

December 12, 2011

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

Re: Tennessee Gas Pipeline Company, L.L.C.
Scheduling Priority Tariff Provisions
Tariff Records to Implement and Motion into Effect,
Previously Filed As *pro forma* Tariff Records
Docket No. RP11-1566-_____

Dear Ms. Bose:

Tennessee Gas Pipeline Company, L.L.C. ("Tennessee"), pursuant to Section 4 of the Natural Gas Act ("NGA"), 15 U.S.C. § 717c, Part 154 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 154, and the Commission's "Order on Technical Conference" issued on May 31, 2011, in Docket No. RP11-1566-000¹, submits for filing the actual Tariff records to implement and motion into effect Tennessee's revised Scheduling Priority Tariff provisions. Appendix A lists the Tariff records for inclusion in Tennessee's FERC Gas Tariff, Sixth Revised Volume No. 1 ("Tariff")².

Statement of Nature Reasons and Basis for Filing

On June 30, 2011 ("June 30 Filing"), Tennessee filed a Compliance/Motion Filing to Place Tariff Changes Into Effect pursuant to Section 154.206(a) of the Rules and Regulations of the Commission, 18 C.F.R. 154.206(a), and the Commission's May 31 Order. Tennessee submitted its June 30 Filing to (1) comply with the Commission's directives pertaining to the May 31 Order; and (2) move certain revised and suspended Tariff records into effect as of June 1, 2011 and July 1, 2011, respectively. Tennessee requested these Tariff records be included in its Sixth Revised Volume No. 1 FERC Gas Tariff.

Additionally, Tennessee included in the June 30 Filing, among other proposed *pro forma* Tariff records, proposed revised *pro forma* Tariff records for its Scheduling Priority Tariff provisions to include scheduling of service categories below secondary out of path which the Commission accepted, but which Tennessee was not able to move into effect at that time due to the need to make computer system changes before such Tariff records could be implemented. Tennessee requested Commission review and acceptance of the *pro forma* revised Scheduling Priority Tariff records for actual filing and motioning into effect at a later date. The June 30 Filing remains pending before the Commission.

¹ *Tennessee Gas Pipeline Co.*, 135 FERC ¶61,208 (2011) ("May 31 Order").

² Fourth Revised Sheet No. 316, Sheet No. 316, V 4.0.0.; Third Revised Sheet No. 317, Sheet No. 317, V 3.0.0.; Third Revised Sheet No. 318, Sheet No. 318, V 3.0.0.

Purpose of Filing

Tennessee is now in the position to notify the Commission that Tennessee will complete the system changes for its Scheduling Priority Tariff provisions prior to the previously anticipated April 1, 2012 date, as stated in its June 30 Filing. Consequently, Tennessee respectfully requests that the Commission accept and move into effect these Scheduling Priority Tariff records listed on Appendix A to become effective February 1, 2012.

Contents of Filing

In compliance with Section 154.7(a)(1) of the Commission's regulations, Tennessee provides an eTariff .xml filing package containing:

- (1) Tariff records in RTF format with metadata attached;
- (2) A transmittal letter in PDF format with Appendix A attached;
- (3) A clean version of the Tariff records in PDF format for posting on eLibrary;
- (4) A marked version of the Tariff records in PDF format pursuant to 18 C.F.R. § 154.201 showing changes to Tennessee's revised Tariff records for posting on eLibrary; and
- (5) A copy of the entire filing in PDF format for posting on eLibrary.

Service and Correspondence

The undersigned certifies that a copy of this filing has been served electronically pursuant to 18 CFR §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 CFR 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. § 385.2005 and § 385.2011(c)(5) of the Commission's Regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best knowledge and belief of the undersigned.

Tennessee requests that all correspondence and communications concerning this filing be directed to the following persons:

*James D. Johnston
Associate General Counsel
Tennessee Gas Pipeline Company
1001 Louisiana
Houston, Texas 77002
(713) 420-4998
james.johnston@elpaso.com

*H. Milton Palmer Jr.
Director, Rates & Regulatory Affairs
Tennessee Gas Pipeline Company
1001 Louisiana
Houston, Texas 77002
(713) 420-3297
milton.palmer@elpaso.com

(*Persons designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §395.203.)

Effective Date

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, Tennessee moves to place the revised Tariff records into effect on February 1, 2012, as identified in this transmittal letter and on Appendix A.

