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November 2, 2016

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Re: Mountain Valley Pipeline, LLC
Docket No. CP16-10-000
Responses to OEMR Date Requests Issued October 19, 2016

Dear Ms. Bose:

On October 19, 2016, the Office of Energy Market Regulation ("OEMR") of the Federal Regulatory Commission issued data requests to Mountain Valley Pipeline, LLC ("Mountain Valley") with respect to Mountain Valley's certificate application in Docket No. CP16-10-000. Mountain Valley submits herein its responses to those data requests. Mountain Valley has also attached the verification executed by the respondent.

If you have any questions, please do not hesitate to contact me at (412) 553-5786 or meggerding@eqt.com. Thank you.

Respectfully submitted,

Mountain Valley Pipeline, LLC

Matthew Eggerding
Counsel, Midstream

Attachments

cc: All parties
Jerry Pederson, OEMR
Catherine Liow, OEMR

VERIFICATION

Pursuant to Rule 2005 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.2005, Sarah A. Shaffer, being duly sworn, upon her oath says that she is Rates Director; that she has read and is familiar with the foregoing responses to the Commission's October 19, 2016 data request in Docket No. CP16-10-000; that the contents of the responses are true and correct to the best of her knowledge, information and belief; and that she has full power and authority to prepare the responses and execute this verification.

Sarah A. Shaffer

Sarah A. Shaffer
Rates Director

Subscribed and sworn before me this 1st day of November 2016.

Vanessa Rose Serafini
Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Vanessa Rose Serafini, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Feb. 24, 2020
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Mountain Valley Pipeline, LLC
Mountain Valley Pipeline Project
Docket No. CP16-10-000

Responses to FERC Office of Energy Market Regulation Data Requests
Dated October 19, 2016

<u>Request:</u>

1. Section 6.8(1)(f) of the General Terms and Conditions of Mountain Valley's *pro forma* tariff states: "To the extent that the desired delivery point is an electricity generation facility, Customer must also separately provide the hourly quantity profile for each day's nomination." Provide the operational reason for Mountain Valley requiring hourly quantity profiles for electricity generation facilities. If the nomination is being made by a party other than the generator, provide the likelihood that party will have access to that information. State what action Mountain Valley will take if the customer does not provide that information, including whether Mountain Valley will not confirm the nomination.

<u>Response:</u>

Mountain Valley recognizes FERC's ongoing efforts to improve coordination and cooperation between the electric and natural gas industries. Mountain Valley will work with all Customers and end users, including gas-fired electric generation facilities, to improve coordination and cooperation. This is especially important because, from an operational standpoint, Mountain Valley will not have storage facilities and thus will have limited capability to manage imbalances using line pack.

Non-ratable burn profiles are inherent in operating gas-fired electric generation facilities to manage peak loads. As a result, it is common industry practice for a gas-fired electric generation facility to cooperatively share its burn profile with the pipeline so the pipeline can manage its system to provide the volumes needed by the facility. Likewise, if the facility is not a Customer, the facility would enter into a gas supply agreement with another of the pipeline's Customers to deliver gas to the facility to meet the facility's burn profile. Therefore, obtaining hourly quantity profiles for gas-fired electric generation facilities (either from the facilities themselves or the facilities' Customer-suppliers) will assist Mountain Valley in planning system flows throughout the day and understanding system constraints in advance.

If the hourly quantity is not provided by a gas-fired electric generation customer or their Customer-supplier, Mountain Valley would confirm the nomination for the day (or intraday period remaining), but would assume that gas would flow at a uniform hourly rate consistent with Daily Rates of Flow detailed in Rate Schedules FTS and ITS of Mountain Valley's *pro forma* FERC Gas Tariff. If the system demand is at a rate other than at a uniform hourly flow, Mountain Valley may not be able to accommodate the variance in flow rates, which could result in the issuance of an Operational Flow Order.

Respondent: Sarah A. Shaffer
Position: Rates Director
Phone Number: 412.395.2580
Date: November 2, 2016

Mountain Valley Pipeline, LLC
Mountain Valley Pipeline Project
Docket No. CP16-10-000

Responses to FERC Office of Energy Market Regulation Data Requests
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Request:

2. Section 6.9(3) of the General Terms and Conditions requires that Mountain Valley may request from a customer in order to implement curtailment the customer's monthly requirements by priority service categories, including information for individual industrial customers served by Mountain Valley's customers. In light of the fact that Mountain Valley's tariff provides for the curtailment of firm volumes on a pro rata basis and interruptible volumes by price, provide an explanation for the need for this information. Describe how Mountain Valley will use the information in the confirmation process.

