

153 FERC ¶ 61,054
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

Regency Field Services LLC

Docket No. CP15-272-000

ORDER ISSUING CERTIFICATES

(Issued October 15, 2015)

1. On April 27, 2015, Regency Field Services LLC (Regency) filed an application pursuant to section 7(c) of the Natural Gas Act (NGA)¹ and Part 157 of the Commission's regulations² for certificate authorization to continue operating an existing pipeline in Pecos County, Texas. The 20-inch-diameter, 8.1-mile-long pipeline (Coyanosa Residue Line) transports gas from the outlet of Regency's Coyanosa processing plant to four intrastate pipelines and El Paso Natural Gas Company, L.L.C. (El Paso), an interstate pipeline. For the reasons discussed below, the Commission will grant the requested authorizations.

I. Background and Proposal

2. Regency is a limited liability company organized and existing under the laws of the State of Delaware, and is an indirect subsidiary of Regency Energy Partners, LP. Regency engages in natural gas gathering and processing in Texas, Louisiana, New Mexico, Oklahoma, Kansas, and Colorado. Regency primarily gathers gas at the wellhead and carries that unprocessed gas to its own and third-party processing facilities where the gas is treated, with liquids removed from the gas stream for commercial sale. After treatment, Regency delivers the gas to pipelines for transportation to interstate and intrastate markets.

3. The Coyanosa Residue Line transports processed gas (also referred to as lean residue gas) from the outlet of Regency's Coyanosa plant to four intrastate pipelines and

¹ 15 U.S.C. § 717f(c) (2012).

² 18 C.F.R. pt. 157 (2015).

an interstate pipeline.³ Regency states that it acquired the 8.1-mile-long residue line in 2013 as a part of its acquisition of the Coyanosa Gathering System, a system in the Permian Basin that includes approximately 1,258 miles of gathering lines. Regency further states that the Coyanosa Residue Line was initially placed into service in 1969, was replaced in its entirety in 2000, and has always served to carry processed gas from the Coyanosa plant to interstate and intrastate pipelines.

4. Regency requests NGA section 7 certificate authorization to continue to operate and maintain the Coyanosa Residue Line. Regency also requests a blanket certificate, pursuant to Part 157, Subpart F, of the Commission's regulations authorizing certain routine construction, operation, and abandonment activities. However, in the alternative, Regency requests the Commission find the primary function of its Coyanosa Residue Line is to provide gathering and processing services, thereby rendering the residue line exempt from the Commission's jurisdiction under NGA section 1(b). For the reasons discussed below, we find the residue line is transporting gas in interstate commerce, and is thus subject to our jurisdiction. Accordingly, we find Regency requires NGA section 7 certificate authorization for the Coyanosa Residue Line and the services provided thereon.

5. Regency explains that the Coyanosa Residue Line historically has been treated as an integral part of the Coyanosa Gathering System, with gas producers being charged for a bundled gathering, processing, and transportation service. Over the past year, approximately half the gas transported over the pipeline was acquired by Regency from producers at the wellhead, while producers retained ownership of the other half. Regency requests that the Commission waive certain filing and operational requirements that would otherwise apply to a jurisdictional interstate pipeline, noting in particular that calculating a stand-alone transportation charge would be incompatible with current producer-customer expectations and preferences to contract for a bundled service.

³ Specifically, the pipeline from the Coyanosa plant delivers gas to four intrastate pipelines – Atmos Pipeline - Texas (at three separate interconnections), Oasis Pipeline LP, Enterprise Texas Pipeline LLC, and ONEOK WesTex Transmission, LLC (each with a single interconnection) – then terminates at an interconnection with El Paso's interstate pipeline. Regency states that the Coyanosa Residue Line has an approximate capacity of 100,000 thousand standard cubic feet per day (Mcf/d), of which an approximate average of 68,265 Mcf/d has been used over the past year, with approximately 43,169 Mcf/d delivered to the intrastate pipelines and 25,096 Mcf/d delivered to El Paso.

II. Notice

6. Notice of Regency's application was published in the *Federal Register* on May 14, 2015. No interventions, comments, or protests were submitted.

