

124 FERC ¶ 61,120
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

(July 31, 2008)

In Reply Refer To:
Southeast Supply Header, LLC
Docket Nos. CP07-44-003 and
CP07-45-002

Southeast Supply Header, LLC
Dewey & Lebouf, LLP
1101 New York Ave., N.W.
Suite 1100
Washington, D.C. 20005-4213

Attention: Brett A. Snyder

Reference: Order Amending Certificate

Dear Mr. Snyder:

1. On June 20, 2008, Southeast Supply Header, LLC (SESH) filed an application under section 7(c) of the Natural Gas Act (NGA), to amend its certificate issued on September 20, 2007 (September 20 Order).¹ The amendment reflects certain modifications to SESH's *pro forma* tariff, which more closely conform SESH's tariff to the approved tariff provisions of other pipelines and storage facilities operated by Spectra Energy Corporation (Spectra). For the reasons discussed below, the Commission will grant the requested authorization.

2. SESH is a Delaware Limited Liability Company headquartered in Houston, Texas. SESH was formed as a joint venture between CenterPoint Energy Southeastern Pipelines Holding, LLC and Spectra, each of which holds a 50 percent interest. CenterPoint Energy Southeastern Pipelines Holding, LLC is an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc., a publicly traded company. Upon completion of the construction authorized in the September 20 Order and initiation of facility operations,

¹ *Southeast Supply Header, LLC*, 120 FERC ¶ 61,257 (2007).

SESH will be a natural gas company engaged in the transportation of natural gas in interstate commerce.

3. On May 17, 2007, in Docket Nos. CP07-44-000 and CP07-45-000, the Commission issued a preliminary determination (P.D.) addressing the non-environmental issues of SESH's and Southern Natural Gas Company's request for certificate authorization to construct and operate 269 miles of new natural gas transmission facilities in Louisiana, Mississippi, and Alabama.² On September 20, 2007, the Commission granted SESH a certificate to proceed with the facility's construction and operation.³

4. On February 1, 2008, SESH filed an application under section 7(c) of the NGA, to amend its certificate in order to provide for the construction and operation of the Hi Fields Lateral facilities, which would allow SESH to transport approximately 175 million cubic feet of natural gas per day (MMcf/day) to Southern Company Services, Inc.'s Daniel Electric Generating Plant facilities in Jackson County, Mississippi. On June 27, 2008, the Commission granted SESH's request and issued an order to amend its certificate.⁴

5. SESH states that it is submitting this second amendment application in order to make modifications to its *pro forma* tariff. SESH states that the modifications will more closely conform its tariff to the approved tariff provisions of other pipelines and storage facilities operated by Spectra which holds a 50 percent interest in SESH. SESH states that it has contracted with Spectra to have Spectra provide the Electronic Bulletin Board and related functions to implement the transportation services under SESH's tariff. SESH further states that the changes also standardize terms, address contractually mandated operational matters, and correct typographical and grammatical errors.

6. Public notice of the filing was issued on June 24, 2008. Interventions and protests were due on July 7, 2008, as provided by section 154.210 of the Commission's regulations.⁵ Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, all timely filed motions to intervene and any motion to intervene out-of-time filed before

² *Southeast Supply Header, LLC*, 119 FERC ¶ 61,153 (2007).

³ In the September 20 order, SESH was also granted: in Docket No. CP07-46-000, a Part 157, subpart F blanket construction certificate; and, in Docket No. CP07-47-000, a Part 284, subpart G blanket natural gas transportation certificate.

⁴ *Southeast Supply Header, LLC*, 123 FERC ¶ 61,310 (2008).

⁵ 18 C.F.R. § 154.210 (2008).

the issuance date of this order are granted.⁶ Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties.

7. On July 10, 2008, BP America Production Company and BP Energy Company (collectively referred to as BP) filed a late motion to intervene and comments to this proceeding. BP states that they are engaged in discussions with SESH regarding proposed General Terms & Conditions section 26.7(a)(10) that would allow SESH to reserve capacity on its system for a future expansion.

8. On July 17, 2008, SESH responded to BP's comments and stated that it is agreeable to amend the section 26.7(a)(10) tariff provision in question. SESH included in its response an amended section 26.7(a)(10) and adds new sections 26.7(a)(11) and (12). SESH states the proposed amended provisions are more expansive than what SESH initially proposed and are consistent with Commission approved provisions of other natural gas pipeline tariffs concerning the reservation of capacity for future use.

9. The changes proposed by SESH to its *pro forma* tariff in its June 20, 2008 application for certificate amendment will standardize terms, address contractually mandated operational matters, and correct typographical and grammatical errors. Further, the changes will more closely conform its tariff to the approved tariff provisions of other pipelines and storage facilities operated by Spectra which holds a 50 percent interest in SESH.

10. On July 17, 2008, in response to BP's comments on the proposed modifications in the June 20, 2008 certificate amendment application, SESH filed *pro forma* tariff provisions which delete the procedures for reserving capacity for future expansion projects from proposed section 26.7(a)(10) and enhance and move these procedures to new section 26.7(a)(11). Section 26.7(a)(11) allows SESH to reserve available capacity, capacity under expiring or terminating service agreements where the capacity is not subject to a right of first refusal or the shipper does not exercise its right of first refusal for a future expansion project. This section also details the posting requirement and the intention that SESH is planning to reserve the capacity for future projects. New section 26.7(a)(12) provides a methodology to allocate capacity reserved for a future period to be utilized on an interim basis. This section describes the posting and bidding method to be used. This section also states that there will be no ROFR rights to the interim capacity.

11. We find that SESH's *pro forma* tariff, including the modifications proposed in its June 20, 2008 application for certificate amendment and the modifications thereto in SESH's July 17, 2008 filing, generally complies with Commission policy and precedent.

⁶ 18 C.F.R. § 385.214.

SESH is required to file its actual tariff sheets within 30 days prior to the in-service date of the proposed facilities.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.