

105 FERC ¶ 61, 040
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
William L. Massey, and Nora Mead Brownell.

Transcontinental Gas Pipe Line Corporation Docket Nos. TM99-6-29-005, TM99-6-29-006,
RP00-209-003, RP00-209-004,
RP01-253-006, RP02-171-003,
and RP02-171-004

ORDER ACCEPTING COMPLIANCE FILING AND DENYING REQUEST FOR
REHEARING

(Issued October 7, 2003)

1. On December 9, 2002, Transcontinental Gas Pipe Line Corporation (Transco) filed revised tariff sheets¹ reflecting revised fuel retention percentages (FRP) to comply with the Commission's October 10, 2002 Order in the captioned dockets.² On November 12, 2002, two parties requested rehearing of the Commission's October 10, 2002 Order in the captioned docket.³ As discussed below, the Commission will deny the request for rehearing of the October 10, 2002 Order and will accept the proposed tariff sheets, effective as proposed, as in compliance with the October 10, 2002 Order.

I. Background

2. On March 1, 1999, Transco filed its annual Fuel Retention Adjustment filing pursuant to Section 38 of the General Terms and Conditions of its FERC Tariff reflecting

¹See Appendix.

²Transcontinental Gas Pipe Line Corp., 101 FERC & 61,012 (2002).

³These parties are the Transco Municipal Group and the Municipal Gas Authority of Georgia (jointly, TMG).

revised FRPs, to be effective April 1, 1999.⁴ As relevant here, in addition to reflecting projected and deferred fuel requirements derived from the 12-month deferral period prescribed by the tariff for that filing (February 1998 - January 1999), Transco proposed to adjust its volumes to correct for under-recoveries of fuel that resulted from accounting and gas metering errors.⁵

⁴Section 38 of Transco's tariff provides that Transco will be reimbursed in-kind for the fuel it uses in providing transportation and storage services, i.e., Actual Gas Required for Operations (GRO). Under this provision, Transco is authorized to retain a percentage of the transportation volumes tendered by its customers, i.e., Fuel Retention Percentage (FRP), for fuel. FRPs are calculated separately for each applicable service. The annual FRP calculation includes projected fuel use as well as adjustments to make up for the difference between actual volumes used in its operations and actual volumes recovered from its customers for each month of the preceding 12 month deferral period. The 12-month deferral period ends two months prior to the effective date of the proposed FRP. (The Docket No. TM99-6-29 deferral period, therefore, was February 1998 through January 1999). Under the tariff, in order to calculate interest, each month's under- or over-recovered volumes are converted into dollar amounts, which are recorded in the Deferred GRO Account, by multiplying the volumes of each month by the GRO Index price for each month, and then adding interest each month to the accumulated balances. The dollar balance in the deferred account at the end of the 12-month deferral period is then re-converted back to volumes by dividing it by the weighted average value of the GRO Index price for that period. The under- or over-recovered accumulated volume balance, including imputed volumes to account for interest, is then added or subtracted (whichever is appropriate) from the total fuel volumes used to derive the new FRPs.

⁵The accounting errors, total 8,042,239 Dth, occurred over a seven year period from August 1991 until July 1998 and related to system transportation services. The gas metering errors, totaling 247,970 Dth, occurred from November 1995 until April 1998 and are related to services under three storage rate schedules. In its March 1, 1999 filing, Transco proposed to simply add the actual, unadjusted 8,042,239 Dth of unrecovered accounting error volumes to the total system fuel volumes it used to calculate the proposed system FRPs to be effective April 1, 1999. In similar fashion, Transco proposed to add the actual, unadjusted 247,970 Dth of unrecovered meter error volumes to arrive at the total fuel volumes for the related three storage services it used to calculate the FRPs for those services.

