

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION	)	DOCKETS UE-190334, UG-190335, and UE-190222 ( <i>Consolidated</i> )
Complainant,	)	
v.	)	
AVISTA CORPORATION d/b/a AVISTA UTILITIES	)	
Respondent.	)	
_____	)	

**EXHIBIT BGM-6  
GTN PIPELINE STIPULATION (EXCERPT)**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Gas Transmission Northwest LLC ) Docket No. RP15-904-\_\_\_

**PETITION OF GAS TRANSMISSION NORTHWEST LLC FOR APPROVAL OF  
AMENDED STIPULATION AND AGREEMENT OF SETTLEMENT  
AND REQUEST FOR EXPEDITED ACTION**

Pursuant to Rule 207(a)(5) of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2018), Gas Transmission Northwest LLC ("GTN") hereby petitions the Commission for approval of the amended Stipulation and Agreement of Settlement ("Amended Settlement"), including associated Pro Forma tariff sections, submitted herewith. GTN respectfully requests that the Commission issue an order granting this Petition and approving the Amended Settlement prior to December 1, 2018, in order to permit GTN to implement reduced rates to be effective January 1, 2019. In support hereof, GTN shows as follows:

**I.**

**CORRESPONDENCE AND COMMUNICATION**

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## II. BACKGROUND

On April 23, 2015, in Docket No. RP15-904-000, GTN filed a Petition for Approval of Stipulation and Agreement of Settlement (“2015 Settlement”) in order to resolve issues relating to a potential GTN general rate change filing pursuant to section 4 of the Natural Gas Act (“NGA”).<sup>1</sup> The Commission approved the 2015 Settlement on June 30, 2015.<sup>2</sup> The 2015 Settlement provided for a rate decrease effective July 1, 2015, and further provides for GTN to implement an additional rate decrease to become effective on January 1, 2020.<sup>3</sup> The 2015 Settlement also requires GTN to submit a general rate filing pursuant to section 4 of the NGA<sup>4</sup> such that the rates proposed therein will be effective no later than January 1, 2022.<sup>5</sup>

On July 18, 2018, the Commission issued Order No. 849<sup>6</sup> and its Order on Rehearing of its previously-issued Revised Policy Statement on income tax allowances.<sup>7</sup> In Order No. 849, the Commission offered pipelines four options: (1) file a limited NGA section 4 filing to reduce

<sup>1</sup> 15 U.S.C. § 717c.

<sup>2</sup> *Gas Transmission Northwest LLC*, 151 FERC ¶ 61,280 (2015).

<sup>3</sup> 2015 Settlement, Article VI.A.

<sup>4</sup> 15 U.S.C. § 717c.

<sup>5</sup> 2015 Settlement, Article V.1.

<sup>6</sup> *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 83 Fed. Reg. 36,672 (Jul. 30, 2018).

<sup>7</sup> *Inquiry Regarding the Commission’s Policy for Recovery of Income Tax Costs*, Revised Policy Statement on Treatment of Income Taxes, 162 FERC ¶ 61,227 (2018) (“Revised Policy Statement”), *order on reh’g*, 164 FERC ¶ 61,030 (2018).

its rates; (2) commit to file a general NGA section 4 rate case or pre-packaged uncontested rate settlement in the near future; (3) provide a statement explaining why an adjustment to its rates is not needed; or (4) take no action other than filing Form No. 501-G.<sup>8</sup> The Commission encouraged interstate natural gas companies to enter into pre-packaged uncontested settlements in order to address rate issues arising from the Tax Cut and Jobs Act (“Tax Act”), Order No. 849, and the Revised Policy Statement, stating that pipelines that do so between March 26, 2018 and the date their Form No. 501-G would otherwise be due need not file Form No. 501-G.<sup>9</sup>

In response to Order No. 849 and the Revised Policy Statement, GTN has engaged in settlement discussions with its customers and other stakeholders in order to resolve the issues raised by these orders and the Tax Act through an amendment to the 2015 Settlement. GTN provided a settlement offer to stakeholders on September 12, 2018, and convened an in-person settlement conference in Seattle, Washington on September 18-19, 2018. As a result of these discussions, GTN and its customers have agreed to a settlement in principle that will provide customers with rate relief resulting from the Tax Act, Order No. 849, and the Commission’s revised tax allowance policy.<sup>10</sup> That settlement in principle is reflected in the attached Amended Settlement.

### **III. PETITION FOR APPROVAL**

The attached Amended Settlement reflects the agreement of GTN and the settling parties, and results from their significant efforts to resolve the issues arising from the Tax Act, Order No.

<sup>8</sup> Order No. 849 at P 2, 31.

<sup>9</sup> *Id.* at P 159.

<sup>10</sup> Subsequent to reaching the settlement in principle, on September 24, 2018, GTN filed a petition for waiver of the requirement to file Form No. 501-G or, in the alternative, to postpone the due date until December 6, 2018. On October 5, 2018, the Commission issued an order granting GTN an extension of time until December 6, 2018 to file its Form No. 501-G.

849, and the Revised Policy Statement. The Commission has encouraged natural gas companies and their customers to resolve differences over rates before making any filing with the Commission,<sup>11</sup> because it enables the quick processing of a rate change “without the expense of a hearing and lengthy litigation.”<sup>12</sup> Moreover, as noted above, the Commission has encouraged natural gas companies to resolve rate issues resulting from the Tax Act, Order No. 849, and the Revised Policy Statement through pre-packaged, unopposed settlements.<sup>13</sup> The Amended Settlement successfully resolves issues that may have been in dispute in a practical and carefully constructed fashion, eliminating the need for testimony, discovery, hearing and briefing of the matters resolved. The avoidance of litigation and resulting better use of resources is a valuable outcome, benefiting the participants, the Commission and the public interest. Therefore, GTN submits that the Amended Settlement is in the public interest and should be approved to become effective January 1, 2019 without modification or condition.

