

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Letter Order Pursuant to §375.307
Midwestern Gas Transmission Company
Docket No. RP19-292-000

December 10, 2018

Midwestern Gas Transmission Company
c/o ONEOK, Inc.,
100 West 5th Street
Tulsa, OK 74103

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

Reference: Gas Quality and Pressure

Dear Mr. Mucci:

On November 15, 2018, Midwestern Gas Transmission Company (Midwestern) filed a revised tariff record¹ to update language regarding the manner in which it may exercise discretion in acceptance of gas that is not in conformity to its gas quality and pressure specifications pursuant to Part 8, Section 2, Gas Quality and Pressure, Subpart 2.4 of Midwestern's General Terms and Conditions. Waiver of the Commission's 30-day notice requirement is granted and the referenced tariff record is accepted effective December 15, 2018, as proposed.

Public notice of the filing was issued on November 16, 2018. 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.

¹ Midwestern Gas Transmission Company, FERC NGA Gas Tariff, Midwestern - FERC Gas Tariff, [Part 8, Section 2, Gas Quality and Pressure, 4.0.0](#).

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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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November 15, 2018

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

Re: Midwestern Gas Transmission Company
Gas Quality and Pressure
Docket No. RP19-292-000

Dear Ms. Bose:

Pursuant to section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission's (Commission) regulations, Midwestern Gas Transmission Company (Midwestern) 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 December 15, 2018.

Part 8.2, GT&C – Gas Quality and Pressure, v. 4.0.0

Statement of Nature, Reasons and Basis for the Proposed Changes

Midwestern proposes to update its Tariff as further described below to provide clarity regarding the manner in which it may exercise discretion in acceptance of gas that is not in conformity to its gas quality and pressure specifications.

1. Part 8, Section 2 – Gas Quality and Pressure, Subpart 2.4 – Refusal of Out of Quality Specification Gas

Midwestern's proposed update to its Tariff in Part 8, Section 2, Gas Quality and Pressure, Subpart 2.4, Refusal of Out of Quality Specification Gas adds language clarifying Midwestern's ability to waive gas quality specifications consistent with its general Tariff waiver provision included in Part 8, Section 13.¹

¹Midwestern's FERC Gas Tariff, Part 8, Section 13, was placed into effect as of January 5, 2012 by the Commission in an unpublished letter order issued February 17, 2012 in Docket No. RP11-2254-001. Part 8, Section 13 states, "Company may waive any of its rights or any of Customer's obligations under this FERC Gas Tariff or any agreement subject to this Tariff on a basis that is not unduly discriminatory; provided that no waiver by either Company or Customer of any one or more defaults by the other in the performance of any provisions of this Tariff or any agreement subject to this Tariff shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character."

Increasing production from shale plays has led to wider diversity in the quality of gas entering Midwestern's system. Midwestern seeks to provide optimal flexibility to customers for sourcing natural gas supply while remaining compliant with the gas quality requirements in its Tariff in Part 8, Section 2. The proposed language gives transparency to customers as to how Midwestern may exercise discretion in making a decision to accept non-conforming gas into its system on a not unduly discriminatory basis.

Midwestern's proposed language is consistent with Commission precedent. Similar language regarding waiver of gas quality specifications has previously been approved and is included in Guardian Pipeline, L.L.C.'s (Guardian) currently effective FERC Gas Tariff.²

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 record in PDF format for publishing in eLibrary; and,
4. Appendix B – a marked version of the tariff record 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 record submitted herewith be approved by the Commission effective December 15, 2018. In accordance with section 154.7(a)(9) of the Commission's regulations, Guardian hereby files a motion to place the proposed tariff record into effect at the end of any suspension period if one is so ordered by the Commission in this proceeding.

Waivers

Pursuant to section 154.7(a)(7) of the Commission's regulations, Midwestern has not identified any waivers of the Commission's regulations needed to permit its filing to become effective as proposed; however, Midwestern 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.

²Guardian's FERC Gas Tariff, Part 8, Section 3.4(b) as approved in 154 FERC ¶ 61,250 issued March 29, 2016 to be effective April 1, 2016. Part 8, Section 3.4(b) states, "Nothing in this Section 3 shall limit Transporter's right, to be exercised on a not unduly discriminatory basis, to waive any quality specifications set forth in this Section 3, where the acceptance of non-conforming Gas will not in the reasonable judgment of Transporter adversely impact Transporter's Pipeline Facilities or operations."