If the Commission conditions the acceptance of this filing in any way, Tennessee reserves the right to withdraw the proposed Tariff records or to file a later motion to place such Tariff records into effect at a later date.

Waiver Requests

Tennessee respectfully requests that the Commission grant all waivers of its Regulations necessary to accept and approve Tennessee's revised Tariff records to be effective February 1, 2012, as reflected on Appendix A, should such waivers be required.

Any questions regarding this filing may be directed to the undersigned at (713) 420-3297.

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

_____/s/ Milton Palmer, Jr.
Milton Palmer, Jr.
Director, Rates and Regulatory Affairs

APPENDIX A

Tariff Sheets/Records

Docket No. RP11-1566-000

Scheduling Priority Tariff Provisions Actual Tariff Records to Implement and Motion into Effect

Previously Filed As *pro forma* Tariff Records

Tennessee Gas Pipeline Company, L.L.C. FERC NGA Gas Tariff

Sixth Revised Volume No. 1

SCHEDULING PRIORITY

ARTICLE IV, SECTION 3 AND SECTION 4

GENERAL TERMS AND CONDITIONS

Effective February 1, 2012

		Section Title	
Narrative Name	Record Contents Description	Tariff Record Title	Version
Fourth Revised Sheet No. 316	Sheet No. 316		4.0.0
Third Revised Sheet Nos. 317	Sheet No. 317		3.0.0
Third Revised Sheet No. 318	Sheet No. 318		3.0.0

GENERAL TERMS AND CONDITIONS (continued)

IV. SCHEDULING OF RECEIPTS AND DELIVERIES
2.(m) Scheduling
(continued)

Tennessee Gas Pipeline Company
1001 Louisiana Street
Houston, Texas 77002
Attention: Gas Measurement Department

At Receipt Points where the gas is processed downstream, Shipper shall provide, or cause the operator of the processing plant to provide, a monthly plant allocation statement reflecting the actual plant thermal reductions from those Receipt Points within 15 days after each month of service.

NAESB Standard 2.3.26 (Version 1.9) states: The time limitation for disputes of allocations should be 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

These allocation statements shall be provided to:

Tennessee Gas Pipeline Company
1001 Louisiana Street
Houston, Texas 77002
Attention: Gas Accounting Department

3. Scheduling Priorities: Transporter shall schedule receipts and deliveries of gas in the following priority categories specified below (listed in highest to lowest priority order), such that any capacity allocations will result in allocations of available capacity to higher priority services before lower priority services.

NAESB Standard 1.3.23 (Version 1.9) states: Ranking should be included in the list of data elements. Transportation service providers should use service requestor provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules. Therefore, unless otherwise specified, scheduling priority within a category shall be pro rata or in accordance with the supply/market rankings provided pursuant to a Shipper's Customer Nomination Form.

For allocation of services on the mainline system and receipt and delivery points:

- (a) Firm transportation services utilizing Primary Receipt Points and Primary Delivery Points, to the extent that nominations to such points are not in excess of the TQ under Shipper's Transportation Agreement, provided that for purposes of this subsection a Shipper's nomination through a segment that Shipper released is outside Shipper's capacity path, and all firm storage services;
- (b) Firm transportation utilizing a Secondary Receipt and/or a Secondary Delivery Point except if there is limited capacity, in which case a Secondary Receipt and/or a Secondary Delivery Point where there is limited firm capacity being allocated within the segment of the Shipper's capacity path covered by the nomination, to the extent that nominations to or from such point(s) in this Subsection (b) are in the same direction as the capacity path on Shipper's Transportation Agreement and are not in excess of the TQ under Shipper's Transportation Agreement;
- (c) Any other firm transportation and storage services utilization not described in Subsection (b) above, including utilizing a Secondary Receipt Point or Secondary Delivery Point outside of the Shipper's capacity path where there is limited capacity being allocated outside of the Shipper's capacity, to the extent that nominations to or from such point(s) in this Subsection (c) are not in excess of the TQ under Shipper's Transportation Agreement.