III. Discussion

7. Because we find that Regency's Coyanosa Residue Line is used for jurisdictional transportation of natural gas in interstate commerce, its operation, maintenance, and transportation services are subject to the requirements of subsections (c) and (e) of section 7 of the NGA.⁴

8. Despite having filed an application for certificate authorization under NGA section 7, Regency argues the Commission should view the Coyanosa Residue Line as an incidental extension of its upstream gathering system and Coyanosa processing plant, and as such, find it to be performing primarily a nonjurisdictional gathering function. Regency recognizes that since the 1994 decisions in *Amerada Hess Corporation (Amerada Hess)*⁵ and *Superior Offshore Pipeline Company (SOPCO)*,⁶ the Commission has declined to disclaim jurisdiction over any pipeline longer than five miles carrying lean residue gas owned by third parties from the tailgate of a processing plant. However, Regency contends this policy is inapplicable to its Coyanosa Residue Line because the pipeline was in operation well before the Commission adopted its five-mile plant "stub line" test in 1994, and the pipeline would "clearly have been deemed non-jurisdictional under the Commission's previous policy."⁷

⁴ 15 U.S.C. §§ 717f(c) and (e) (2012).

⁵ 67 FERC ¶ 61,254 (1994). In *Amerada Hess*, the Commission suggested it might be willing to take into account certain factors – e.g., the comparative quantity of gathering line upstream of a processing plant – in considering whether a plant's residue line should be viewed as an incidental extension of the upstream nonjurisdictional facilities and operations. *Id.* at 61,846. In practice, however, "[s]ince that time, the Commission has been unwilling to find that a pipeline at the tail of a processing plant longer than five miles can be considered a stub line that is incidental to a gathering function." *Quicksilver Resources Inc.*, 124 FERC ¶ 61,017, at P 13 (2008).

⁶ 67 FERC ¶ 61,253 (1994).

⁷ Regency's Application at 16.

9. Whether or not the Commission would have asserted jurisdiction over Regency's Coyanosa Residue Line prior to the 1994 *Amerada Hess* and *SOPCO* decisions is immaterial, since it is only now that we have been presented with an initial opportunity, triggered by Regency's 2013 acquisition of the pipeline, to consider its status. Further, as the Commission explained in *Amerada Hess*, the "incidental extension" test was needed because the Commission's primary function test had devolved into allowing the jurisdictional status of supply area facilities to be determined largely on the basis of the owners' jurisdictional status, rather than on the facilities' physical characteristics and function.⁸ In any event, it is appropriate to base our jurisdictional determination herein on the pipeline's physical location downstream of a processing plant and its function of transporting processed gas, regardless of whether the Commission would have asserted jurisdiction prior to *Amerada Hess* and *SOPCO*.⁹ In that context, we note the physical characteristics and function of Coyanosa Residue Line are not significantly different from those of any of the residue lines deemed jurisdictional since the 1994 decisions. Thus, we find that Regency's pipeline is used for jurisdictional transportation of gas in interstate commerce, and consequently is subject to the Commission's jurisdiction.

A. Application of the Certificate Policy Statement

10. In 1999, the Commission issued a policy statement to provide guidance as to how the Commission evaluates applications for certificating new construction.¹⁰ Although the guidance anticipates the applicant will be proposing to construct new facilities, we rely on the guidance in assessing an application for certificate authority to acquire existing facilities as well,¹¹ or as is the case here, to continue operating facilities that have been

⁸ 67 FERC ¶ 61,254 at 61,845-46.

⁹ See *Western Gas Resources, Inc.*, 119 FERC ¶ 61,308, at 62,697 (2007), addressing and rejecting a similar argument that the Commission was giving unwarranted retroactive effect to the policy put in place in 1994 by applying it to facilities put in service prior to that time.

¹⁰ *Certification of New Interstate Natural Gas Pipeline Facilities (Certificate Policy Statement)*, 88 FERC ¶ 61,227 (1999), *clarified*, 90 FERC ¶ 61,128 and 92 FERC ¶ 61,094 (2000).

¹¹ See, e.g., *Tennessee Gas Pipeline Company, L.L.C.*, 123 FERC ¶ 61,153, at P 38 (2008).

operating without the requisite certificate authority.¹² The Certificate Policy Statement establishes criteria for determining whether a new project will serve the public interest by evaluating whether there is a need for the proposed project and whether the project's benefits will outweigh its potential adverse consequences. The Commission's goal is to give appropriate consideration in evaluating a new project to the enhancement of competitive transportation alternatives, the possibility of overbuilding, subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain.