#### **IV. REQUEST FOR EXPEDITED ACTION**

The Amended Settlement provides for reduced rates to become effective January 1, 2019. GTN requests that the Commission grant this Petition and approve the Amended Settlement prior to December 1, 2018, in order to permit GTN to implement the reduced rates provided for in the Amended Settlement to be effective January 1, 2019. GTN submits that expedited action is appropriate, given that the reduced rates will benefit shippers and are consistent with the intent of the Commission to encourage pipelines to reflect the effect of the reduced corporate income tax rate arising from the Tax Act.

<sup>11</sup> See *Dominion Transmission, Inc.*, 111 FERC ¶ 61,285 at P 30 (2005).

<sup>12</sup> *Id.*

<sup>13</sup> Order No. 849 at P 159. Consistent with the Commission’s declaration in Order No. 849, the filing of the Settlement will obviate the requirement that GTN submit Form No. 501-G.

**V.  
CONCLUSION**

**WHEREFORE**, GTN respectfully requests that the Commission grant this Petition by approving the Amended Settlement without condition or modification. GTN further requests that the Commission grant any other authorizations or waivers that may be necessary to approve the Amended Settlement as proposed herein. Finally, GTN requests that the Commission grant this Petition and approve the Amended Settlement prior to December 1, 2018, in order to permit GTN to make the necessary tariff filing to implement the rate reduction provided for in the Amended Settlement.

Respectfully submitted,

*/s/ Stefan M. Krantz*

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**ATTORNEYS FOR GAS TRANSMISSION NORTHWEST LLC**

October 16, 2018

**APPENDIX A**

**Settling Parties**

## **SETTLING PARTIES**

The entities listed below have authorized GTN to state that they either support or do not oppose the foregoing Amended Stipulation and Agreement of Settlement.

Alliance of Western Energy Consumers  
Apache Corporation  
ARC Resources Ltd.  
Avangrid Renewables, LLC  
Avista Corporation  
BP Canada Energy Marketing Corp.  
California Public Utilities Commission  
Canadian Association of Petroleum Producers  
Cascade Natural Gas Corporation  
Cenovus Energy Marketing Services Ltd.  
Chevron U.S.A., Inc.  
CIMA ENERGY, LP  
Citadel Energy Marketing LLC  
Encana Marketing (USA) Inc.  
Gas Transmission Northwest LLC  
Hammerhead Resources Inc.  
Mercuria Commodities Canada Corporation  
Northwest Natural Gas Company  
PacifiCorp  
Paramount Resources  
Pacific Gas and Electric Company  
Puget Sound Energy, Inc.  
Sacramento Municipal Utility District  
Shell Energy North America (US), L.P.  
Sierra Pacific Power Company d/b/a NV Energy  
Southern California Gas Company  
Tenaska Marketing Ventures  
Tourmaline Oil Marketing Corp.  
Turlock Irrigation District



**APPENDIX B-1**

**Amended Phase I Settlement Rate Tariff Sections**

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR  
TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, ~~and~~ LFS-1, and FHS

For Rate Schedules FTS-1 and LFS-1:

	RESERVATION							
	DAILY MILEAGE (a) (Dth-MILE)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-MILE)		FUEL (d) (Dth-MILE)	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
BASE	<del>0.000434</del> <u>0.000391</u>	0.000000	<del>0.034393</del> <u>0.030954</u>		0.000000	0.000016	0.000016	0.0050%
	0.0000%							
STF (e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	<del>0.002759</del> <u>0.002483</u>	0.000000	<del>0.004641</del> <u>0.004177</u>		0.000000	0.000026	0.000026	---
	---							
E-2 (h) (Diamond 1)	0.002972	0.000000	---	---	0.000000	0.000000	---	---
E-2 (h) (Diamond 2)	0.001166	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3 (i)	<del>0.001282</del> <u>0.001154</u>	0.000000	<del>0.001283</del> <u>0.001155</u>		0.000000	0.000000	0.000000	---
	---							
<u>CARTY LATERAL</u>								
<u>E-4 (p)</u>	---	---	<del>0.166475</del> <u>0.149828</u>		0.000000	0.000000	0.000000	---
OVERRUN CHARGE (j)								
	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	(k)	(k)	---	---

**APPENDIX B-2**

**Amended Phase II Settlement Rate Tariff Sections**

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR  
TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, ~~and~~ LFS-1, and FHS

For Rate Schedules FTS-1 and LFS-1:

	RESERVATION							
	DAILY MILEAGE (a) (Dth-MILE)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-MILE)		FUEL (d) (Dth-MILE)	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
BASE	<del>0.000398</del> <u>0.000362</u>	0.000000	<del>0.031442</del> <u>0.028612</u>		0.000000	0.000016	0.000016	0.0050%
	0.0000%							
STF (e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	<del>0.002759</del> <u>0.002511</u>	0.000000	<del>0.004641</del> <u>0.004223</u>		0.000000	0.000026	0.000026	---
	---							
E-2 (h)⊕ (Diamond 1)	0.002972	0.000000	---	---	0.000000	0.000000	---	---
E-2 (h)⊕ (Diamond 2)	0.001166	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3 (i)	<del>0.001282</del> <u>0.001167</u>	0.000000	<del>0.001283</del> <u>0.001168</u>		0.000000	0.000000	0.000000	---
	---							
<u>CARTY LATERAL</u>								
<u>E-4 (p)</u>	---	---	<del>0.166475</del> <u>0.151492</u>	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE (j)								
	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	(k)	(k)	---	---