

134 FERC ¶ 61,053
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 24, 2011

In Reply Refer To:
Pine Needle LNG Company, LLC
Docket No. RP11-1526-000

Pine Needle LNG Company, LLC
P.O. Box 1396
Houston, TX 77251

Attention: Scott C. Turkington
Director, Rates and Regulatory

Reference: Request for Waivers

Ladies and Gentlemen:

1. On November 12, 2010, Pine Needle LNG Company, LLC (Pine Needle) submitted a request for waiver of sections 154.109(b) and 154.109(c) of the Commission's regulations.¹ These regulations require that the General Terms and Conditions of a company's tariff contain a statement of the company's policy with respect to the financing or construction of laterals and a statement that describes the order in which the company discounts its rates and surcharges, respectively. As discussed below, we will grant Pine Needle's request for waiver of sections 154.109(b) and 154.109(c), subject to the condition set forth below.

2. Pine Needle states that, as part of its ongoing compliance efforts, it has undertaken a review of its tariff for compliance with the Commission's regulations. As a result of this review, Pine Needle determined that its tariff does not contain information specified in sections 154.109(b)² and 154.109(c)³ of the Commission's regulations. Pine Needle

¹ 18 C.F.R. §§ 385.154.109(b) and 154.109(c) (2010).

² Section 154.109(b) states, "[t]he general terms and conditions of the tariff must contain a statement of the company's policy with respect to the financing or construction of laterals including when the pipeline will pay for or contribute to the construction costs."

asserts that sections 154.109(b) and 154.109(c) are not applicable to Pine Needle due to its rate and service structure.

3. Public notice of the filing was issued on November 15, 2010. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁴ Pursuant to Rule 214,⁵ all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

4. Pine Needle requests waiver of section 154.109(b) of the Commission's regulations to omit stating a policy regarding the financing or construction of laterals. Pine Needle explains that it only provides LNG storage service and has never considered, or been requested to consider, the financing or construction of a lateral. Pine Needle states that if, in the future, it seeks to provide interstate pipeline transportation service, it will make the necessary revisions to its tariff at that time to comply with this regulation. Previously, the Commission has granted waiver of section 154.109(b) to an LNG storage facility on the basis that it did not own pipeline facilities.⁶ Because Pine Needle is exclusively an LNG storage provider and does not provide transmission service, the Commission will grant Pine Needle's request for waiver of section 154.109(b), subject to the condition discussed below.

5. Pine Needle also requests waiver of section 154.109(c) of the Commission's regulations to omit stating a policy concerning the order of discounting in its tariff. Pine Needle explains that its rates do not include any surcharges. Pine Needle states that the only charges under Rate Schedules LNG-1 and LNG-2 that apply, in addition to base rates, are the electric power unit rate and the annual charge adjustment, both of which are included in Pine Needle's minimum rates and are not discountable. Pine Needle states that if, in the future, its rates include a surcharge that may be discounted, Pine Needle will file the necessary tariff revisions to comply with this regulation. Previously, the

³ Section 154.109(c) states, "[t]he general terms and conditions of the tariff must contain a statement of the order in which the company discounts its rates and charges. The statement, specifying the order in which each rate component will be discounted, must be in accordance with Commission policy."

⁴ 18 C.F.R. § 385.210 (2010).

⁵ 18 C.F.R. § 385.214 (2010).

⁶ *Distrigas of Massachusetts Corp.*, 80 FERC ¶ 61,308 (1997) (granting waiver of section 154.109(b) on basis that LNG storage facility did not own pipeline facilities as defined in that section, subject to condition that the regulation must be complied with if, in the future, company owns such a facility).

Commission has granted waivers of section 154.109(c) to pipelines⁷ that have not included surcharges in their rates. Since Pine Needle's rates currently do not contain a discountable surcharge, consistent with its previous orders, the Commission will grant Pine Needle's request for waiver of section 154.109(c), subject to the condition discussed below.

6. The Commission grants these waivers conditioned on Pine Needle's representations that if, in the future, it seeks to provide interstate pipeline transportation service or its rates include a surcharge that can be discounted, it will file the necessary revisions to its tariff to comply with the appropriate Commission regulations.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties

⁷ *Empire Pipeline, Inc.*, 125 FERC ¶ 61,120, at 61,605 (2008); *Gulfstream Natural Gas System, LLC*, 91 FERC ¶ 61,119, at 61,467 (2000); *Vector Pipeline, L.P.*, 85 FERC ¶ 61,083, at 61,304 (1998); *Alliance Pipeline, L.P.*, 80 FERC ¶ 61,149, at 61,598 (1997).