GENERAL TERMS AND CONDITIONS (continued)

IV. SCHEDULING OF RECEIPTS AND DELIVERIES
3. Scheduling Priorities
(continued)

- (d) Rate Schedule PAL – Term Rate PAL on the basis of Confirmed Price applicable to the point of transaction such that Shippers who pay higher rates are allocated capacity before those who pay lower rates.
- (e) Mid-month make up quantities to correct Daily Variances or imbalances under balancing and transportation agreements;
- (f) Authorized Overrun quantities under firm storage services in excess of Shipper's MDIQ, but below Shipper's MDWQ, according to the rates applicable to the service point for which quantities are scheduled under the applicable firm storage agreement(s), such that Shippers who pay higher rates are allocated capacity before those who pay lower rates at the storage service point;
- (g) Extended Deliveries and Extended Receipts under Rate Schedule FT-A and Rate Schedule NET-284, Authorized Overrun under firm storage not described in Subsection (f) and Authorized Overrun under firm transportation agreements, Interruptible Transportation (including PTR make-up quantities nominated as IT), Interruptible Storage, and Rate Schedule PAL – Daily Rate PAL, on the basis of Confirmed Price applicable to the route, service point or point of transaction such that Shippers who pay higher rates are allocated capacity before those who pay lower rates.

GENERAL TERMS AND CONDITIONS (continued)

IV. SCHEDULING OF RECEIPTS AND DELIVERIES
3. Scheduling Priorities
(continued)

PTR Transportation Agreements with suppliers which provide for the transportation of PTR quantities shall be accorded the same priority for purposes of this Section 3 as the Transportation Agreement which provides the transportation of gas that is commingled with such PTR quantities.

For services within each of the Subsections (d) through (g) above, agreements will be allocated capacity according to the transportation rate inclusive of all applicable fees and surcharges agreed upon by Transporter and Shipper ("Confirmed Price") to the route being scheduled such that higher rates are allocated capacity before those paying lower rates. Provided, however, agreements will be allocated capacity on a pro-rata basis among Shippers paying the same rate. For purposes of applying the above priorities, any shipper paying a rate above the maximum applicable rate for the Shipper's service shall be deemed to be paying the maximum applicable rate.

4. Curtailment of Scheduled Quantities

If, on any day, Transporter determines that the capacity of its system, or any portion thereof, including the points at which gas is tendered for transportation, is insufficient to serve all service requirements which are otherwise scheduled to receive service on such day, then any capacity which requires curtailment, Transporter shall curtail capacity, to zero if necessary, and then sequentially in reverse order of Subsections (a) through (g) above, in Section 3 of this Article IV. For services within each of the Subsections (d) through (g) above, agreements will be curtailed on a pro-rata basis among Shippers paying the same rate. If capacity must be allocated within the services included in (a) through (c) of Section 3, Transporter's firm transportation customers will be curtailed on a pro rata basis based upon the quantities of gas scheduled by such customers and/or in accordance with the supply/market rankings provided pursuant to Shipper's Customer Nomination Form.

5. Supply Deficiencies

If Transporter experiences a supply shortfall due to the undelivery of supplies to Transporter's pipeline, then (a) if the deficient source is known, Transporter will curtail the corresponding FT/IT market; or (b) if the deficient sources are indeterminable, then Transporter will localize the smallest affected area and, at the corresponding delivery point, will curtail interruptible service first in reverse scheduling order and then firm services will be curtailed pro rata. Provided that Transporter has sufficient capacity to accommodate such supplies, verifiable receipt point volumes will not be subject to supply short fall curtailment. To the extent that information concerning the deficient source is, or becomes available, Transporter will provide such information to all curtailed Shippers.

GENERAL TERMS AND CONDITIONS (continued)

IV. SCHEDULING OF RECEIPTS AND DELIVERIES
2.(m) Scheduling
(continued)

Tennessee Gas Pipeline Company
1001 Louisiana Street
Houston, Texas 77002
Attention: Gas Measurement Department

At Receipt Points where the gas is processed downstream, Shipper shall provide, or cause the operator of the processing plant to provide, a monthly plant allocation statement reflecting the actual plant thermal reductions from those Receipt Points within 15 days after each month of service.

NAESB Standard 2.3.26 (Version 1.9) states: The time limitation for disputes of allocations should be 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

These allocation statements shall be provided to:

Tennessee Gas Pipeline Company
1001 Louisiana Street
Houston, Texas 77002
Attention: Gas Accounting Department

3. Scheduling Priorities: Transporter shall schedule receipts and deliveries of gas in the following priority categories specified below (listed in highest to lowest priority order), such that any capacity allocations will result in allocations of available capacity to higher priority services before lower priority services.

