.

⁶ Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulation

GENERAL TERMS AND CONDITIONS

29. RESERVATION CHARGE CREDIT

Trunkline shall provide reservation charge credits to a Shipper with firm transportation service under Rate Schedule FT, SST, EFT, QNT or LFT when Trunkline is unable to deliver Quantities from any primary Point of Receipt to any primary Point of Delivery up to the primary Point of Delivery Quantity stated on Exhibit A of Shipper's Service Agreement on any Gas Day in accordance with this Section 29. No adjustment of any kind under this Section 29 shall be required if Trunkline's failure to schedule or deliver gas is due to events solely related to conduct, activities or operations of Shipper and/or upstream or downstream parties (including Force Majeure events affecting Shipper or such parties) including, but not limited to, activities and/or events such as (i) Shipper's failure to perform in accordance with the terms of its Service Agreement and Trunkline's Tariff, including, but not limited to, Operational Flow Orders and failure to meet all applicable gas quality specifications, or (ii) failure of supply or transportation upstream of Trunkline's pipeline system, or (iii) failure of market or transportation downstream from Trunkline's pipeline system.

29.1 Non-Force Majeure

(A) Eligible Quantity

- (1) When Trunkline gives notice of a non-Force Majeure service interruption at any time after completion of the Timely Nomination Cycle for the Gas Day, reservation charge credits shall apply to Shipper's scheduled Quantity of Gas from primary Points of Receipt (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) less the Quantity of Gas delivered on Shipper's Service Agreement for the Gas Day.
- (2) When Trunkline gives advance notice of unavailability of service due to an outage or scheduled maintenance before Shippers have submitted nominations for the day(s) of the outage, reservation charge credit for each day of the outage will be based on the average of the scheduled quantity from Shipper's primary Points of Receipt (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) for the seven (7) day period immediately prior to the notice of the outage, less the Quantity of Gas delivered on Shipper's Service Agreement for the day of the outage. The seven day period shall include the seven days immediately preceding the notice of the outage that are not affected by a prior outage or Force Majeure event.

- (3) When Trunkline has not given advance notice of an outage and reduces Shipper's nomination during the Timely Nomination Cycle, reservation charge credits will apply to Quantities nominated and confirmed in the Timely Nomination Cycle from primary Points of Receipt (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) less the Quantity of Gas delivered on Shipper's Service Agreement for the day.
- (4) Trunkline shall provide reservation charge credits for primary firm service but not for secondary firm service. If Shipper nominates to or from secondary Points of Receipt or Delivery after Trunkline has given notice of the outage, Trunkline shall not provide reservation charge credits to the extent Trunkline provides such secondary firm service.

(B) Reservation Rate

For the calculation of the reservation charge credit, Trunkline shall apply the reservation rate applicable to Shipper's Service Agreement stated on a daily basis; provided, however, the reservation rate for service obtained through capacity release pursuant to GT&C Section 15 shall be the lower of the rate under the Replacement Shipper's Capacity Release Service Agreement Addendum or the reservation rate stated in Releasing Shipper's Service Agreement. Reservation charge credits are not applicable to Replacement Shippers paying a volumetric rate.

(C) Calculation

Each day's credit shall be payable on the applicable Quantity calculated in Section 29.1(A) above multiplied by the appropriate contract reservation rate pursuant to Section 29.1(B) stated on a daily basis. In accordance with Section 2 of Rate Schedule LFT, reservation charge credits for Service Agreements under Rate Schedule LFT shall be calculated after Trunkline's right not to schedule service in whole or in part for ten (10) days in each Month.

29.2 Force Majeure

When Trunkline has issued notice of a Force Majeure event in accordance with Section 19 of the General Terms and Conditions, Trunkline shall provide full reservation charge credits to firm Shippers after a ten (10) day grace period pursuant to this Section 29.2.

- (A) The grace period for a Force Majeure event shall be ten (10) full consecutive days.
- (B) The Quantity of Gas eligible for reservation charge crediting shall be based on the average of the scheduled quantity from Shipper's primary Points of Receipt (up to

the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) for the seven (7) day period immediately prior to the notice of the Force Majeure event, less the Quantity of Gas delivered on Shipper's Service Agreement for the day. The seven day period shall include the seven days immediately preceding the notice of the Force Majeure event that are not affected by a prior outage or Force Majeure event.

- (C) For each Day subsequent to the grace period in Section 29.2(A), the reservation charge credit shall be the Quantity determined in Sections 29.2(B) and 29.1(A)(4) above multiplied by the appropriate contract reservation rate pursuant to Section 29.1(B) stated on a daily basis; provided, however, reservation charge credits for service under Rate Schedule LFT shall only be calculated for Days subsequent to the grace period and in excess of the ten (10) Days each Month that Trunkline has the right not to schedule service pursuant to Section 2 of Rate Schedule LFT.

- 29.3 Any reservation charge credit payable will be included on a subsequent month invoice and will be applied first to offset any outstanding past due balances owed by Shipper. Reservation charge credits applicable to Service Agreements that are not in effect due to termination will be paid by Trunkline to Shipper, net of any amounts owed to Trunkline.
- 29.4 In a not unduly discriminatory manner and in connection with a discounted or negotiated rate Service Agreement, Trunkline and Shipper may agree to a different reservation charge crediting methodology.