Response:

Upon further consideration, Mountain Valley does not anticipate utilizing the customer's monthly requirements by priority service categories in a curtailment situation, and therefore proposes to eliminate this tariff requirement in its compliance filing.

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Request:

3. Section 6.12(9)(a)(i) of the General Terms and Conditions discusses the procedure for calculating the Monthly Index Price for monthly imbalance cashouts.

   a) Please list all of Mountain Valley's delivery points and provide the index Mountain Valley intends to use for cash-outs at that point.

   b) Consistent with Commission policy,[1] please provide supporting liquidity documentation for each price index location either referenced in the tariff or applicable to each delivery point where Mountain Valley intends to apply an index not described in its tariff.

Response:

Currently, the proposed delivery points for Mountain Valley are to Columbia Gas Transmission, LLC's ("Columbia") WB System, to Roanoke Gas Company, LLC ("Roanoke Gas") and to Transcontinental Gas Pipe Line Company, LLC ("Transco") at its Zone 5 Compressor Station 165. As noted in the *pro forma* FERC Gas Tariff, the "Columbia Gas, Appalachia" price as published in Gas Daily will be used for deliveries to the Columbia WB System, and the "Transco, Zone 5 Delivered" price as published in Gas Daily will be used for deliveries to Transco Station 165. In its Policy Statement and the *Order Regarding Future Monitoring of Voluntary Price Formation, Use of Price Indices in Jurisdictional Tariffs, and Closing Certain Tariff Dockets*,[2] the Commission established standards for publishing price indices and concluded that Platts was in substantial compliance with the Policy Standards as they apply to its index publications. Thus, Mountain Valley's proposal to reference these indices is consistent with Commission policy. As the deliveries to Roanoke Gas do not occur at a delivery location with a published price, these volumes will be excluded from the weighted average calculation.

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[1] *Policy Statement on Natural Gas and Electric Price Indices*, 104 FERC ¶ 61,121, at P 11 (2003), *Order on Clarification of Policy Statement on Natural Gas and Electric Price Indices*, 105 FERC ¶ 61,282 (2003), *Order Further Clarifying Policy Statement on Natural Gas and Electric Price Indices*, 112 FERC ¶ 61,040 (2005) (collectively Policy Statement).
[2] 109 FERC ¶ 61,184 (2004).

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<u>Request:</u>

4. Section 6.22(3)(e) of the General Terms and Conditions states: "In the case of a permanent release of capacity, the Releasing Customer will be excused from the performance under its Service Agreement if the Replacement Customer has entered into a Service Agreement for the remaining term of the Releasing Customer's Service Agreement, and has agreed to pay the maximum rate." Assuming the Replacement Customer is creditworthy and the contract is at a discount rate, please state whether the Releasing Customer will be excused from the performance under its Service Agreement if the Replacement Customer agrees to pay the same discounted rate as the Releasing Customer.

<u>Response:</u>

Mountain Valley is not required to excuse a Releasing Customer from performance under its Service Agreement when a creditworthy Replacement Customer agrees to pay the same discounted rate as the Releasing Customer. Section 6.22(3)(e) of the General Terms and Conditions is consistent with the tariffs of other jurisdictional pipelines, including Equitrans, L.P.'s FERC Gas Tariff Section 6.22.3(v), Colorado Interstate Gas Company, L.L.C's FERC Gas Tariff Section 9.14(b), and Cheyenne Plains Gas Pipeline Company, L.L.C's FERC Gas Tariff Section 9.13(b), and is consistent with the Commission's longstanding policy allowing a pipeline to consider a number of factors, in addition to creditworthiness, when determining whether it will be financially indifferent to the permanent release.[3] Thus, as the Commission's policy permits pipelines to hold a Releasing Customer liable under the contract even if the Replacement Customer pays the same discounted rate for the same term and is creditworthy, Mountain Valley will evaluate market factors in determining whether it is finally indifferent to the release and will transfer the liability under the Service Agreement.

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[3] *See Texas Eastern Transmission Corp.*, 83 FERC ¶ 61,092, 61,447-48 (1998); *Northwest Pipeline, LLC*, 147 FERC ¶ 61,019 (2014).

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<u>Request:</u>

5. Section 6.22(3)(f) of the General Terms and Conditions states that a releasing customer may "release capacity on a firm or interruptible basis." Please clarify how customers would release capacity on an interruptible basis.

<u>Response:</u>

Mountain Valley proposes to eliminate the "or interruptible" reference in its compliance filing.

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