



**NORTHWEST PIPELINE LLC**  
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May 15, 2020

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

**Re: Northwest Pipeline LLC**  
Docket No. RP20-\_\_\_\_\_

Dear Ms. Bose:

Pursuant to Part 154 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), Northwest Pipeline LLC (“Northwest”) tenders for filing and acceptance of the tariff sheets listed as part of its FERC Gas Tariff, Fifth Revised Volume No. 1 (“Tariff”).

Second Revised Sheet No. 214

***Statement of Nature, Reasons and Basis for the Filing***

The purpose of this filing is to establish a bilateral liability provision that limits the parties’ liability to direct damages, except under certain circumstances. The proposed language limits a party’s liability to direct damages where such damages were caused by that party’s negligence. However, the limitation is inapplicable if a party is grossly negligent, engages in willful misconduct, or acts in bad faith.

***Proposed Changes***

Northwest proposes the following language be added to General Terms and Conditions Section 7 “Liability and Risk of Loss” of the Tariff:

*“ Except as otherwise provided elsewhere in this tariff, in no event shall Transporter or Shipper be liable to the other for special, indirect, consequential (including loss of profits), incidental or punitive damages whether or not such damages arise out of breach of contract, negligence, tort, strict liability; provided, however, unless otherwise agreed to by Transporter and Shipper, the foregoing shall not limit Transporter’s liability, if any, to Shipper, nor Shipper’s liability, if any, to Transporter, arising out of gross*

*negligence, willful misconduct, or bad faith actions. Nothing herein shall limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, for direct damages"*

The proposed language complies with Commission policy and precedent, in which the Commission has consistently held that a simple negligence standard is appropriate for the liability and indemnification provisions of open access tariffs. The Commission, however, has allowed pipelines to limit their liability for negligence to direct damages, so that they are only liable for indirect, consequential, incidental, or punitive damages where there is gross negligence, willful misconduct or bad faith.<sup>1</sup>

The Commission has approved similar provisions for inclusion in other pipeline's tariffs.<sup>2</sup>

### ***Filings Pending Before the Commission***

In compliance with 18 CFR § 154.204(f), Northwest states that it has no other tariff filings pending before the Commission that may significantly impact this filing.

### ***Effective Date and Waiver Request***

Northwest hereby moves that the proposed Tariff sheets be made effective June 15, 2020, or at the end of any suspension period which may be imposed by the Commission. Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing.

### ***Procedural Matters***

Pursuant to the applicable provisions in Section 154 of the Commission's regulations, Northwest submits an eTariff .xml filing package, containing the following items:

- Proposed tariff sheets,
- Marked tariff sheets,
- Transmittal letter

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<sup>1</sup> *Guardian Pipeline, L.L.C.*, 101 FERC ¶ 61,107 at P 18 (2002) (footnotes omitted). *Accord, Mark West Pioneer, L.L.C.*, 125 FERC ¶ 61,165 at P 54 (2008); *Bison Pipeline LLC*, 131 FERC 61,013, at P 37 (2010).

<sup>2</sup> *See Transcontinental Gas Pipe Line Company, LLC*, 160 FERC ¶ 61,039 (2017); *Sabine Pipe Line LLC*, 153 FERC ¶ 61,123 at P 11 (2015); *Enable Gas Transmission, LLC*, 152 FERC ¶ 61,052 at P 161 (2015); *ANR Pipeline Co.*, 100 FERC ¶ 61,132 (2002).

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***Service and Communications***

In compliance with 18 CFR § 154.7(b), Northwest certifies that copies of this filing have been served electronically upon Northwest's customers and upon interested state regulatory commissions.

All communications regarding this filing should be served by e-mail to:

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Director, Rates & Regulatory Affairs  
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The undersigned certifies that the contents of this filing are true and correct to the best of his knowledge and belief; that the paper and electronic versions of the submitted tariff sheets contain the same information; and that he possesses full power and authority to sign this filing.

Respectfully submitted,

**NORTHWEST PIPELINE LLC**

**David J. Madsen**  
Director, Rates & Regulatory Affairs

Enclosures

GENERAL TERMS AND CONDITIONS  
(Continued)

6. STATUTORY REGULATION (Continued)

6.4 Warranty Of Eligibility For Transportation. Shipper warrants that all Gas delivered to Transporter for Transportation under all Rate Schedules included in this Tariff will be eligible for Transportation in interstate commerce under the rules, regulations or orders of the Commission in existence at the time the Gas is shipped. Shipper will indemnify Transporter and save it harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees) and regulatory proceedings, arising from breach of this warranty.

7. LIABILITY AND RISK OF LOSS

7.1 Liability for Facilities. Each party assumes full responsibility and liability arising from the operation of the pipeline and facilities owned by it and agrees to hold the other party harmless from any liability of any nature arising from the owning party's installation, ownership, and operation thereof. Transporter shall have no obligation to odorize gas delivered to Shipper under this tariff nor to maintain any odorant level.

7.2 Risk of Loss. Except as otherwise provided in the Service Agreement, risk of loss to the volumes of gas transported shall pass to Transporter upon delivery to Transporter for Shipper's account and to Shipper upon delivery by Transporter for Shipper's account.

7.3 Limitation of Liability. Except as otherwise provided elsewhere in this tariff, in no event shall Transporter or Shipper be liable to the other for special, indirect, consequential (including loss of profits), incidental or punitive damages whether or not such damages arise out of breach of contract, negligence, tort, strict liability; provided, however, unless otherwise agreed to by Transporter and Shipper, the foregoing shall not limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, arising out of gross negligence, willful misconduct, or bad faith actions. Nothing herein shall limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, for direct damages.

GENERAL TERMS AND CONDITIONS  
(Continued)

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