MARKED VERSION

GENERAL TERMS AND CONDITIONS

29. RESERVATION CHARGE CREDIT

Trunkline shall provide reservation charge credits to a Shipper with firm transportation service under Rate Schedule FT, SST, EFT, QNT or LFT when Trunkline is unable to deliver Quantities from any primary Point of Receipt to any primary Point of Delivery up to the primary Point of Delivery Quantity stated on Exhibit A of Shipper's Service Agreement on any Gas Day in accordance with this Section 29. No adjustment of any kind under this Section 29 shall be required if Trunkline's failure to schedule or deliver gas is due to events solely related to conduct, activities or operations of Shipper and/or upstream or downstream parties (including ~~f~~Force ~~m~~Majeure events affecting Shipper or such parties) including, but not limited to, activities and/or events such as (i) Shipper's failure to perform in accordance with the terms of its Service Agreement and Trunkline's Tariff, including, but not limited to, Operational Flow Orders and failure to meet all applicable gas quality specifications, or (ii) failure of supply or transportation upstream of Trunkline's pipeline system, or (iii) failure of market or transportation downstream from Trunkline's pipeline system.

29.1 Non-~~f~~Force Majeure

(A) Eligible Quantity

- (1) When Trunkline gives notice of a non-~~f~~Force ~~m~~Majeure service interruption at any time after completion of the Timely Nomination Cycle for the Gas Day, reservation charge credits shall apply to Shipper's scheduled Quantity of Gas from primary Points of Receipt (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) less the Quantity of Gas delivered on Shipper's Service Agreement for the Gas Day.
- (2) When Trunkline gives advance notice of unavailability of service due to an outage or scheduled maintenance before Shippers have submitted nominations for the day(s) of the outage, reservation charge credits for each day of the outage will be based on the average of the scheduled quantity from Shipper's primary Points of Receipt (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) for the seven ~~(7) days~~ period immediately prior to the notice of the outage~~announced outage~~, less the Quantity of Gas delivered on Shipper's Service Agreement for the day of the outage. The seven day period shall include the seven days immediately preceding the notice of the outage that are not affected by a prior outage or Force Majeure event.

- (3) When Trunkline has not given advance notice of an outage and reduces Shipper's nomination during the Timely Nomination Cycle, reservation charge credits will apply to Quantities nominated and confirmed in the Timely Nomination Cycle from primary Points of Receipt (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) less the Quantity of Gas delivered on Shipper's Service Agreement for the day.
- (4) Trunkline shall provide reservation charge credits for primary firm service but not for secondary firm service. If Shipper nominates to or from secondary Points of Receipt or Delivery after Trunkline has given notice of the outage, Trunkline shall not provide reservation charge credits to the extent Trunkline provides such secondary firm service.

(B) Reservation Rate

For the calculation of the reservation charge credit, Trunkline shall apply the reservation rate applicable to Shipper's Service Agreement stated on a daily basis; provided, however, the reservation rate for service obtained through capacity release pursuant to GT&C Section 15 shall be the lower of the rate under the Replacement Shipper's Capacity Release Service Agreement Addendum or the reservation rate stated in Releasing Shipper's Service Agreement. Reservation charge credits are not applicable to Replacement Shippers paying a volumetric rate.

(C) Calculation

Each day's credit shall be payable on the applicable Quantity calculated in Section 29.1(A) above multiplied by the appropriate contract reservation rate pursuant to Section 29.1(B) stated on a daily basis. In accordance with Section 2 of Rate Schedule LFT, reservation charge credits for Service Agreements under Rate Schedule LFT shall be calculated after Trunkline's right not to schedule service in whole or in part for ten (10) days in each Month.

29.2 Force Majeure

When Trunkline has issued notice of a Force Majeure event in accordance with Section 19 of the General Terms and Conditions, Trunkline shall provide full reservation charge credits to firm Shippers after a ten (10) day grace period pursuant to this Section 29.2.

- (A) The grace period for a Force Majeure event shall be ten (10) full consecutive days.
- (B) The Quantity of Gas eligible for reservation charge crediting shall be based on the average of the scheduled quantity from Shipper's primary Points of Receipt (up to

the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Receipt) to primary Points of Delivery (up to the Quantity stated on Shipper's Service Agreement Exhibit A for each primary Point of Delivery) for the seven (7) days period immediately prior to the notice of the announced Force Majeure event, less the Quantity of Gas delivered on Shipper's Service Agreement for the day. The seven day period shall include the seven days immediately preceding the notice of the Force Majeure event that are not affected by a prior outage or Force Majeure event.

- (C) For each Day subsequent to the grace period in Section 29.2(A), the reservation charge credit shall be the Quantity determined in Sections 29.2(B) and 29.1(A)(4) above multiplied by the appropriate contract reservation rate pursuant to Section 29.1(B) stated on a daily basis; provided, however, reservation charge credits for service under Rate Schedule LFT shall only be calculated for Days subsequent to the grace period and in excess of the ten (10) Days each Month that Trunkline has the right not to schedule service pursuant to Section 2 of Rate Schedule LFT.

~~29.3 — Pipeline and Hazardous Materials Safety Administration (PHMSA) Outages~~

~~Notwithstanding the above provisions, when Trunkline is unable to deliver Quantities due to outages that are required to comply with PHMSA orders pursuant to Section 60139(c) of Title 49 of the United States Code, Chapter 601, Shipper shall be eligible for reservation charge credits calculated in accordance with Section 29.2(C) above. Notice to Shippers of such outage shall identify the specific PHMSA order causing the outage. This provision shall apply for a two year period beginning April 1, 2017.~~

- ~~29.34~~ Any reservation charge credit payable will be included on a subsequent month invoice and will be applied first to offset any outstanding past due balances owed by Shipper. Reservation charge credits applicable to Service Agreements that are not in effect due to termination will be paid by Trunkline to Shipper, net of any amounts owed to Trunkline.
- ~~29.45~~ In a not unduly discriminatory manner and in connection with a discounted or negotiated rate Service Agreement, Trunkline and Shipper may agree to a different reservation charge crediting methodology.