



5444 Westheimer Road  
Houston, TX 77056-5306  
P.O. Box 4967  
Houston, TX 77210-4967  
713.989.7000

March 8, 2011

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

Re: Trunkline LNG Company, LLC  
Docket No. RP11-\_\_\_\_-000

Dear Ms. Bose:

Trunkline LNG Company, LLC (TLNG) submits herewith for filing the following revised tariff record to its FERC Gas Tariff, Third Revised Volume No. 1-A, proposed to become effective March 11, 2011.

<u>Version</u>	<u>Description</u>	<u>Title</u>
1.0.0	Negotiated Rates	Currently Effective Rates

#### **STATEMENT OF NATURE, REASONS AND BASIS**

The purpose of this filing is to submit to the Federal Energy Regulatory Commission (Commission) modifications to the negotiated rate agreement with BG LNG Services, LLC under Rate Schedule FAV. This modification is being submitted in compliance with “Section 3.7 – Negotiated Rates” of Rate Schedule FAV of TLNG’s tariff and the Commission’s modified policy on negotiated rates as described below.

On February 13, 2001, in Docket No. RP01-229-000, TLNG filed tariff sheets to provide service utilizing negotiated rates in accordance with the Commission’s Policy Statement issued January 31, 1996 in Docket No. RM95-6-000 (Policy Statement).<sup>1</sup> The Commission accepted the tariff sheets in orders issued March 14, 2001<sup>2</sup> and April 18, 2001.

---

<sup>1</sup> The Commission’s current policies were originally established in, *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines, Regulation of Negotiated Transportation Services, Statements of Policy and Comments*, 74 FERC ¶ 61,076 (1996), *order on clarification*, 74 FERC ¶ 61,194 (1996), *order on reh’g*, 75 FERC ¶ 61,024 (1996). *See, also, Natural Gas Pipeline Negotiated Rate Policies and Practices, Modification of Negotiated Rate Policy*, 104 FERC ¶ 61,134 (2003).

<sup>2</sup> 94 FERC ¶ 61,255 (2001).

The Commission's modified policy, *inter alia*, permits pipelines to file notice of negotiated rate agreements that conform in all material respects with the *pro forma* service agreement contained in the pipeline's tariff by submitting a tariff record summarizing the negotiated rate. The proposed tariff record provides the requisite information concerning the agreement, including the name of the shipper, the negotiated rate, the applicable Rate Schedule, term of service, volume and a statement affirming that the negotiated rate Service Agreement does not deviate in any material respect from the form of service agreement in TLNG's FERC Gas Tariff. In addition, TLNG will maintain separate and identifiable accounts in sufficient detail to be identified in Statements G, I, and J in any future rate case for service volumes, billing determinants, rate components, surcharges and revenues associated with its negotiated rates.

### **CONTENTS OF THE FILING**

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. The eTariff XML filing package contains:

- . the proposed tariff record in RTF format with metadata attached
- . a transmittal letter in PDF format
- . a clean copy of the proposed tariff record in PDF format for publishing in eLibrary
- . a marked version of the proposed tariff changes pursuant to Section 154.201(a) of the Commission's Regulations
- . a copy of the complete filing in PDF format for publishing in eLibrary

### **IMPLEMENTATION AND WAIVER REQUEST**

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, TLNG requests that the proposed tariff record be accepted effective March 11, 2011 without further action from TLNG. TLNG respectfully requests waiver of Section 154.207 of the Commission's Regulations in order to allow the proposed tariff record to become effective March 11, 2011. TLNG reserves the right to move the tariff record into effect in the event any change to the proposed tariff section may be ordered by the Commission.

## COMMUNICATIONS, PLEADINGS AND ORDERS

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

**Michael T. Langston**<sup>3 4</sup>

Vice President  
Chief Regulatory Officer  
Trunkline LNG Company, LLC  
5444 Westheimer Road  
Houston, TX 77056-5306  
(713) 989-7610  
(713) 989-1176 (Fax)  
michael.langston@sug.com

**Frazier King**<sup>3</sup>

Associate General Counsel  
Trunkline LNG Company, LLC  
5444 Westheimer Road  
Houston, Texas 77056-5306  
(713) 989-2132  
(713) 989-1189 (Fax)  
frazier.king@sug.com

**James F. Moriarty, Esquire**<sup>3</sup>

Locke, Lord, Bissell & Liddell, LLP  
701 8<sup>th</sup> Street, N.W.  
Suite 700  
Washington, DC 20001  
(202) 220-6900  
(202) 220-6945 (Fax)  
jmoriarty@lockelord.com\_

**William W. Grygar**<sup>3</sup>

Rates and Regulatory Affairs  
Trunkline LNG Company, LLC  
5444 Westheimer Road  
Houston, TX 77056-5306  
(713) 989-7660  
(713) 989-1176 (Fax)  
bill.grygar@sug.com

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 TLNG's office at 5444 Westheimer Road, Houston, Texas 77056-5306. In addition, copies of this filing are being served on jurisdictional customers and interested state regulatory agencies. TLNG has posted a copy of this filing on its Internet web site accessible via <http://www.panhandleenergy.com> under "Informational Postings, TLNG, Other, Recent Filings".

