

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

**Midwestern Gas Transmission Company                    )           Docket No. CP05-372-000**

**MOTION FOR LEAVE TO ANSWER AND ANSWER OF  
MIDWESTERN GAS TRANSMISSION COMPANY  
TO ANSWER OF COLUMBIA GULF TRANSMISSION COMPANY**

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213, Midwestern Gas Transmission Company ("MGT") files this motion for leave to answer and answer to the "Motion for Leave to Answer and Answer of Columbia Gulf Transmission Company to Answer of Midwestern Gas Transmission Company" filed on August 4, 2005 ("Columbia Gulf Answer").<sup>1</sup> In support of its answer, MGT states as follows:

**I.**

Columbia Gulf Transmission Company ("Columbia Gulf") contends that available capacity on its system presents a viable alternative to the MGT Eastern Extension Project. In its answer to MGT's July 20, 2005 response to comments,

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<sup>1</sup> MGT submits that good cause exists for the Commission to accept this answer because it helps clarify certain issues, provides a more complete record for Commission consideration, and will assist the Commission's decision-making process. *See, e.g., Doswell Ltd. P'ship*, 112 FERC ¶ 61,182, at P 15 (2005) (accepting answer to answer because it assisted the decision-making process); *Gulf S. Pipeline Co.*, 110 FERC ¶ 61,391, at P 12 (2005) (accepting answers to answers because it assisted in the decision-making process).

Columbia Gulf stated that it posts available capacity for auction separate from its generally available postings of unsubscribed firm capacity on its EBB and indicated various amounts of capacity that were available at specific times.<sup>2</sup> Columbia Gulf further stated that “[f]orward-haul capacity came available at these levels in November 2004.”<sup>3</sup>

## II.

Although Columbia Gulf argues that they posted available capacity for auction, this information was not available to MGT and still is not available to MGT outside of the filing made by Columbia Gulf. As described in MGT’s July 20, 2005 filing, the information regarding available capacity on Columbia Gulf that MGT was able to access was the posting of unsubscribed firm capacity; according to Columbia Gulf’s website, no unsubscribed firm capacity was available from RAYNE to TCO-LEACH on July 6, 2005.<sup>4</sup> MGT subsequently attempted to find the capacity auction site referenced by Columbia Gulf in its answer, but was unable to locate the information.

## III.

Of course, at the end of the day, it is irrelevant whether Columbia Gulf has some level of capacity available that might theoretically be utilized to provide service to Piedmont. What is relevant is whether the capacity was known to be available at the time Piedmont evaluated options to meet its natural gas requirements. Piedmont needed a long term, reliable solution to ensure that its projected market and growth needs could be met.

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<sup>2</sup> Columbia Gulf Answer at 2.

<sup>3</sup> Id.

<sup>4</sup> Answer of Midwestern Gas Transmission Company to Comments Concerning the MGT Eastern Extension Project, Docket No. CP05-372-000 at 6 (July 20, 2005) (“MGT July 20 Response”).

Columbia Gulf stated in its answer that forward-haul capacity between RAYNE and TCO-LEACH became available in November 2004. The precedent agreement entered into between Piedmont and MGT, however, was signed in May 2004, six months prior to the period when Columbia Gulf claims the capacity was available. Therefore, the availability of capacity in November 2004 is irrelevant to the determination of how Piedmont's needs were to be met when the precedent agreement was executed in May 2004.

Piedmont's decision to subscribe to MGT capacity reflects Piedmont's informed judgment on long-term supply options and, consistent with FERC precedent, decisions of project participants will not be second-guessed. See Tuscarora Gas Transmission Co., 104 FERC ¶ 61,302 at PP 23-25 (2003) (noting that "it is not unusual for shippers on a pipeline to seek out alternative means of accessing supply [to replace existing supply]" and that FERC will not encroach on such choices merely to protect existing pipelines from risk of loss of market share).

Even though Columbia Gulf now asserts that it has capacity posted for auction, it is important to note that it did not refute the fact that the MGT Eastern Extension Project provides Piedmont access to competitively priced alternative sources of natural gas and increased natural gas supply reliability. The MGT Eastern Extension Project is consistent with FERC's policy of promoting supply choices and competitive alternatives even where the project may replace services provided by an existing pipeline.

Piedmont entered into its long term agreement for service with MGT because it determined that the MGT Eastern Extension Project represented a preferred, cost competitive alternative. Increases in competition can occur only with the introduction of a transportation alternative. FERC has recognized that it is the prospect of a rival

pipeline, and the availability of choices that encourages competitive pricing of transportation services.<sup>5</sup> FERC will not generally second guess shipper elections regarding the choice of a service provider.

#### IV. CONCLUSION

For the reasons set forth herein, MGT requests that the Commission accept this answer and proceed with the prompt review and approval of the MGT Eastern Extension Project.

Respectfully submitted,

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<sup>5</sup> See Guardian Pipeline, L.L.C., 91 FERC ¶ 61,285, at 61,976-78 (2000), reh'g denied, 94 FERC ¶ 61,269 (2001).

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 19th day of August, 2005.

*Deborah C. Brentani*

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