Service and Correspondence

In accordance with section 154.502(c)(2) of the Commission's regulations, the undersigned certifies that a copy of this filing has been served electronically on Midwestern's customers and affected state regulatory commissions. A paper copy of this filing may only be served if a customer 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 Midwestern'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, Rates and Regulatory Compliance ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 732-1408 Email: denise.adams@oneok.com	Lisa Nishimuta Managing Attorney, 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

Attachment

Appendix A
Clean Tariff Record

2. GAS QUALITY AND PRESSURE

2.1 Standards

The provisions set forth below shall apply to all gas delivered to Company by Customer:

- (a) All gas shall have a Total Heating Value of not less than nine hundred sixty-seven (967) Btu's per cubic foot, and not more than eleven hundred (1100) Btu's per cubic foot.
- (b) All gas shall be commercially free (at prevailing pressure and temperature in Company's pipeline) from objectionable odors, dust, hydrocarbon liquids, water and any other substance that might become separated from the gas in Company's facilities, and Customer shall furnish, install, maintain and operate such drips, separators, heaters, and other mechanical devices as may be necessary to effect compliance with such requirements (after having secured the prior approval of Company as to the design and construction of such facilities, which approval shall not be unreasonably withheld).
- (c) All gas shall not contain more than twenty (20) grains of total sulphur, nor more than one fourth (1/4) of one grain of hydrogen sulphide per one hundred (100) cubic feet.
- (d) All gas shall not contain more than two-tenths of one percent (0.2%) by quantity of oxygen and Customer shall make every reasonable effort to keep the gas free of oxygen.
- (e) All gas shall not contain more than four percent (4%) by quantity of a combined total of carbon dioxide and nitrogen components; provided however, that the total carbon dioxide content shall not exceed three percent (3%) by quantity.
- (f) The temperature of all gas shall not exceed one hundred twenty degrees (120°) Fahrenheit.
- (g) All gas shall have been dehydrated by Customer for removal of entrained water present therein in a vapor state and in no event contain more than seven (7) pounds of entrained water per million cubic feet; at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch and a temperature of sixty degrees (60°) Fahrenheit as determined by dew-point apparatus in accordance with procedures and equipment selected by Company on a reasonable basis.

2.2 Prior Approval of Gas Quality Facilities

The design and construction of any facilities to be installed by any party, in order to comply with the quality specifications in Subsection 2.1 above, shall be approved by Company prior to such facilities being placed in service; such approval not to be unreasonably withheld.

2.3 Gas Quality Testing

Tests to determine sulphur, hydrogen sulphide, oxygen, carbon dioxide and nitrogen content shall be made by approved standard methods in general use in the gas industry.

2.4 Refusal of Out of Quality Specification Gas

As to gas which fails to meet the quality specifications set out in Subsection 2.1 above, or, if applicable, the quality specifications set out in the transportation agreement or applicable Rate Schedule, Company shall have the right to refuse to accept delivery of such gas and in the event Customer does not correct the quality deficiency within 48 hours Company may terminate all receipts under the transportation agreement involving the deficient gas.

Nothing in this Section 2 shall limit Company's right to waive any quality specifications set forth in this Section 2, provided that Company's acceptance of non-conforming gas will not in the sole judgment of Company adversely impact Company's pipeline facilities, operations or deliveries. Company's decision to accept non-conforming gas shall be exercised on a not unduly discriminatory basis taking into account such factors including, but not limited to, the degree to which gas does not meet the quality specifications, prevailing operating conditions, and whether and to what extent Customer pairs nominations of non-conforming gas with nominations of gas meeting the quality specifications such that the Customer's combined nominations of gas can be blended to meet the quality specifications. Company's exercise of a waiver of any quality specifications shall not operate or be construed as a future waiver of the quality specifications, whether of a like or of a different character.

2.5 Reimbursement of Equipment or Repair Costs

Notwithstanding the exercise by Company of the options in Subsection 2.4 above, Customer shall use its best efforts to correct any quality deficiency in the gas tendered for transportation. Further notwithstanding Company's election under Subsection 2.4 above, Customer shall reimburse Company for all expenses incurred in repairing damages to Company's facilities resulting from deliveries of gas which do not conform to the quality specifications set forth in Subsection 2.1 above.

Company shall have the right to collect from all Customers delivering gas to Company at a common Receipt Point their pro rata share of the cost of any additional gas analysis and quality control equipment which Company, at its reasonable discretion, determines is required to be installed at such Receipt Point to monitor the quality of gas delivered. With respect to Customer subject to Rate Schedule(s) FT-A, FT-B, FT-C, FT-D, FT-GS, and/or IT, the collection shall be by means of an Incidental Charge.

