

file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to § 157.205 of the Regulations under the Natural Gas Act (18 CFR 157.205) a protest to the request. If no protest is filed within the time allowed therefore, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to Section 7 of the Natural Gas Act.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 95-12922 Filed 5-25-95; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. PL94-3-000]

City of Hamilton, Ohio; Order on Request for Designation of Market Center

Issued May 22, 1995.

On May 23, 1994, the City of Hamilton, Ohio (Hamilton) filed a Request to Designate Lebanon, Ohio a Market Center and to require Tariff Changes. The City of Hamilton,¹ a municipal gas system located in Butler County, Ohio, serves approximately 23,000 residential, commercial, and industrial customers. Hamilton is located approximately 16 miles from Lebanon, Ohio. Within a 20-mile radius of Lebanon, five interstate pipelines interconnect.²

Hamilton requests that the Commission issue a policy statement designating Lebanon, Ohio as a market center and requiring changes to the tariffs of the interstate pipelines which connect in the Lebanon Market Center. Hamilton asserts that certain tariff provisions currently impede the development of an efficient market center at Lebanon. Hamilton contends that use of a policy statement in this

¹ Hamilton states that it is directly connected to two interstate pipeline systems, Texas Gas Transmission Corporation (Texas Gas) and Texas Eastern Transmission Corporation (Texas Eastern), and has contracted for substantial storage capacity on ANR Pipeline Company (ANR); these three pipelines interconnect in the area of Lebanon, Ohio.

² Hamilton states that: (1) these pipelines are ANR, Columbia Gas Transmission Corporation, CNG Transmission Corporation, Texas Eastern, and Texas Gas; (2) Panhandle Eastern Pipe Line Company also delivers gas to Lebanon through facilities owned by Texas Eastern and ANR ("the Lebanon Lateral"); (3) all major producing areas, including Canada, are accessible through at least one of these pipelines; (4) several storage areas are accessible to the Lebanon area.

case is consistent with continued implementation of the Commission's mandate in Order No. 636³ for pipelines to remove impediments to the development of market centers.

Discussion

We agree with the City of Hamilton that market centers should be encouraged to develop and allowed to operate so that both the industry and consumers of natural gas will benefit. The Commission has made clear its intent that market centers should develop and that rate structures not inhibit market centers. Consistent with the basic operational characteristics of the market, Order no. 636 states the Commission's belief that market centers should develop naturally and that the Commission should not designate market centers.⁴ Market centers have developed since Order No. 636 without the Commission designating locations as market centers.

Hamilton specifies some of its concerns regarding the efficiency of the running of a market center at Lebanon and expresses concerns about the consideration of other issues in individual proceedings. There is more to be considered here than economy of administrative effort, however. The

³ Pipeline Service Obligations and Revisions to Regulations Governing Self-Implementing Transportation; and Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol, 57 Fed. Reg. 13,267 (April 16, 1992), III FERC Stats. & Regs. Preambles ¶ 30,939 (April 8, 1992); *order on reh'g*, Order No. 636-A, 57 Fed. Reg. 36,128 (August 12, 1992), III Stats. & Regs. Preambles ¶ 30,950 (August 3, 1992); *order on reh'g*, Order No. 636-B, 57 Fed. Reg. 57,911 (December 8, 1992), 61 FERC ¶ 61,272 (November 27, 1992) *appeal redocketed sub nom.*, Atlanta Gas Light Company and Chattanooga Gas Company, *et al. v. FERC*, No. 94-1171 (D.C. Cir. (May 27, 1994).

⁴ The Commission stated that it was adopting Order No. 636

in order to facilitate the meeting of gas purchasers and gas sellers in a national gas market. Market centers may, in certain areas, create additional meeting places for gas purchasers and gas sellers. These inter-pipeline market centers would allow gas from production areas attached to different pipelines to meet where the pipelines intersect to create a market for gas purchasers from different market areas. The Commission believes that market centers should develop naturally and, therefore, will not mandate market centers. However, as stated above, the Commission is requiring in new Sections 284.8(b)(5) and 284.9(b)(5) that there must be nothing in a pipeline's tariff that inhibits the development of market centers. (Order No. 636, ¶ 30,939 at 30,427-28. *Emphasis added*; footnote omitted.)

The Commission provided specific examples of rate structures that may inhibit market centers. In various restructuring proceedings, the Commission provided examples of those rate structures which may impede the development of market centers. See Transcontinental Gas Pipe Line Corporation, 63 FERC ¶ 61,194 at 62,501 (1993), and Arkla Energy Resources Company, 62 FERC ¶ 61,076 at 61,461 (1993).

Commission's policy that market centers should evolve naturally does not compromise Hamilton's interests. Hamilton has raised and may raise tariff and rate issues in particular pipelines' individual rate cases.⁵ Discussion among the pipelines to better coordinate their operations is also encouraged.

For these reasons, the Commission sees no reason to change its policy now. The market is better able than the Commission to determine where market centers should be located. As we have already stated, unless a market center proposal or specific rate and tariff terms violate the Commission's rules and regulations, the Commission is unlikely to intrude on the natural process of development of a market center. Accordingly, the Commission will not designate Lebanon a market center and Hamilton's request that the Commission generally review pipeline operations and tariffs is denied.

The Commission orders

The request for designation of Lebanon, Ohio as a market center and for a general review of pipeline tariffs and operations is denied.

By the Commission.

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 95-12989 Filed 5-25-95; 8:45 am]

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[Docket No. EG95-51-000, et al.]

CNG Power Services Corporation, et al., Electric Rate and Corporate Regulation Filings

May 19, 1995.

Take notice that the following filings have been made with the Commission:

1. CNG Power Services Corporation

[Docket No. EG95-51-000]

On May 15, 1995, CNG Power Services Corporation ("CNGPS"), One Park Ridge Center, Box 15746, Pittsburgh, PA 15222, filed with the Federal Energy Regulatory Commission ("Commission") an application for a new determination of exempt wholesale generator status, due to changed circumstances resulting from certain

⁵ In Texas Eastern Transmission Corporation's (Texas Eastern) one year restructuring report, Hamilton State that Texas Eastern's backhaul service was merely a transfer of gas within a market center and that a rate reduction was appropriate. Citing the Commission's earlier order on restructuring, the Commission said that:

The Commission continues to believe, as it previously advised Hamilton, that the appropriate place to discuss the maximum rate for backhaul services is in Texas Eastern's next rate case proceeding. 69 FERC ¶ 61,362, 62,370 (1994).