

June 3, 2009

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

Re: Tennessee Gas Pipeline Company
Tariff Filing to Comply with Order Nos. 712 & 712-A (Docket No. RM08-1)
Compliance Filing - Docket Nos. RP09-282-001 & RP09-282-002

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Regulations of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Part 154, and the Commission’s Order on Rehearing and Clarification and Compliance Filing issued May 21, 2009 in the above-referenced docket (“May 21st Order”)¹, Tennessee Gas Pipeline Company (“Tennessee”) hereby submits for filing an original plus five (5) copies of the following tariff sheets for inclusion in Tennessee’s FERC Gas Tariff, Fifth Revised Volume No. 1 (“Tariff”):

2nd Sub Fourth Revised Sheet No. 342
Fourth Revised Sheet No. 342A

Consistent with the May 21st Order, Tennessee respectfully requests that the tariff sheets submitted herewith be made effective on February 26, 2009.

Statement of Nature, Reasons and Basis for the Filing

On January 26, 2009, Tennessee filed revised tariff sheets proposing modifications to its Tariff to comply with the capacity release requirements promulgated by Order Nos. 712 and 712-A.² Tennessee also proposed certain modifications to its Tariff unrelated to its compliance with Order Nos. 712 and 712-A (“January 26th Filing”). In response to Tennessee’s January 26th Filing, various parties filed interventions, comments and limited protests. On February 23, 2009, in response to the comments and limited protests filed in the above-referenced docket, Tennessee filed its Motion for Leave to Answer and Answer of Tennessee Gas Pipeline Company (“February 23rd Answer”). On February 25, 2009, the Commission issued an order accepting the revised tariff sheets filed by Tennessee subject to conditions and further review as discussed therein (“February 25th Order”).³ On March 24, 2009, Tennessee filed revised tariff sheets to comply with the February 25th Order (“March 24th Compliance Filing”) which the Commission accepted in its May 21st Order. In the May 21st Order, Tennessee was directed to file changes to

¹ *Tennessee Gas Pipeline Co.*, 127 FERC ¶ 61,150 (May 21, 2009).

² *Promotion of a More Efficient Capacity Release Market*, Order No. 712, 73 Fed. Reg. 37,058 (June 30, 2008), FERC Stats. & Regs. ¶ 31,271 (2008), *order on reh’g*, Order No. 712-A, 73 Fed. Reg. 72,692 (December 1, 2008), FERC Stats. & Regs. ¶ 31,284 (2008).

³ *Tennessee Gas Pipeline Co.*, 126 FERC ¶ 61,171 (February 25, 2009).

Kimberly D. Bose

June 3, 2009

Page 2 of 3

the Tariff sheets included herewith for inclusion in the General Terms & Conditions (“GT&C”) of Tennessee’s Tariff as follows:

Article III, Section 12.3(a)(i), (b)(i), (c) and (d)(1) has been revised to expand the information identified in Section 12.1 which must be provided to Tennessee for releases permitted without prior posting and bidding requirements to include all of the information in Article III, Section 12.1 (a) – (g) and (j) – (k).

Materials Enclosed

In accordance with 18 C.F.R. §154.7(a)(1), Tennessee states that the following items are included in this filing:

- (1) The instant transmittal letter;
- (2) The Tariff sheets identified above;
- (3) An electronic version of the Tariff sheets on a 3½-inch diskette; and
- (4) A redlined version of the Tariff sheets pursuant to 18 C.F.R. §154.201(a) showing the changes relative to Tennessee’s March 24th Compliance Filing.

Service and Correspondence

The undersigned certifies that a copy of this filing has been served electronically pursuant to 18 C.F.R. §154.208 on Tennessee’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 18 C.F.R. Part 390 of the Commission’s Regulations. In addition, an electronic copy of this filing is available for public inspection during regular business hours in Tennessee’s office at 1001 Louisiana Street, Houston, Texas 77002.