NAESB Standard 1.3.23 (Version 1.9) states: Ranking should be included in the list of data elements. Transportation service providers should use service requestor provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules. Therefore, unless otherwise specified, scheduling priority within a category shall be pro rata or in accordance with the supply/market rankings provided pursuant to a Shipper's Customer Nomination Form.

For allocation of ~~firm~~-services on the mainline system and receipt and delivery points:

- (a) Firm transportation ~~and storage~~-services utilizing Primary Receipt Points and Primary Delivery Points, to the extent that nominations to such points are not in excess of the TQ under Shipper's Transportation Agreement, provided that for purposes of this subsection a Shipper's nomination through a segment that Shipper released is outside Shipper's capacity path, and all firm storage services;
- (b) Firm transportation ~~and storage services~~-utilizing a Secondary Receipt and/or a Secondary Delivery Point except if there is limited capacity, in which case a Secondary Receipt and/or a Secondary Delivery Point where there is limited firm capacity being allocated within the segment of the Shipper's capacity path covered by the nomination, to the extent that nominations to or from such point(s) in this Subsection (b) are in the same direction as the capacity path on Shipper's Transportation Agreement and are not in excess of the TQ under Shipper's Transportation Agreement;
- (c) Any other firm transportation and storage services utilization not described in Subsection (b) above, including utilizing a Secondary Receipt Point or Secondary Delivery Point outside of the Shipper's capacity path where there is limited capacity being allocated outside of the Shipper's capacity, to the extent that nominations to or from such point(s) in this Subsection (c) are not in excess of the TQ under Shipper's Transportation Agreement.

GENERAL TERMS AND CONDITIONS (continued)

IV. SCHEDULING OF RECEIPTS AND DELIVERIES
3. Scheduling Priorities
(continued)

~~For allocation of firm services at a receipt or delivery point:~~

~~(a) Firm transportation or storage services utilizing a Primary Receipt or Delivery Point, to the extent that nominations at such point are not in excess of the TQ under Shipper's Transportation Agreement;~~

~~(b) Firm transportation or storage services utilizing a Secondary Receipt or Delivery Point that is within Shipper's capacity path, to the extent that nominations at such point are not in excess of the TQ under Shipper's Transportation Agreement;~~

~~(c) Firm transportation or storage services utilizing a Secondary Receipt or Delivery Point that is outside of Shipper's capacity path, to the extent that nominations at such point are not in excess of the TQ under Shipper's Transportation Agreement;~~

(d) Rate Schedule PAL – Term Rate PAL on the basis of Confirmed Price applicable to the point of transaction such that Shippers who pay higher rates are allocated capacity before those who pay lower rates.

~~Extended Deliveries and Extended Receipts under Rate Schedule FT-A; and Rate Schedule NET-284; according to the rates applicable to the route for which quantities are scheduled under a firm transportation, such that Shippers who pay higher rates are curtailed after those who pay lower rates;~~

(e) Mid-month make up quantities to correct Daily Variances or imbalances under balancing and transportation agreements;

~~(f) Service under Rate Schedule PAT according to the rates applicable to the route (or service point) for which quantities are scheduled under a PAT service agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates;~~

(~~h~~f) Authorized Overrun quantities under firm storage services in excess of Shipper's MDIQ, but below Shipper's MDWQ, according to the rates applicable to the service point for which quantities are scheduled under the applicable firm storage agreement(s), such that Shippers who pay higher rates are ~~curtailed~~ allocated capacity before ~~after~~ those who pay lower rates at the storage service point;

(g) Extended Deliveries and Extended Receipts under Rate Schedule FT-A and Rate Schedule NET-284, Authorized Overrun under firm storage not described in Subsection (f) and Authorized Overrun under firm transportation agreements, Interruptible Transportation (including PTR make-up quantities nominated as IT), Interruptible Storage, and Rate Schedule PAL – Daily Rate PAL, on the basis of Confirmed Price applicable to the route, service point or point of transaction such that Shippers who pay higher rates are allocated capacity before those who pay lower rates.

