

Welcome to FERC Watch – a customer service provided by Transco. Questions or comments related to the information contained in FERC Watch should be directed to Jordan Kirwin at 713-215-3723 or Ron Goetze at 713-215-4631.

Garden State Expansion Project Placed in Service (Docket No. CP15-89-000)

On March 23, 2018, Transco placed Phase 2 of the Garden State Expansion Project into service.

Market Area Pooling Charges – Pro Forma Tariff Filing (Docket No. RP18-568-000)

On March 16, 2018, Transco submitted a pro forma tariff filing to revise the assessment of pooling charges (usage charges and fuel retention) at the Zone 5 Pool and Zone 6 Pool so that the charges are applied to transportation service leaving the pools. Currently, Transco assesses pooling charges on quantities being transported into the pools. Transco's target implementation date for these changes is October 1, 2018.

Commission Reissues Certificate for the Hillabee Expansion Project (Docket No. CP15-16-000)

On March 14, 2018, the Commission issued an Order on Remand Reinstating Certificate and Abandonment Authorization to Transco to construct, own and operate the Hillabee Expansion Project ("Project") and to abandon by lease to Sabal Trail Transmission, LLC the capacity created by the Project.

Environmental Assessment Issued for Rivervale South to Market Project (Docket No. CP17-490-000)

On March 16, 2018, the Commission issued an environmental assessment ("EA") for the Rivervale South to Market Project. The EA assesses the potential environmental effects of the construction and operation of the Project in accordance with the requirements of the National Environmental Policy Act. The Commission staff concluded that approval of the project, with appropriate mitigation measures, will not constitute a major federal action significantly affecting the quality of the human environment. Comments on the EA are due on, or before, April 16, 2018.

Draft Environmental Impact Statement Issued for Northeast Supply Enhancement Project (Docket No. CP17-101-000)

On March 23, 2018, the Commission issued a draft environmental impact statement (EIS) for the Northeast Supply Enhancement Project. The draft EIS assesses the potential environmental effects of the construction and operation of the Project in accordance with the requirements of the National Environmental Policy Act. The Project, as proposed would provide 400,000 dekatherms per day of natural gas to end use residential and commercial customers in the New York City area. Comments are due on the Draft EIS on, or before, May 14, 2018.

Proposed Rulemaking Relating to Federal Income Tax Rate Changes (Docket No. RM18-11)

On March 15, 2018, the Commission issued a Notice of Proposed Rulemaking (NOPR) in Docket No. RM18-11 that will require certain pipelines to make a one-time informational filing designed to collect financial information to evaluate the impact of the lower corporate income tax rate enacted through the Tax Cuts and Jobs Act of 2017. These informational filings must also address

the changes to FERC's income tax allowance policy for MLPs (discussed further below). In addition to the informational filing the Commission will allow pipelines to elect from the following four options: (1) make a limited NGA section 4 filing to reduce rates to account for the lower corporate income tax rate; (2) commit to file a full NGA section 4 rate case; (3) make filings to explain why the rates do not need to be reduced, or (4) choose to do nothing. If a pipeline chooses options 3 or 4, the Commission will consider initiating a show cause order that may result in a rate reduction under NGA section 5. Comments on the NOPR are due April 25, 2018.

Inquiry Regarding the Effect of the Tax Cuts and Jobs Act on Commission-Jurisdictional Rates (Docket No. RM18-12)

In a Notice of Inquiry (NOI) issued March 15, 2018, the Commission seeks comments on the effect of the Tax Cuts and Jobs Act of 2017 on accumulated deferred income taxes and bonus depreciation. Reply comments on the NOI are due May 21, 2018.

Inquiry Regarding Commission's Policy for Recovery of Income Tax Costs (Docket No. PL17-1)

On March 15, 2018, the Commission issued a revised policy statement that states that the Commission will no longer allow MLPs to recover an income tax allowance as part of their cost-of-service rates. The revised policy statement instructs pipelines organized as Master Limited Partnerships to reflect the Commission's elimination of the income tax allowance in the informational filing required in the NOPR, discussed above.

Commission Approves FDLS Form of Service Agreement (Docket No. RP18-440-000)

On March 15, 2018, the Commission approved Transco's February 14, 2018 submittal of a revised Form of Service Agreement for use under Rate Schedule FDLS (Firm Delivery Lateral Service) that included alternative language in Article IV, Term of Agreement, to allow the contract effective date to be the same date that delivery lateral facilities used to provide service under the rate schedule have been constructed and are ready for service.

Approval of Transco's Annual Electric Power Tracker Filing (Docket No. RP18-541-000)

On March 29, 2018, the Commission approved the rates included in Transco's annual electric power tracker filing to be made effective April 1, 2018. The revised electric power rates can be found in the rates matrices contained in 1Line's Informational Postings – Regulatory section.

Approval of Transco's Annual Fuel Tracker Filing (Docket No. RP18-540-000)

On March 29, 2018, the Commission approved the fuel percentages included in Transco's annual fuel tracker filing to be made effective April 1, 2018. The revised fuel retention percentages can be found in the rates matrices contained in 1Line's Informational Postings – Regulatory section.