Pursuant to 18 C.F.R. §385.2011 of the Commission’s Regulations, the undersigned states that the paper copy of the attached Tariff sheets contains the same information as is contained on the electronic media, that the undersigned knows the contents of the paper copy and the electronic media, and that the contents as stated in the paper copy and the electronic media are true to the best knowledge and belief of the undersigned.

GENERAL TERMS AND CONDITIONS (continued)

12.2 Replacement Shipper's Request for Assignment

A Shipper that desires to acquire rights to certain firm storage service may post on PASSKEY, in accord with Section 12.4(c), a Replacement Shipper Request which shall contain the following information.

- (a) Replacement Shipper's name;
- (b) the maximum storage quantity desired if applicable;
- (c) the daily injection/deliverability rights desired, if applicable;
- (d) the desired service commencement date and term of service;
- (e) the desired FS Service Point;
- (f) the maximum rate(s) Replacement Shipper will pay for the desired storage service; provided, however, the rate(s) paid for a release of capacity for more than one (1) year may not exceed the applicable maximum rate(s).

12.3 Releases Permitted without Prior Posting and Bidding Requirements

A Releasing Shipper may release some or all of its storage rights without the posting and bidding requirements described in Section 12.1 if its proposed release qualifies under this Section 12.3:

- (a) Short-Term Release: The release is for any period of 31 days or less provided that:
 - (i) the Releasing Shipper provides Transporter with the information specified in Section 12.1(a)-(f)(g), (j) and (k) with respect to the Short-Term Release prior to the commencement of service;
 - (ii) prior to the commencement of service, the short-term Replacement Shipper enters into a Storage Service Agreement with Transporter (1) incorporating the information required by Section 12.3(a)(i) and (2) establishing creditworthiness in accord with the same standards and procedures as are provided for Bidders in Section 12.5(a); and
 - (iii) a re-release to the same Replacement Shipper under this Section 12.3(a) may not commence until 28 days after the first release period has ended.

GENERAL TERMS AND CONDITIONS (continued)

- (b) Maximum Rate Release: The release is to a Prearranged Bidder for longer than one (1) year at the maximum rate(s) provided that:
 - (i) the Releasing Shipper provides Transporter with the information specified in Sections 12.1(a)-(g), (j) and (k) prior to the commencement of service; and
 - (ii) the Prearranged Bidder enters into a Storage Service Agreement with Transporter prior to the commencement of service (1) incorporating the information required by Section 12.3(b)(i) and (2) establishing creditworthiness in accord with the same standards and procedures as are provided for Bidders in Section 12.5(a).
- (c) Release to Asset Manager: The release is to an Asset Manager as defined in 18 C.F.R. Section 284.8(h)(3) of the Federal Energy Regulatory Commission's ("FERC's") regulations ("Asset Manager") provided that prior to the commencement of service the Releasing Shipper (1) provides Transporter with the information specified in Section 12.1(a)-(g), (j) and (k) and (2) posts:
 - (i) The release is to an Asset Manager; and
 - (ii) The obligation of the Asset Manager to deliver gas to, or purchase gas from, the Releasing Shipper including the volumetric level of the obligation and the time periods the obligation is in effect.
- (d) Release to a Marketer in a State-Regulated Retail Access Program: The release is to a Marketer in a State-Regulated Retail Access Program as defined in 18 C.F.R. Section 284.8(h)(4) of the FERC's regulations ("State-Regulated Retail Access Program") provided that prior to the commencement of service the Releasing Shipper (1) provides Transporter with the information specified in Section 12.1(a)-(g), (j) and (k) and (2) posts that the release is to a marketer participating in a State-Regulated Retail Access Program.

12.4 Posting of Release Requests

- (a) Releasing Shipper shall post all applicable information required by Section 12.1 hereof on Transporter's PASSKEY, which system will automatically assign an individual release number to such Release Request. The period of time for Releasing Shipper's posting of the information ("Posting Period") and the period of time during which bids will be received on such release request ("Bidding Period") shall be as set forth in Section 12.7.