Pursuant to Section 385.2011(c)(5) 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 his knowledge and belief, and possesses full power and authority to sign such filing.

Respectfully submitted,

TRUNKLINE LNG COMPANY, LLC

**/s/ Michael T. Langston**

Michael T. Langston  
Vice President  
Chief Regulatory Officer

---

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

<sup>4</sup> Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulations.

NEGOTIATED RATES

<u>Shipper</u>	<u>Rate Schedule</u>	<u>Negotiated Rate or Formula</u>	<u>Quantity</u>
BG LNG Services LLC	FTS-2	<u>1/</u>	1,170,000 Dt/day
BG LNG Services LLC	FAV	<u>2/</u>	1,800,000 Dt/day

These negotiated rate agreements do not deviate in any material respect from the form of service agreement in the tariff.

- 1/ Monthly Payment = Capacity Charge + Additional Capacity Charge. Capacity Charge = 570,000 Dt/day x \$0.2176/Dt x number of days in the month. The monthly payment shall also include Fuel Reimbursement and Electric Power Costs pursuant to Sections 19 and 20 of the General Terms and Conditions. Additional Capacity Charge = \$60,000 per day from the Modified Expansion In-Service Date to the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) December 31, 2008 and, thereafter, \$75,000 per day from the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) January 1, 2009. The Monthly Payment shall continue until December 31, 2015.
- 2/ The negotiated rate, which shall be inclusive of all reservation fees, usage fees and, fuel retention but exclusive of surcharges for electric power costs, shall be \$6,820,012.09 per month. Additionally, shipper agrees to pay a monthly component of \$316,901.79 for a term of one year from the first anniversary of the Commencement Date, plus 12 months of interest on each additional monthly component at the rate specified in the FERC's regulations. The rate for overrun service hereunder shall be \$0.00 per Dth. No fuel retention shall apply to service hereunder. The negotiated rate provided for hereunder shall be transferable in the event of capacity release. All revenues received by TLNG from a replacement shipper shall be credited to Shipper's obligations hereunder.

The payment due hereunder with respect to any month shall be reduced by any amounts (a) received by TLNG in such month, from any party other than Shipper or an assignee of Shipper, in consideration of NGL extraction services; and (b) received by TLNG in such month in consideration of FAV service provided to any party other than Shipper or a replacement customer that has received FAV capacity from Shipper.

This negotiated rate shall be effective beginning on March 11, 2011, the first anniversary of the Commencement Date, and continuing until March 30, 2030.

MARKED VERSION

NEGOTIATED RATES

<u>Shipper</u>	<u>Rate Schedule</u>	<u>Negotiated Rate or Formula</u>	<u>Quantity</u>
BG LNG Services LLC	FTS-2	<u>1/</u>	1,170,000 Dt/day
BG LNG Services LLC	FAV	<u>2/</u>	1,800,000 Dt/day

These negotiated rate agreements do not deviate in any material respect from the form of service agreement in the tariff.

1/ Monthly Payment = Capacity Charge + Additional Capacity Charge. Capacity Charge = 570,000 Dt/day x \$0.2176/Dt x number of days in the month. The monthly payment shall also include Fuel Reimbursement and Electric Power Costs pursuant to Sections 19 and 20 of the General Terms and Conditions. Additional Capacity Charge = \$60,000 per day from the Modified Expansion In-Service Date to the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) December 31, 2008 and, thereafter, \$75,000 per day from the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) January 1, 2009. The Monthly Payment shall continue until December 31, 2015.

2/ The negotiated rate, which shall be inclusive of all reservation fees, usage fees and, fuel retention but exclusive of surcharges for electric power costs, shall be ~~\$6,503,110.30~~\$6,820,012.09 per month. Additionally, shipper agrees to pay a monthly component of \$316,901.79 for a term of one year from the first anniversary of the Commencement Date, plus 12 months of interest on each additional monthly component at the rate specified in the FERC's regulations. The rate for overrun service hereunder shall be \$0.00 per Dth. No fuel retention shall apply to service hereunder. The negotiated rate provided for hereunder shall be transferable in the event of capacity release. All revenues received by TLNG from a replacement shipper shall be credited to Shipper's obligations hereunder.

The payment due hereunder with respect to any month shall be reduced by any amounts (a) received by TLNG in such month, from any party other than Shipper or an assignee of Shipper, in consideration of NGL extraction services; and (b) received by TLNG in such month in consideration of FAV service provided to any party other than Shipper or a replacement customer that has received FAV capacity from Shipper.

This negotiated rate shall be effective beginning on March 11, ~~2010~~2011, the first anniversary of the Commencement Date, and continuing until ~~the first anniversary of the Commencement Date~~March 30, 2030.