3. On February 23, 2000, the Commission disallowed Transco's proposed adjustments to correct for the prior period errors with the exception of a 23,189 Dth adjustment to correct for certain past metering errors and ordered Transco to make dollar refunds of the over-collections, including interest, calculated by reflecting the difference between the value of the gas it retained under the filed FRPs and the value of the gas it should have retained according to the recalculated FRPs.⁶ On rehearing of the February 23, 2000 Order, the Commission granted rehearing and permitted Transco to correct for the prior errors in an order dated October 30, 2000.⁷ In the October 30, 2000 Order, the Commission found that Transco's proposal, set forth in its rehearing request, to amortize the originally-requested volume adjustments over a seven-year period was reasonable. Accordingly, the October 30, 2000 Order directed Transco to amortize the effect of the proposed 8,042,239 Dth and 247,970 Dth actual volume adjustments over a seven year period beginning with the FRPs to effective April 1, 1999.⁸ The Commission directed Transco to file revised tariff sheets to reflect recalculated FRPs to be effective April 1, 1999, along with a calculation of refunds or billing adjustments, as appropriate. On May 30, 2001, the Commission denied rehearing of its October 30, 2000 Order, although the Commission modified its reasoning for granting Transco permission to recover the volumes on equitable grounds by holding that the 1991 Settlement, as reflected in Section 38 of the GT&C of its tariff, requires the prior period adjustment to be accepted.⁹

4. Transco submitted filings to comply with the October 30, 2000 Order on November 29, 2000 and December 29, 2000. In its November 29, 2000 filing, instead of amortizing the 8,042,239 Dth of actual volumes, Transco recalculated each prior year's FRP, which included increased imputed volumes to account for interest, to arrive at a total volume to be amortized of 10,009,069 Dth. Transco then divided that total by seven to arrive at annual adjusted volumes of 1,429,867 Dth which it incorporated in its calculation of the revised FRPs for its system transportation customers effective April 1, 1999.¹⁰ Transco performed similar re-computations relative to the 247,970 Dth of actual

⁶Transcontinental Gas Pipe Line Corp., 90 FERC & 61,165 at 61,507 (2000).

⁷Transcontinental Gas Pipe Line Corp., 93 FERC & 61,114 (2000), reh'g denied, 95 FERC & 61,299 (2001).

⁸93 FERC & 61,114 at 61,323.

⁹95 FERC & 61,299 (2001).

¹⁰The October 10, 2002 Order contains a detailed description of Transco's process

gas metering errors, to arrive at an adjusted annual volume of 42,905 Dth which it used in calculating the FRPs it proposed to be effective April 1, 1999.¹¹ Transco stated that it intended to perform similar calculations for each of the other six remaining years of the 7-year amortization period.

5. On December 29, 2000, Transco filed to reflect a computation of refunds due to its shippers pursuant to the October 30, 2000 Order. Transco first computed the difference between the actual gas volumes retained during April 1999 through March 2000, (i.e., the months the rates filed in Docket No. TM99-6-29 were in effect), and the adjusted volumes applicable to each month of this period based on Transco's re-computation of the accounting and metering errors adjustments. In computing net dollar refunds owed, Transco set off from such refunds amounts it undercollected pursuant to rates effective April 1, 2000, in Docket No. RP00-209-000 as a result of an earlier filing to comply with the Commission's February 23, 2000 Order which rejected its proposed corrections. As a result of its calculations, Transco claimed a net refund owed as of November 30, 2000, of \$15,620,775, including interest.¹²

6. On October 10, 2002, the Commission rejected Transco's November 29, 2000 and December 29, 2000 filings stating that they did not comply with the Commission's October 30, 2000 Order.¹³ The Commission found that the October 30, 2000 Order only permitted Transco to recover the two actual volume adjustments and nothing more.¹⁴ The Commission stated that to correctly comply with the October 30, 2000 Order, Transco simply must add one-seventh of the actual 8,042,239 Dth of accounting error prior period adjustment volumes in each of the seven years of the amortization period. The Commission directed the same procedure for the recovery of the 247,970 Dth of metering

of calculating the accounting and metering adjustments.