2.6 Separation, Dehydration and Processing

Company at its reasonable discretion may require that some or all of the gas to be transported be processed to remove liquid and liquefiable hydrocarbons prior to delivery to Company or may require evidence that satisfactory arrangements have been made for the removal of liquid and liquefiable hydrocarbons at a separation and dehydration and/or processing plant on Company's system. In the event separation and dehydration and/or processing is to occur after delivery of transportation gas to Company, Company and Customer shall determine a mutually agreeable charge for the transportation of liquid and liquefiable hydrocarbons.

2.7 Transfer Pressure

Customer shall deliver gas to Company at the pressure required from time to time to enable the gas to enter Company's facilities at the Receipt Points, but the pressure of gas delivered into Company's system shall not exceed Company's maximum allowable operating pressure. Company shall deliver gas to Customer or Customer's designee at Company's line pressure existing at the Delivery Point(s), provided that the maximum pressure shall be Company's line pressure at the Point(s) of Delivery and the minimum pressure shall be 100 pounds per square inch gauge.

2.8 Posting of Gas Quality Data

2.8.1 Required Posting

Company shall provide on its Informational Postings Web Site daily average gas quality information for prior Gas Day(s), to the extent available, for location(s) that are representative of mainline gas flow. [4.3.90]

The following are examples of gas quality attributes that could be included in the posting for the applicable Gas Day(s) and location(s) [4.3.90]:

- Heating Value
- Hydrocarbon Components (% of C1 - Cnn)
- Specific Gravity
- Water
- Nitrogen
- Carbon Dioxide
- Oxygen
- Hydrogen
- Helium
- Total Sulfur
- Hydrogen Sulfide
- Carbonyl Sulfide
- Mercaptans
- Mercury and/or other contaminants being measured
- Other pertinent gas quality information that is specified in Subsection 2.1 above of the General Terms and Conditions of Company's FERC Gas Tariff.

Data provided pursuant to NAESB WGQ Standard No. 4.3.90 shall be made available on Company's Informational Postings Web Site for the most recent three-month period. Beyond the initial three-month period, the historical data shall be made available offline in accordance with regulatory requirements. [4.3.91]

The information available for the identified location(s) shall be provided in a downloadable format. [4.3.90] Data provided pursuant to NAESB Standard No. 4.3.90 shall be provided in a tabular downloadable file as described by Company. The first row of the file shall contain the column headers and data shall begin on the second row of the file. In addition, one of the columns shall contain the applicable Gas Day. [4.3.92]

Company shall provide on its Informational Postings Web Site a link to the natural gas quality provisions within the General Terms and Conditions of Company's FERC Gas Tariff. [4.3.89]

2.8.2 Discretionary Posting

For any location(s), Company may, at its discretion, elect to provide gas quality information in addition to that specified in NAESB WGQ Standard No. 4.3.90. Company may choose how to provide the information. [4.1.40]

2.8.3 Compliance with Gas Quality Requirements

In any event, compliance with gas quality requirements is in accordance with Subsection 2.1 of the General Terms and Conditions of Company's FERC Gas Tariff.

Appendix B
Marked Tariff Record

2. GAS QUALITY AND PRESSURE

2.1 Standards

The provisions set forth below shall apply to all gas delivered to Company by Customer:

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- (c) All gas shall not contain more than twenty (20) grains of total sulphur, nor more than one fourth (1/4) of one grain of hydrogen sulphide per one hundred (100) cubic feet.
- (d) All gas shall not contain more than two-tenths of one percent (0.2%) by quantity of oxygen and Customer shall make every reasonable effort to keep the gas free of oxygen.
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Company shall have the right to collect from all Customers delivering gas to Company at a common Receipt Point their pro rata share of the cost of any additional gas analysis and quality control equipment which Company, at its reasonable discretion, determines is required to be installed at such Receipt Point to monitor the quality of gas delivered. With respect to Customer subject to Rate Schedule(s) FT-A, FT-B, FT-C, FT-D, FT-GS, and/or IT, the collection shall be by means of an Incidental Charge.

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2.8.3 Compliance with Gas Quality Requirements

In any event, compliance with gas quality requirements is in accordance with Subsection 2.1 of the General Terms and Conditions of Company's FERC Gas Tariff.