GENERAL TERMS AND CONDITIONS (continued)

12.2 Replacement Shipper's Request for Assignment

A Shipper that desires to acquire rights to certain firm storage service may post on PASSKEY, in accord with Section 12.4(c), a Replacement Shipper Request which shall contain the following information.

- (a) Replacement Shipper's name;
- (b) the maximum storage quantity desired if applicable;
- (c) the daily injection/deliverability rights desired, if applicable;
- (d) the desired service commencement date and term of service;
- (e) the desired FS Service Point;
- (f) the maximum rate(s) Replacement Shipper will pay for the desired storage service; provided, however, the rate(s) paid for a release of capacity for more than one (1) year may not exceed the applicable maximum rate(s).

12.3 Releases Permitted without Prior Posting and Bidding Requirements

A Releasing Shipper may release some or all of its storage rights without the posting and bidding requirements described in Section 12.1 if its proposed release qualifies under this Section 12.3:

- (a) Short-Term Release: The release is for any period of 31 days or less provided that:
 - (i) the Releasing Shipper provides Transporter with the information specified in Section 12.1(a)-~~(f)~~(g), ~~and~~-(j) and (k) with respect to the Short-Term Release prior to the commencement of service;
 - (ii) prior to the commencement of service, the short-term Replacement Shipper enters into a Storage Service Agreement with Transporter (1) incorporating the information required by Section 12.3(a)(i) and (2) establishing creditworthiness in accord with the same standards and procedures as are provided for Bidders in Section 12.5(a); and
 - (iii) a re-release to the same Replacement Shipper under this Section 12.3(a) may not commence until 28 days after the first release period has ended.

GENERAL TERMS AND CONDITIONS (continued)

- (b) Maximum Rate Release: The release is to a Prearranged Bidder for longer than one (1) year at the maximum rate(s) provided that:
- (i) the Releasing Shipper provides Transporter with the information specified in Sections 12.1(a)-~~(f)~~(g), ~~and~~-(j) and (k) prior to the commencement of service; and
 - (ii) the Prearranged Bidder enters into a Storage Service Agreement with Transporter prior to the commencement of service (1) incorporating the information required by Section 12.3(b)(i) and (2) establishing creditworthiness in accord with the same standards and procedures as are provided for Bidders in Section 12.5(a).
- (c) Release to Asset Manager: The release is to an Asset Manager as defined in 18 C.F.R. Section 284.8(h)(3) of the Federal Energy Regulatory Commission's ("FERC's") regulations ("Asset Manager") provided that prior to the commencement of service the Releasing Shipper (1) provides Transporter with the information specified in Section 12.1(a)-~~(f)~~(g), ~~and~~-(j) and (k) and (2) posts:
- (i) The release is to an Asset Manager; and
 - (ii) The obligation of the Asset Manager to deliver gas to, or purchase gas from, the Releasing Shipper including the volumetric level of the obligation and the time periods the obligation is in effect.
- (d) Release to a Marketer in a State-Regulated Retail Access Program: The release is to a Marketer in a State-Regulated Retail Access Program as defined in 18 C.F.R. Section 284.8(h)(4) of the FERC's regulations ("State-Regulated Retail Access Program") provided that prior to the commencement of service the Releasing Shipper (1) provides Transporter with the information specified in Section 12.1(a)-~~(f)~~(g), ~~and~~-(j) and (k) and (2) posts that the release is to a marketer participating in a State-Regulated Retail Access Program.

12.4 Posting of Release Requests

- (a) Releasing Shipper shall post all applicable information required by Section 12.1 hereof on Transporter's PASSKEY, which system will automatically assign an individual release number to such Release Request. The period of time for Releasing Shipper's posting of the information ("Posting Period") and the period of time during which bids will be received on such release request ("Bidding Period") shall be as set forth in Section 12.7.