¹¹This contrasts with using one-seventh of the actual 247,970 Dth (i.e., 35,424 Dth) to correct for the metering errors adjustment.

¹²Transco states that, at the time of filing, Transco only had sufficient information to calculate offsets through November 30, 2000. Transco stated that it would continue to calculate the amounts to be surcharged through the RP00-209 rate period ending March 31, 2001. December 29, 2000 Transmittal letter at 3.

¹³101 FERC & 61,012 at P 10.

¹⁴93 FERC & 61,114 at 61,323.

errors. The Commission directed Transco to submit revised tariff sheets and refund or billing adjustment computations within 60 days of the date of the October 10, 2002 Order reflecting the foregoing methodology to calculate FRPs effective April 1, 1999 (Docket No. TM99-6-29), April 1, 2000 (Docket No. RP00-209), April 1, 2001 (Docket No. RP00-253), and April 1, 2002 (Docket No. RP02-171).¹⁵

II. Rehearing

A. TMG's Arguments on Rehearing

7. On November 12, 2002, TMG requested rehearing of the October 10, 2002 Order. TMG argues that the October 10, 2002 Order contains four errors.

8. First, TMG argues that the October 10, 2002 Order erred by permitting Transco to recover quantities of fuel over the course of an amortization period that will result in customers bearing fuel costs that are substantially higher than the value of the accounting adjustments. Second, TMG asserts that the October 10, 2002 Order erred by providing Transco with a substantial windfall when the accounting errors that brought about the prior-period adjustments were entirely the fault of Transco. Third, TMG asserts that the result of the Commission's October 10, 2002 Order is inconsistent with the reasoning in its May 30, 2001 rehearing order because it justifies the inclusion of past period adjustments on the principle that no party should gain or lose because of an adjustment, and the October 10, 2002 Order will cause customers to pay far more than the value of gas that Transco failed to pay on a timely basis. Fourth, TMG asserts that the October 10, 2002 Order erred by adopting an amortization methodology that is inconsistent with the principle that no party should gain or lose on the actual difference between fuel retained and fuel used.¹⁶

9. Thus, TMG's arguments on rehearing focus on the manner in which Transco should be permitted to recoup the amounts of gas in question. In essence, TMG argues

¹⁵Because Transco's latest annual FRP filing in Docket No. RP03-273 does not reflect the approved amortized adjustment as proposed in the instant compliance filing, Transco reserves the right to adjust the fuel retention percentages and to make refunds and collect surcharges as necessary to reflect the final resolution of issues in the instant proceeding. Unpublished Letter Order in Docket No. RP03-273-000 issued on March 25, 2003.

¹⁶TMG Request for Rehearing at 8.

that Transco will obtain a windfall if it recovers the actual volumes because the gas that Transco failed to recover in the past is currently worth more than when the gas would have been recovered had it not made its accounting and measurement errors. TMG argues that, pursuant to the Commission's ruling, Transco's customers will now be required to give Transco back the same volume of gas volumes it failed to include in its past FRP calculations even though the gas is more valuable now than it was at the time Transco failed to account for it. Thus, it asserts, fuel that on average cost around \$2.00 per Dth will be recouped from customers who will pay current and future market prices of over twice that cost to supply fuel that far exceed that cost. Further, it argues that this outcome is inconsistent with the rationale the Commission employed in prior orders in justifying Transco to recover these past-period quantities, to wit: that the equities lie with Transco's customers, that the ministerial error committed by Transco does not justify a large penalty to Transco and, therefore, does not justify a large penalty to its customers, and that the Commission has repeatedly focused on how the customers should pay the "actual cost of fuel" and that it contemplated the recovery of the "value" of the gas. TMG argues that basing recovery on actual volumes should not be permitted to occur and that the Commission should grant rehearing and adopt an amortization method that focuses on the value of the unrecovered gas, not on the actual volumes of the gas.