11. Most of the concerns expressed in the Certificate Policy Statement do not apply to Regency's request for certificate authorization for its pipeline. The threshold criterion that current customers not subsidize new customers is inapplicable here. Since Regency is not constructing new facilities or increasing capacity in order to provide new service to new customers, there is no issue of existing customers subsidizing costs incurred to serve new customers. Granting certificate authorization for Regency's Coyanosa Residue Line will not adversely affect the quality of Regency's service for existing customers, and the waivers granted by this order will allow Regency to continue offering its current customers the same bundled service at the same rate. Since the certificate granted by this order only authorizes Regency to continue to operate an existing pipeline, with no new construction, the proposal will have no impacts on the economic interests of landowners and communities. No objections have been expressed to Regency's proposal by competing companies or their captive customers. Finally, certifying Regency's pipeline will not result in any changes in land use or operations that could have environmental impacts, and there is no evidence that past construction impacts still need to be mitigated.¹³

12. In view of the above considerations, and the need to enable Permian Basin gas supplies to reach downstream pipeline systems and markets, we find that granting Regency NGA section 7 certificate authorization to continue to operate and maintain the Coyanosa Residue Line is consistent with the Certificate Policy Statement and required

¹² See, e.g., *Nornew Energy Supply, Inc.*, 98 FERC ¶ 61,018, at 61,029 and 61,033 (2002), applying the Certificate Policy Statement in deciding whether to issue a certificate to authorize the continued operation of a 7.63-mile-long pipeline constructed without the requisite certificate authorization.

¹³ Given that the Coyanosa Residue Line is already in service, we did not undertake an environmental review, as the proposal qualifies for a categorical exclusion under section 380.4(a)(27) of the Commission's regulations.

by the public convenience and necessity, as conditioned by this order. In addition, since Regency is operating a jurisdictional pipeline, we will issue a Part 157, Subpart F, blanket certificate authorizing Regency to perform certain routine activities in conjunction with its operation of the Coyanosa Residue Line.¹⁴

B. Request for Waivers

13. Regency's application did not include a pro forma tariff proposing initial rates for unbundled services over the Coyanosa Residue Line and upstream gathering and processing services provided in connection with the jurisdictional service on the Coyanosa Residue Line. Regency requests a waiver of these requirements.

14. Regency states that its customers have historically paid, and currently pay, for a bundled service. Regency explains that after considering the feasibility of changing how it billed its customers for service using the residue line, it concluded it "would be commercially and operationally infeasible to do so," as this "would frustrate all current service arrangements, contract rights and obligations, and commercial operations on the line."¹⁵ Regency adds that it would be costly and impractical to develop terms and conditions for unbundled transportation service on its Coyanosa Residue Line. Regency also maintains that "given the completely integrated nature of the plant and the line ... it would be unnecessary and unreasonable"¹⁶ to subject it to the Standards of Conduct in Part 385 of the Commission's regulations governing the relationship between a transmission provider and its marketing affiliates.¹⁷ In requesting a waiver of various

¹⁴ See, e.g., *Regency*, 150 FERC ¶ 62,187 and 150 FERC ¶ 62,096 (2015), in which we reach a similar result with respect to other Regency residue lines.

¹⁵ Regency's Application at 12.

¹⁶ *Id.*

¹⁷ See 18 C.F.R. pt. 358 (2015); *Standards of Conduct for Transmission Providers (Standards of Conduct)*, Order No. 2004, 68 FR 69134 (Nov. 25, 2003), FERC Stats. & Regs., Regulations Preambles 2001-2005 ¶ 31,155 (2003), *order on reh'g*, Order No. 2004-A, 69 FR 23562 (April 16, 2004), FERC Stats. and Regs., Regulations Preambles 2001-2005 ¶ 31,161, *order on reh'g*, Order No. 2004-B, 69 FR 48371 (Aug. 2, 2004), FERC Stats. and Regs., Regulations Preambles 2001-2005 ¶ 31,166, *order on reh'g*, Order No. 2004-C, 70 FR 284 (Dec. 21, 2004), FERC Stats. and Regs., Regulations Preambles 2001-2005 ¶ 31,172 (2004), *order on reh'g*, Order No. 2004-D, 110 FERC ¶ 61,320 (2005), *vacated and remanded as it applies to natural gas pipelines, sub nom. National Fuel Gas Supply Corp. v. FERC*, 468 F.3d 831 (D.C. Cir. 2006). See also *Standards of Conduct for Transmission Providers*, Interim Rule, Order No. 690, 72

(continued ...)

regulatory requirements, Regency cites other cases in which the Commission has granted waivers for the otherwise nonjurisdictional operators of relatively short pipelines that transport gas from the tailgate of a processing plant.¹⁸

15. The circumstances here are similar to those in the cited *Regency*, *Western*, and *Whiting* orders, in that those proceedings also considered pipelines transporting lean residue gas from a processing plant to an interconnection with an interstate pipeline. However, those cases are materially different from this one in that, as Regency recognizes, the waivers granted in those cases “were based on the fact that all natural gas transported on the line was owned by the line’s owner, and thus no transportation service was being provided to third parties.”¹⁹

FR 2427 (Jan. 19, 2007), FERC Stats. & Regs. ¶ 31,237 (2007), *order on reh'g*, Order No. 690-A, FERC Stats. & Regs. ¶ 31,243 (2007); *Standards of Conduct for Transmission Providers*, Final Rule, Order No. 717, FERC Stats. & Regs. ¶ 31,280 (2008), *order on reh'g*, Order No. 717-A, FERC Stats. & Regs. ¶ 31,297, *order on reh'g*, Order No. 717-B, 129 FERC ¶ 61,123 (2009), *order on reh'g*, Order No. 717-C, 131 FERC ¶ 61,045 (2010), *order on reh'g*, Order No. 717-D, 135 FERC ¶ 61,017 (2011).