~~(i) Authorized Overrun quantities under firm storage and firm transportation services in excess of Shipper's MDQ according to the rates applicable to the route (or service point) for which quantities are scheduled under the applicable firm storage or firm transportation agreement(s), such that Shippers who pay higher rates are curtailed after those who pay lower rates;~~

~~(j) Interruptible transportation and interruptible storage quantities according to the rates applicable to the route (or service point) for which quantities are scheduled under an interruptible transportation or storage service agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates;~~

~~(k) Service under Rate Schedule IT-X according to the rates applicable to the route (or service point) for which service is scheduled under an IT-X service agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates; and~~

GENERAL TERMS AND CONDITIONS (continued)

IV. SCHEDULING OF RECEIPTS AND DELIVERIES
3. Scheduling Priorities
(continued)

~~(i) Service under Rate Schedule PAL according to whether the Shipper elects the Daily Rate or Term Rate PAL services, with the higher priority given to the Term Rate PAL Agreements such that Term Rate PAL Agreements are curtailed after all Daily Rate PAL Agreements have been curtailed. Term Rate PAL services according to the applicable rates, such that Shippers who pay higher rates are curtailed after those who pay lower rates. Daily Rate PAL services according to the rates applicable to the Point of Transaction for which quantities are scheduled under a Daily Rate PAL Service Agreement, such that Shippers who pay higher rates are curtailed after those who pay lower rates. PAL Agreements will be curtailed on a pro-rata basis among Shippers paying the same rates for PAL services.~~

~~_____ PTR Transportation Agreements with suppliers which provide for the transportation of PTR quantities shall be accorded the same priority for purposes of this Section 5-3 as the Transportation Agreement which provides the transportation of gas that is commingled with such PTR quantities.~~

~~_____ For services within each of the Subsections (d) through (g) above, agreements will be allocated capacity according to the transportation rate inclusive of all applicable fees and surcharges agreed upon by Transporter and Shipper ("Confirmed Price") to the route being scheduled such that higher rates are allocated capacity before those paying lower rates. Provided, however, agreements will be allocated capacity on a pro-rata basis among Shippers paying the same rate. For purposes of applying the above priorities, any shipper paying a rate above the maximum applicable rate for the sShipper's service shall be deemed to be paying the maximum applicable rate.~~

4. ~~Allocation of Curtailment of Limited Capacity Scheduled Quantities~~

If, on any day, Transporter determines that the capacity of its system, or any portion thereof, including the points at which gas is tendered for transportation, is insufficient to serve all service requirements which are otherwise scheduled to receive service on such day, then any capacity which requires ~~allocation shall be allocated in a manner which results in curtailment. Transporter shall curtail~~ of capacity, to zero if necessary, and then sequentially in reverse order ~~of Subsections (a) through (g) above, to the scheduling provided for~~ in Section 3 of this Article IV. ~~For services within each of the Subsections (d) through (g) above, agreements will be curtailed on a pro-rata basis among Shippers paying the same rate.~~ If capacity must be allocated within the services included in (a) ~~, through (b), (c), (d), and (f)~~ of Section 3, Transporter's ~~firm storage and~~ firm transportation customers will be curtailed on a pro-rata basis based upon the quantities of gas scheduled by such customers and/or in accordance with the supply/market rankings provided pursuant to Shipper's Customer Nomination Form. ~~If capacity must be allocated within the services included in Section 3(d), (f), (g), (h), (i), (j), or (k) of this Article IV, Transporter's customers will be curtailed according to the price ranking used for scheduling, such that Shippers who pay higher rates are curtailed after those who pay lower rates, provided that customers with Term Rate PAL Agreements will receive priority over customers with Daily Rate PAL Agreements; and in the event more than one Shipper is paying a given price, then the service interruption for those Shippers will be allocated pro-rata based on each Shipper's share of scheduled nominations for that Service Point and/or in accordance with the supply/market rankings provided pursuant to Shipper's Customer Nomination Form. For purposes of the foregoing sentence, any shipper paying a rate above the maximum applicable rate for the shipper's service shall be deemed to be paying the maximum applicable rate. The scheduled quantities for each customer shall be adjusted to amounts determined by this capacity allocation until the next nominations are received by Transporter.~~

5. Supply Deficiencies

If Transporter experiences a supply shortfall due to the undelivery of supplies to Transporter's pipeline, then (a) if the deficient source is known, Transporter will curtail the corresponding FT/IT market; or (b) if the deficient sources are indeterminable, then Transporter will localize the smallest affected area and, at the corresponding delivery point, will curtail interruptible service first in reverse scheduling order and then firm services will be curtailed pro-rata. Provided that Transporter has sufficient capacity to accommodate such supplies, verifiable receipt point volumes will not be subject to supply short fall curtailment. To the extent that information

concerning the deficient source is, or becomes available, Transporter will provide such information to all curtailed Shippers.