10. Accordingly, TMG requests that the Commission grant rehearing and adopt an amortization method that focuses on the value of Transco's unrecovered gas that Transco used to provide transportation service without the addition of a substantial premium caused by the fact that the gas is now of higher value. In the alternative, TMG argues that the Commission should limit the amortization so that the amortization will be discontinued when gas valued at the historical cost of the amortization quantity has been included in the quantities used to derive the FRPs.

B. Discussion

11. The issue TMG raises is whether Transco's customers should pay it back in-kind with volumes equal to the actual volumes burned as fuel, as the Commission directed, or with volumes adjusted downward to reflect the differences between past and current gas prices, as TMG now proposes. We believe our ruling that actual volumes unadjusted for price must be recovered from Transco's customers is appropriate and consistent with the 1991 Settlement, Section 38 of Transco's GT&C which resulted from the Settlement, and Transco and its customers' past practice in applying Section 38.

12. First, as stated above, the Commission found that Transco was permitted to recover these volumes because Transco and its customers agreed in the 1991 settlement that "no party should gain or lose on the actual difference between fuel retained and fuel

burned."¹⁷ We believe that the use of the words "actual difference" and "fuel retained and burned", are most reasonably interpreted as connoting an intent to make up under- or over-recoveries "in-kind" with the same volume of gas as the under- or over-recovered amount, as opposed to TMG's view that imputed volumes are to be derived from adjusting for price differentials. We believe our interpretation of the 1991 Settlement is supported by Section 38 of the GT&C which was approved as part of the Settlement. Section 38 of Transco's GT&C, as Transco explained, "tracks the actual quantities of fuel burned and retained."¹⁸ Thus, Section 38 of Transco's GT&C is a fuel use tracker which results in over- or under-recoveries of fuel being paid for or returned "in-kind" (i.e., with actual volumes added or subtracted from the shipper's transportation gas supplies to provide fuel) rather than with cash payments. In other words, the mechanism permits Transco to recover actual fuel volumes by taking volumes of gas from its customers' supplies rather than using its own gas and charging its customers in dollars. Section 38.5 provides for a reconciliation of the difference between actual volumes removed from shippers' supplies and the actual volumes of gas consumed as fuel or otherwise used in the transportation of shippers' supplies. The result of the Section 38 methodology is that the same volumetric amount of under- or -over-recovered gas volumes is returned to either Transco or the customers as the case may be without an adjustment to reflect the difference in gas commodity prices between the time the gas was consumed as fuel and the time the reconciliation under Section 38 is made.¹⁹ Transco will receive no more than the actual amounts of gas it burned in providing service to its customers in the past but failed to recover from them in such earlier periods.

¹⁷Transcontinental Gas Pipe Line Corp., 55 FERC & 61,446 at 62,362 (1991).

¹⁸55 FERC & 61,446 at 62,363.

¹⁹The Section 38.5 mechanism does involve an intermediate calculation involving a conversion of volumes into dollars by dividing each month's GRO volumes by unit prices from gas price indices (GRO Index), but this calculation is performed solely to be able to calculate interest. After being converted to dollar amounts in the interest calculation, the dollar figure is converted back to the actual GRO volume again by multiplying that figure by the same GRO Index gas prices on a weighted average basis. Hence, pursuant to Section 38.5, the actual, unadjusted gas volume is used without any change in that volume to reflect differences in the "value" of the gas supplies, as TMG urges. In the instant proceeding the Commission determined that interest will not be permitted on the volumes in question. Therefore, it was not necessary to convert these gas volumes into dollar amounts before including them in the calculation of FRPs for April 1, 1999, and thereafter.

