

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

Transcontinental Gas Pipe Line Corporation Docket No. CP01-368-005

Williams Gas Processing – Gulf Coast Company, LP Docket No. CP01-369-003

ORDER DENYING REHEARING

(Issued June 28, 2005)

1. On May 19, 2005, Transcontinental Gas Pipe Line Corporation (Transco) and Williams Gas Processing-Gulf Coast Company, LP (Williams) filed a request for rehearing of the Commission's April 19, 2005 Order in this proceeding.¹ In that order, the Commission reversed one of its previous findings in this proceeding in finding that Transco's natural gas pipeline facilities located downstream of jurisdictional facilities owned by Jupiter Energy Corporation (Jupiter) are transmission facilities subject to the Commission's jurisdiction under the Natural Gas Act (NGA). Therefore, the April 19 Order vacated the abandonment authorization previously granted with respect to facilities downstream of Jupiter's system.

2. In the August 31, 2001 Order in this proceeding, the Commission addressed Transco's application pursuant to section 7(b) of the NGA to spin-down numerous facilities located offshore and on-shore Louisiana by transferring the facilities to its gathering affiliate, Williams. The Commission held that non-jurisdictional gathering was

¹ Transcontinental Gas Pipe Line Corporation, 111 FERC ¶ 61,090 (2005).

the primary function of some of the facilities at issue, and that other facilities were jurisdictional transmission facilities.²

3. In a subsequent Jupiter proceeding,³ it became clear that the Commission's gathering determination for Transco's facilities downstream of Jupiter's system was made on the basis of incomplete information, since the record in Transco's spin-down proceeding did not reflect Jupiter's upstream certificated facilities. Therefore, the Commission issued the May 6, 2004 Order in this proceeding directing Transco and Williams (1) to show cause why the Commission should not find that the facilities downstream of Jupiter's system should be classified as jurisdictional transmission facilities; and (2) to identify any other previously unidentified jurisdictional facilities that are upstream of facilities found to be gathering facilities in this proceeding.⁴

4. In their response to the May 6, 2004 show cause order, Transco and Williams argued that Transco's and Jupiter's facilities are comparable to those that were at issue in the Sea Robin Pipeline Company (Sea Robin) proceeding, in which the Commission adopted the central aggregation point criterion for determining the jurisdictional status of offshore natural gas pipeline facilities.⁵ In the April 19, 2005 Order, however, the Commission disagreed with the petitioners, explaining that, whereas the arms of Sea Robin's inverted-Y system collect gas from 67 production platforms located along the

² Transcontinental Gas Pipe Line Corporation, 96 FERC ¶ 61,246, order on rehearing, 97 FERC ¶ 61,298 (2001), affirmed, Williams Gas Processing – Gulf Coast Company LP v. FERC, 331 F.3d 1011 (D.C. Cir. 2003).

³ *Jupiter Energy Corporation*, 103 FERC ¶ 61,184, order on rehearing, 105 FERC ¶ 61,243, order denying rehearing, 106 FERC ¶ 61,170 (2004). On rehearing in the Jupiter proceeding, Jupiter and Williams, jointly with Transco, introduced for the first time the fact that Jupiter's system is upstream of facilities that the Commission found to be gathering facilities in the Transco proceeding.

⁴ Transcontinental Gas Pipe Line Corporation, 107 FERC ¶ 61,122 (2004).

⁵ *Sea Robin Pipeline Company*, 71 FERC ¶ 61,351 (1995), order on reh'g, 75 FERC ¶ 61,332 (1996), vacated and remanded, *Sea Robin Pipeline Co. v. FERC*, 127 F.3d 365 (5th Cir. 1997), order on remand, 87 FERC ¶ 61,384 (1999) (order adopting central aggregation point criterion), reh'g denied, 92 FERC ¶ 61,072 (2000), order denying stay, 92 FERC ¶ 61,217 (2000), aff'd sub nom. *ExxonMobil Gas Mktg. Co. v. FERC*, 297 F.3d 1071 (D.C. Cir. 2002).

entire length of both arms, no gas is collected along the Jupiter pipeline that transports gas from Union Oil Company's production platform to the subject Transco facilities.⁶

5. In their May 19, 2005 request for rehearing, Transco and Williams argue that it is the subject Transco lateral, not the upstream Jupiter line, that is analogous to the gathering arms of Sea Robin's inverted Y, and that the Jupiter line is analogous to Sea Robin's smaller gathering laterals, which receive gas from various production platforms and move the gas to the larger gathering arms of Sea Robin's inverted Y.⁷ This analogy also fails since like Jupiter's upstream line, no gas is collected along the length of Transco's downstream line. Accordingly, we affirm our finding that the primary function of the Transco facilities located downstream of Jupiter's system is jurisdictional transmission.

The Commission orders:

Transco's and Williams's request for rehearing is denied.

By the Commission. Commissioner Brownell dissenting with a separate statement attached.

(S E A L)

Linda Mitry,
Deputy Secretary.

⁶ 111 FERC ¶ 61,090 (2005).

⁷ Transco and Williams also state that the Commission's April 19, 2005 Order failed to address the reasoning set forth in their argument that the Commission should pursue the initiatives it undertook in Docket No. AD03-13-000 to explore whether it should reformulate its test for determining whether offshore facilities are non-jurisdictional gathering facilities. Since the Commission has not modified its criteria for determining jurisdictional status, it is appropriate that the Commission apply its current criteria in this proceeding.

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BROWNELL, Commissioner, dissenting:

I dissent for the reasons set forth in Transcontinental Gas Pipe Line Corporation, 107 FERC ¶ 61,122 (2004) and 111 FERC ¶ 61,090 (2005).

Nora Mead Brownell
Commissioner