Transco FERC Watch

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.

Approval of Settlement Tariff Records Filed in Transco's General Section 4 Rate Case Proceeding (Docket No. RP18-1126)

On December 31, 2019, Transco filed a Stipulation and Agreement (Agreement) in the Docket No. RP18-1126 rate case proceeding that resolved all issues in that proceeding. On March 24, 2020, the Commission issued an order approving the Agreement without modification and directed Transco to file, electronically in eTariff, revised tariff records consistent with the terms of the Agreement. In compliance with the directive, Transco filed on April 23, 2020, tariff records reflecting (1) settlement rates to be effective March 1, 2019 through May 31, 2020 and (2) prospective rates to be effective June 1, 2020, the effective date of the Agreement. On April 30, 2020, Transco submitted revised tariff records to correct the commodity rates applicable to transactions received at the Station 85 Zone 4A Pool, with a proposed effective date of June 1, 2020. On May 19, 2020, the Commission issued a letter order which approved the settlement tariff records. Refunds of amounts collected in excess of the settlement rates for the period March 1, 2019 – May 31, 2020, including interest, will be made no later than July 30, 2020.

Cash-Out Price Changes (Docket No. RP20-614) and Disposition of Cash-Out Costs and Revenues (Docket No. RP20-618)

On February 28, 2020, in Docket No. RP 20-614, Transco filed revised tariff records with the Commission to change the calculations establishing the prices used for cashing out monthly imbalances remaining at the time of final resolution pursuant to Section 25 of the General Terms and Conditions of Transco's Tariff. On February 28, 2020, in Docket No. RP20-618, Transco filed revised tariff records with the Commission to change the procedures used to address over- or under-recoveries resulting from the difference between revenues received and costs incurred by Transco under the cash-out provisions of Transco's Tariff. Specifically, Transco proposes to establish a refund or surcharge rate designed to return to or recover from customers any over- or under-recovery of costs incurred under the cash-out provisions of the Tariff during an annual period. On March 30, 2020, the Commission accepted and suspended Transco's proposed tariff records to be effective September 1, 2020, subject to refund, and established hearing procedures. A prehearing conference occurred on April 16, 2020, and the presiding judge issued an Order Establishing Procedural Schedule on April 20, 2020. On May 1, 2020, the Presiding Judge issued an Order adopting Transco's April 28, 2020 motion filing requesting the adoption of a protective order. On May 5, the Settlement Judge recommended the continuation of settlement procedures, and on May 29, 2020, the Chief Administrative Law Judge ordered that it is in the public interest to continue the settlement judge proceedings.

Approval of Rate Schedule SS-2 Annual Inventory Adjustment Compliance Filing (Docket No. RP20-796-000)

On May 11, 2020, the Commission approved Transco's April 21, 2020, filing to track a third-party adjustment affecting Rate Schedule SS-2 customers' storage inventory balances. This filing was made in compliance with Section 8(c) of Transco's Rate Schedule SS-2, which provides that Transco will track annually to its Rate Schedule SS-2 customers the adjustment made by National

Fuel to Transco's storage inventory under National Fuel's Rate Schedule SS-1 related to transportation purchased by Transco under National Fuel's Rate Schedule X-54. The effective date of Transco's adjustment to its Rate Schedule SS-2 customers' storage inventory is May 1, 2020.

Rate Schedule S-2 Tracker Filing (Docket No. RP20-869-000, RP20-869-001)

On May 14, 2020, Transco filed a revised tariff record in Docket No. RP20-869-000 in order to track rate changes attributable to storage service purchased from Texas Eastern Transmission, LP under its Rate Schedule X-28 which is included in the rates and charges payable under Transco's Rate Schedule S-2. On May 20, 2020, Transco submitted a supplemental filing in Docket No. RP20-869-001 to include an additional tariff record that was inadvertently omitted from the May 14, 2020 filing. The proposed effective dates of the tariff records are April 1, 2020 and June 1, 2020.

Delivery Point Entitlement Zone 5 Filing (Docket No. RP20-873-000)

On May 15, 2020, Transco filed a revised tariff record to update the Delivery Point Entitlements for Public Service Company of North Carolina, Inc. The revised tariff record is proposed to be effective on June 15, 2020.

Rate Schedule S-2 (ASA) Tracker Filing (Docket No. RP20-899-000)

On May 29, 2020, Transco filed a revised tariff record in order to track rate changes attributable to storage service purchased from Texas Eastern Transmission, LP under its Rate Schedule X-28 which are included in the rates and charges payable under Transco's Rate Schedule S-2. The effective date of Transco's revised S-2 rates is June 1, 2020.

Filing of Annual Blanket Certificate Report and Section 2.55(b) Report (Docket Nos. CP20-435and CP20-430-000)

On May 1, 2020, Transco submitted the annual reports required to be filed with the Commission by May 1 of each year in accordance with Sections 2.55(b) and 157.207 of the Regulations. Pursuant to Section 2.55(b), Transco submitted a report for 50 replacement projects completed in 2019, and pursuant to Section 157.207, Transco submitted a report for 15 construction projects and 5 abandonment projects completed during 2019 under Transco's blanket certificate authorization.

Hillabee Expansion Project (Docket No. CP15-16)

On February 2, 2016, the Commission issued an order granting Transco a Certificate of Public Convenience and Necessity to construct and operate in three phases the Hillabee Expansion Project ("Project") and to abandon the capacity by lease to Sabal Trail Transmission, LLC ("Sabal Trail"). On May 1, 2020, Transco placed into service Phase II of the Project and commenced the lease capacity of 206,660 dekatherms/day by abandoning the capacity to Sabal Trail.

<u>North Padre Island Lateral Abandonment Project – Notice to Proceed (Docket No. C18-260)</u>

On May 19, 2020, the Commission approved Transco's May 15, 2020 request to begin construction activities for the North Padre Island Lateral Abandonment Project in offshore waters of Texas.