13. Third, our ruling is also consistent with Transco and its customers' past conduct in interpreting of Section 38 of Transco's tariff in instances where Transco owed its customers for excess fuel it retained in prior periods. For example, in its annual FRP filing in Docket No. TM98-9-29-001, Transco proposed to rectify FRP overcharges under this mechanism by adjusting its deferred account balance to reflect the return of the same amount of gas to its customers that it took from them in an earlier period in excess of its actual fuel requirements for that earlier period. It did not propose to adjust the volumes to be returned by some price valuation factor. No one opposed the filing on the basis that such a price-related adjustment should have been made to the volumes being returned to the customers and the Commission accepted the filing without conditioning acceptance on making such a price adjustment.²⁰

14. TMG argues that the Commission's statements in its earlier orders in this proceeding that Transco may recover the "actual cost of the fuel Transco used to transport [the customers'] gas" and "\$13.7 million over a seven-year period" show that the Commission has failed to adhere to what TMG asserts is the Commission's own reasoning²¹ The Commission disagrees. The cited references were not intended to support TMG's new proposal and are taken out of context.²² For example, in the October 30, 2000 Order,²³ the full context of the excerpt culled out by TMG reads as follows:

[N]ot allowing Transco [to] correct its error and recover these actual amounts, totaling over 8 Bcf of gas, that Transco indicates is worth approximately \$13.7 million results in an excessive penalty in these circumstances.[footnote number omitted]

²⁰Transcontinental Gas Pipe Line Corp., 85 FERC & 61,029 (1985).

²¹TMG Rehearing Request at 14.

²²Indeed, taken literally, the cited excerpts suggest that Transco would actually recover money in the amount of \$13.7 or some other dollar cost figure. That clearly was not intended as it would fly in the face of how Section 38, as described above, operates since no dollars change hands under the tariff mechanism; only volumes of gas are returned or recouped "in-kind" under that mechanism.

²³93 FERC & 61,114 at 61,322.

* * *

[footnote number omitted] Section 38.5 of Transco's General Terms and Conditions requires that the Deferred GRO (Gas Required for Operations) account be maintained based upon a determination of actual GRO quantities.

15. It is clear from the full context of that discussion that the Commission intended that the actual roughly 8 Bcf of gas would be included in the Deferred GRO and recovered from Transco's customers. The additional parenthetical reference to the estimated \$13.7 million value of that 8 Bcf of gas was included simply to emphasize the economic importance of the issue in terms of dollars to appropriately weigh the equities. Other references to the \$13.7 million figure or to other terms such as "cost" or "value" had the same intent. To the extent such other references could be interpreted otherwise, we clarify that there was no intent to not apply the Section 38 mechanism of allowing the recovery of actual volumes consumed as fuel.

16. Accordingly, the Commission's May 30, 2001, and October 10, 2002 Orders correctly directed that Transco could recover the actual undercollected gas quantities, thus ensuring that no party gains or loses on the difference between fuel retained and fuel burned as agreed to in the 1991 settlement.

17. Therefore, the Commission denies the request for rehearing filed by TMG.

III. December 9, 2002 Compliance Filing

A. Details of the Instant Filing

18. In its December 9, 2002 filing, Transco states that it has included revised tariff sheets reflecting revised FRPs to comply with the October 10, 2002 Order. Each appendix to the filing includes a narrative explanation and computations for each of the four FRP docket periods at issue. For example, in Appendix C of the instant filing, Transco divided the originally-proposed actual 8,042,239 Dth prior-period accounting error correction volume by seven to reflect the seven year amortization period, which resulted in an annual volume of 1,148,891 Dth. Transco then included this amount as an in-kind adjustment to total fuel burned for the 12-month amortization period of each prior annual FRP filing starting April 1, 1999. Transco included one-twelfth of this annual volume, *i.e.*, 95,741 Dth, in each month's Volume Retained "In Kind" column, consistent with the Commission's directive that Transco may recover the 8,042,239 Dth over a seven period, and nothing more. Transco also performed the same calculation for the 247,970 Dth of actual gas metering errors. Appendix F to the instant filing details the computation

of the total amount overcollected in the FRPs that were effective April 1, 1999, through March 31, 2000, offset by the amounts Transco undercollected pursuant to FRPs effective April 1, 2000, through September 30, 2002, which is the latest date for which information was available at the time of this filing.²⁴

