

the pipeline owned by Portland Pipe Line Corporation (PPLC).

Granite State further states that it has leased a former oil pipeline from PPLC since 1986, converted it to natural gas transportation and has operated it pursuant to limited-term certificates issued by the Commission. It is said that the leased pipeline provides a link between Granite State's system at Portland, Maine, and the U.S.-Canadian border and provides transportation capacity used by Granite State's firm customers, Bay State Gas Company and Northern Utilities, Inc. to purchase and receive deliveries of Canadian gas.

According to Granite State, both Bay State Gas Company and Northern Utilities have subscribed for capacity on the Portland Natural Gas Transmission System (PNGTS) for transportation capacity that will replace their entitlements to capacity on the leased pipeline. It is further said that PNGTS has proposed an in-service date of November 1, 1998 but that there have been delays in the construction schedule, raising concerns that the project will not be available for service at the beginning of the heating season. Granite State further states that its transportation customers, particularly Northern Utilities, must have access to the transportation capacity on the leased pipeline or on PNGTS at the beginning of the 1998-99 heating season.

According to Granite State, it has negotiated an arrangement with PPLC pursuant to which the leased line can be activated again for natural gas transportation service on November 1, 1998, and continuing thereafter until April 30, 1999.

Granite State further states that, under the extended lease, it will incur costs for rental payments, costs for reconversion of the leased line for oil transportation service, a share of certain joint costs for the maintenance of PPLC's right-of-way and for property taxes, costs for purging gas from the leased line and for Letters of Credit in favor of PPLC. Granite State states that it is obligated to make a rental payment of \$1.5 million to PPLC in one installment on October 25, 1998 and a payment of \$5.5 million in reconversion costs. If the line is activated for gas transportation service on November 1, 1998, Granite State will be charged \$301,000 in fixed monthly rent for the use of the leased pipeline, plus \$0.078 per MMBtu of gas throughput. Granite State's total cost exposure, if it uses the leased line for the full period of the lease extension until April 30, 1999, is approximately \$10.1 million.

Granite State proposes to recover the lease related costs over a 12-month

period through the special surcharge on its Base Tariff rates which will be derived pursuant to the methodology described in a new provision, Section 34, added to the General Terms and Conditions of its FERC Gas Tariff.

According to Granite State, copies of its filing have been served on its firm and interruptible customers and on the regulatory agencies of the states of Maine, Massachusetts and New Hampshire.

Any person desiring to be heard or to protest this filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, in accordance with Sections 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed as provided in Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

David P. Boergers,
Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP98-201-000]

Gulf States Transmission Corporation; Notice of Compliance Filing

May 5, 1998.

Take notice that on May 1, 1998, Gulf States Transmission Corporation (Gulf States), tendered for filing the original and revised tariff sheets listed in Appendix A to the filing. Gulf States proposes that the foregoing tariff sheets be made effective on June 1, 1998.

Gulf States states that this filing is in compliance with the Federal Energy Regulatory Commission's Order on Requests for Waiver, issued in Docket No. RP97-174-001, on April 30, 1997. Gulf States Transmission Corporation, et al., 79 FERC ¶ 61,102 (1997). Gulf States further states that the tariff sheets implement the standards for Electronic Data Interchange/Electronic Data Mechanism and capacity release promulgated by the Gas Industry Standards Board and adopted by the

Federal Energy Regulatory Commission in Order Nos. 587, et al.

Any person desiring to be heard or to protest this filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, in accordance with Sections 385.214 and 384.211 of the Commission's Rules and Regulations. All such motions or protests must be filed as provided in Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

David P. Boergers,
Acting Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP98-200-000]

KO Transmission Company; Notice of Petition for Waiver

May 5, 1998.

Take notice that on April 30, 1998, KO Transmission Company (KO Transmission) tendered for filing a petition for waiver of the electronic communications and Internet transaction requirements of the Commission's Order Nos. 587-B, 587-C and 587-G.

KO Transmission states that copies of this petition has been served on each of KO Transmission's customers.

Any person desiring to be heard or to protest this filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Sections 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed on or before May 12, 1998. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public