

140 FERC ¶ 61,161  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

August 30, 2012

In Reply Refer To:  
Sea Robin Pipeline Company, LLC  
Docket No. RP12-900-000

Sea Robin Pipeline Company, LLC  
5051 Westheimer Road  
Houston, TX 77056-5306

Attention: Michael T. Langston, Vice President  
Chief Regulatory Officer

Reference: Compliance Filing

Ladies and Gentlemen:

1. On July 31, 2012, as supplemented on August 15, 2012, Sea Robin Pipeline Company, LLC (Sea Robin) filed revised tariff records<sup>1</sup> and an initial cost of service for facilities it acquired from Trunkline Gas Company, LLC (Trunkline) to comply with the Commission's June 21, 2012 Order Granting Abandonment, Determining Jurisdictional Status of Facilities and Issuing Certificates.<sup>2</sup> The Commission accepts the revised tariff records effective September 1, 2012, the in-service date for the acquired facilities, as requested, subject to conditions as discussed below.

2. On October 7, 2011, Trunkline and Sea Robin filed a joint application pursuant to sections 7(b) and 7(c) of the Natural Gas Act (NGA), requesting authorization for: (1) Trunkline to abandon by sale to Sea Robin virtually all of Trunkline's offshore pipeline facilities in the Gulf of Mexico, offshore Louisiana and Texas, as well as certain on shore pipeline facilities in Louisiana; and (2) Sea Robin to acquire and operate the

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<sup>1</sup> See Appendix.

<sup>2</sup> *Trunkline Gas Co., LLC and Sea Robin Pipeline Co., LLC*, 139 FERC ¶ 61,239 (June 21, 2012 Order).

facilities Trunkline proposed to abandon. In its October 7, 2011 application, Sea Robin submitted a cost of service for the acquired facilities as part of its cost and revenue study.

3. The June 21, 2012 Order authorized Trunkline's request to abandon by sale to Sea Robin virtually all of its offshore pipeline facilities<sup>3</sup> and authorized Sea Robin to acquire and operate the components of the offshore facilities that perform a jurisdictional transportation function. The June 21, 2012 Order found that certain facilities being acquired by Sea Robin needed to be refunctionalized from transmission to gathering or vice versa.<sup>4</sup> The June 21, 2012 Order also found that certain facilities being acquired by Sea Robin were not currently used to provide gathering or transmission service and therefore, should not be included in Sea Robin's rate base underlying its recoverable cost of service.<sup>5</sup>

4. The June 21, 2012 Order rejected Sea Robin's proposal to charge shippers its existing system rates for services on the facilities it acquired from Trunkline; and directed that Sea Robin establish incremental initial maximum recourse rates for services over such facilities. The Commission also rejected Sea Robin's request for a pre-determination that it may roll the costs associated with acquisition of Trunkline's offshore facilities into its system rates in a future NGA section 4 rate case.<sup>6</sup>

5. The June 21, 2012 Order directed Sea Robin to file a compliance filing establishing incremental rates for the services on the facilities acquired from Trunkline, and the Commission stated:

Sea Robin's compliance filing, with actual tariff records reflecting initial recourse base rates, should include work papers in electronic spread sheet format, including the formulas. Sea Robin should start with Exhibit N's costs of service as shown in its filing, and show and document any adjustments.<sup>7</sup>

6. In its instant filing, Sea Robin proposes to designate in its tariff the existing Sea Robin facilities as the "West Area" and the facilities acquired from Trunkline as the "East Area." Sea Robin proposes tariff revisions to incorporate the two rate areas into its

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<sup>3</sup> *Id.* P 51.

<sup>4</sup> *Id.* PP 75, 83-84.

<sup>5</sup> *Id.* PP 57-60.

<sup>6</sup> *Id.* P 102.

<sup>7</sup> *Id.* P 115.

tariff, including; updating the tariff map, revising rate schedules and including “East Area” rates on the Currently Effective Rates tariff records. Further, to comply with the June 21, 2012 Order,<sup>8</sup> Sea Robin proposes tariff revisions to its General Terms and Conditions and Rate Schedules FTS, FTS-2 and ITS to state that its existing hurricane surcharge only applies to “West Area” shippers.

7. Public notice of the filing was issued on August 1, 2012. Interventions and protests were due as provided in section 154.210 of the Commission’s regulations (18 C.F.R. § 154.210 (2012)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), all timely filed motions to intervene and any unopposed motions to intervene out-of-time 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. Apache Corporation (Apache) submitted a motion for further clarification.

8. We accept Sea Robin’s proposed tariff records effective September 1, 2012, as requested, subject to conditions as discussed below.

9. Apache requests clarification of Sea Robin’s instant filing. Apache states that Sea Robin provides work papers and formulas and, in its revised cost of service, makes adjustments downwards and provides some explanation for the adjustments due to refunctionalization and idle facilities. However, Apache states that Sea Robin did not provide a full individualized break-down or reconciliation identifying each specific facility that was refunctionalized or removed from service and further asserts that Sea Robin fails to cross-reference each adjustment to the specific facilities that were either refunctionalized or idle and removed from plant. Apache requests that the Commission require Sea Robin to provide a complete explanation and detailed reconciliation of each of the adjustments it made to the cost of service and throughput so that it is possible to ensure that proper adjustments were made. On August 15, 2012, after Apache filed its request for clarification, Sea Robin submitted a supplemental filing identifying the facilities to be acquired from Trunkline and further identifying the facilities to be refunctionalized or removed from its cost of service.

10. The Commission accepts Sea Robin’s proposed tariff records effective September 1, 2012, subject to Sea Robin filing additional information concerning the adjustments to its cost of service. Sea Robin has submitted a revised cost of service starting with its October 7, 2011 Exhibit N and reflected adjustments for refunctionalizations and the removal of facilities. However, as noted by Apache, Sea Robin has not documented the facilities and the corresponding book values that contributed to the adjustments made to its cost of service either in its initial filing or its supplemental filing. Therefore, the Commission is unable to verify that Sea Robin has

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<sup>8</sup> *Id.* P 129.

complied with the June 21, 2012 Order regarding the proper refunctionalization and/or removal from the cost of service of the costs of specific facilities. Accordingly, in order that the Commission may verify that Sea Robin has fully complied with the June 21, 2012 Order, the Commission directs Sea Robin to submit workpapers and or explanation within 15 days of the issuance of the instant order identifying and explaining the separate components of the adjustments made to its cost of service and in the calculation of its initial rates.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

## Appendix

Sea Robin Pipeline Company, LLC  
FERC NGA Gas Tariff  
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