B. Public Notice, Interventions and Protests

19. Public notice of Transco's December 9, 2002 compliance filing was issued with interventions and protests due as provided in Section 154.210 of the Commission's regulations (18 C.F.R. ' 154.210 (2003)). Pursuant to Rule 214 (18 C.F.R. ' 385.214 (2003)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. On December 23, 2002, the Transco Municipal Group and the Municipal Gas Authority of Georgia (TMG) filed a joint request for a technical conference and protest to Transco's December 9, 2002 compliance filing. On December 23, 2002, The KeySpan Delivery Companies (KeySpan) filed a request for a technical conference. The protests are addressed below.²⁵

C. Discussion of Compliance Filing

20. The Commission finds Transco's proposed tariff sheets to be in compliance with the October 10, 2002 Order. The filing's appendices and proposed tariff sheets reflect that it correctly divided the actual total accounting and metering error volume by the seven year period and included this resulting volume as deferred volumes in each of the seven years of the amortization period, starting with the FRPs effective April 1, 1999. Accordingly, the Commission will accept the proposed tariff sheets to be effective as proposed in the Appendix. The filing also complies with the October 10, 2002 Order's direction to calculate net refunds or billing adjustments, as appropriate, based upon the approved volumes. Consistent with the Commission's ruling in the October 30, 2000 Order, the instant filing reflects the set off of amounts Transco overcollected in the rates

²⁴Transco also states that it has included three revised tariff sheets, designated in the Appendix to this order, that were included to incorporate the revisions contained in the instant filing into certain tariff sheets which Transco filed subsequent to April 1, 1999, in other dockets.

²⁵On January 7, 2003, Transco filed an answer opposing the requests for a technical conference filed by TMG, Gas Authority, and KeySpan. The Commission does not find the answer provides useful additional information and will not permit Transco's Answer pursuant to 18 CFR ' 385.214 (2003).

that were effective April 1, 1999, by the amounts it undercollected pursuant to the rates effective April 1, 2000. The Commission finds that Transco has calculated refunds in a manner consistent with the directives of the October 30, 2000 Order.

21. TMG protests the instant filing, observing that Transco has removed the quantities of gas associated with the amortization amount (95,7421 Dth per month for system transportation and 2,952 Dth per month for Rate Schedule GSS service) from the volume retained set forth in Column C in the calculation of the deferred GRO account for each annual period.²⁶ TMG argues that Transco has not explained why it is appropriate to make this adjustment and that the adjustment appears to be inconsistent with the manner in which Transco typically derives its deferred GRO account numbers.

22. We find that Transco has adequately explained the basis for its calculation. In Appendix C of the instant filing, Transco explains that it was necessary to make this adjustment because the "in kind" retained volume must be excluded from the calculation of the deferral in order to permit Transco to recover the Commission-approved adjustment "and nothing more" as directed by the Commission. Transco's exclusion of the adjustment from Column C "Volumes Retained" increases the difference between volumes retained and actual volumes used. This is the manner in which Transco recovers the adjustment. If Column C was not decreased by the adjustment, Transco would not be in compliance with the directive to recover the adjustment in its fuel retention filing. Accordingly, Transco was correct in decreasing Column C by the adjustment.

23. Second, TMG asserts that Transco has not supplied the derivation of the revised fuel retention quantities to support the 2002 revised fuel retention figures set forth in Appendix F, schedule 1, Column 3 of its filing. TMG is incorrect. Transco provided support for these figures in Column C, page 1 of Appendices C, D, and E. These amounts are adequately documented in Transco's calculations of the GRO account in their respective appendices.

24. Third, TMG asserts that Transco has not provided detailed work papers regarding the actual transportation quantities that were shipped in the periods covered by its revised FRP computations or the derivation of the GRO index prices used to compute the refunds and surcharges. TMG also asserts that Transco has not provided customer-specific refund information so that customers may assess the impact of its filing. The Commission finds that Transco has supplied sufficient explanations concerning the manner in which it

²⁶TMG Protest at 10, citing, Transco's December 9, 2002 Filing Appendices C, D, and E, pp. 1 and 5, Column D.

calculated its revised FRPs and its work papers clearly show the process Transco used in deriving these revised FRPs. In addition, Transco has provided sufficient refund information which complies with the Commission's orders herein and all Commission regulations concerning the calculation and distribution of refunds. Further, in determining whether Transco complied with the directives of the October 10, 2002 Order regarding the recalculation of FRPs, customer-specific information is unnecessary since the recalculated FRPs apply to all customers under each rate schedule. However, we clarify that Transco must include refund information specific to each individual customer in the refund report it must file to reflect the actual disbursement of refunds within 30 days of making the refund. In addition, Transco must include any additional refunds and supporting calculations that have occurred after September 30, 2002.

25. Finally, TMG asserts that the instant compliance filing is very complex and that a technical conference is necessary to assess the filing. TMG observes that the filing covers four Transco annual fuel tracker filings and that modifications to each require additional modifications in the deferral period used in each subsequent annual filing. As a result, TMG argues that an analysis of the instant filing will require daily volume information for each receipt and delivery point combination separately for each service purchased from Transco since 1999. KeySpan joins TMG in arguing that a technical conference is necessary to assess the filing.

26. The Commission rejects the requests for technical conference. Transco is using the same methodology to revise its FRPs in the December 9, 2002 compliance filing as it used in the November 29, 2000 and December 29, 2000 filings. The only exception to this methodology is that in the instant filing Transco is reflecting the exclusion of interest on the approved amounts in its calculations because in the October 10, 2002 Order the Commission directed Transco to recover the actual fuel adjustments and nothing more. As indicated above, in the Commission's view, Transco has adequately supported its calculations in the December 9, 2002 compliance filing by submitting the supporting work papers and calculations on a monthly basis. Further, TMG and Keyspan failed to raise this issue in response to earlier filings which reflected essentially the same monthly calculations and failed to explain why this late-filed alternative proposal to pursue data and calculations on a daily basis is supported and not overly burdensome and why the monthly calculations Transco filed will not produce just and reasonable rates. Thus, we will deny KeySpan's and TMG's requests for a technical conference.

The Commission orders:

(A) The tariff sheets listed in the Appendix are accepted to be effective as designated in the Appendix.

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(B) TMG's request for rehearing of the Commission's October 10, 2002 Order in this proceeding is denied.

By the Commission.

(S E A L)

Linda Mitry,
Acting Secretary.

APPENDIX

Tariff Sheets
Third Revised Volume No. 1

Effective April 1, 1999 (TM99-6-29)

Second Substitute Eleventh Revised Sheet No. 29
Second Substitute Twelfth Revised Sheet No. 44

Effective April 1, 2000 (RP00-209)

Substitute Thirteenth Revised Sheet No. 29
Second Substitute Thirteenth Revised Sheet No. 44

Effective April 14, 2000 (RP99-291)¹

Substitute Fourteenth Revised Sheet No. 29

Effective April 1, 2001 (RP01-253)

Substitute Fifteenth Revised Sheet No. 29
Substitute Fourteenth Revised Sheet No. 44

Effective September 1, 2001 (RP01-245)²

Second Substitute Fifteenth Revised Sheet No. 44

Effective April 1, 2002 (RP02-171)

Substitute Alternate Sixteenth Revised Sheet No. 29
Substitute Sixteenth Revised Sheet No. 44

Effective November 1, 2002 (RP03-8)³

Substitute Seventeenth Revised Sheet No. 29

¹May 26, 2000 LNG Compliance Filing (added Part 284 LNG Service)

²August 31, 2001 Motion Rate Filing (added Zone 4B)

³October 1, 2002 LNG Fuel Tracker Filing