¹⁸ Citing *Regency*, 150 FERC ¶ 62,187 and 150 FERC ¶ 62,096 (2015); *Western Gas Resources, Inc. (Western)*, 119 FERC ¶ 61,308 (2007); and *Whiting Oil and Gas Corp. (Whiting)*, 126 FERC ¶ 62,119 (2009). Although Regency does not itemize the specific waivers it seeks in its application, it implies it seeks the same treatment the Commission applied in these cases.

¹⁹ Regency’s Application at 11. We note that Regency was not granted a waiver of the Standards of Conduct in the recent decisions in 150 FERC ¶ 62,187 and 150 FERC ¶ 62,096 (2015). Those cases did not mention the Part 385 Standards of Conduct regulations. In those cases, Ordering Paragraph (D) specified the regulations being waived: “The waiver request is granted for Parts 154, 158, 201, 225, 250, Part 284 Subpart G, 284.4, 284.7, 284.8, 284.9, 284.10, 284.12, 284.13, and Part 260 of the Commission's reporting requirements with the exception of Page 1 and Page 520 of FERC Form No. 2-A, subject to review and reconsideration by the Commission if Regency Field receives a bona fide request for firm transportation service on [its] Residue Line.” Because we did not require Regency to begin offering Part 284 service until it received a request from a third party for new service on the residue line, Regency’s acceptance of the certificate in those cases did not cause it to become subject to the Part 385 Standards of Conduct.

16. Here, Regency currently transports not only gas it owns, but also gas owned by third parties. In view of this, Regency's request most closely resembles cases in which a company has requested waivers for a residue line that transports gas for third parties. In such circumstances, while we have granted certain limited waivers (e.g., the section 284.12 requirement to maintain and operate an interactive web site), we have denied the broader exemptions that we granted when companies transport only their own gas.²⁰ We adopt the same approach here, as discussed below.

1. Statutory Requirements

17. NGA section 4(c) provides that every company shall file with the Commission all rates and charges, together with all contracts.²¹ Further, pursuant to NGA section 4(b), if a company wishes to change any rate or condition, it must file its proposal with the Commission.²² These are statutory requirements which the Commission does not have the authority to waive. Further, under NGA section 4 the Commission has jurisdiction over a natural gas company's rates and terms and conditions for gathering and other otherwise non-jurisdictional services that it provides "in connection with" its services that are jurisdictional under section 7.²³ Therefore, Regency's bundled rates for its gathering service upstream of the Coyanosa Residue Line also are subject to Commission review,

²⁰ See, e.g., *Collbran Valley Gas Gathering, LLC (Collbran)*, 128 FERC ¶ 61,186, at P 14 (2009), in which we granted certain waivers but denied a request to waive open-access and tariff requirements because the company was "already providing jurisdictional transportation for third-parties." We found that granting the "requested waiver would create precedent that would subvert the Commission's open-access policies and NGA requirements." Here, we will waive the open-access requirement based on the absence of any objections or expressed concerns on the part of Regency's customers and Regency's explanation that its long-standing relationships with producers and customers served by its Coyanosa system would be disrupted if Regency is required to provide unbundled transportation service on its residue line.

²¹ 15 U.S.C. § 717c(c) (2012).

²² 15 U.S.C. § 717c(d) (2012).

²³ See, e.g., *Sunoco, Inc. (R&M) v. Transcontinental Gas Pipe Line Corporation*, 111 FERC ¶ 61,400, at P 16 (2005).

and such rates and the contracts setting forth such rates must also be filed with the Commission.²⁴

18. Given that the Commission does not have the authority to waive the NGA section 4 requirements, Regency must file a tariff that contains each agreement for providing transportation on the Coyanosa Residue Line and each agreement that provides for gathering in connection with transportation on that pipeline.²⁵ Regency is required to use Type of Filing Code 740 when it makes its compliance filing.²⁶ Regency's compliance filing should be submitted to the Commission within 30 days of the date of this order consistent with Part 154 of the Commission's regulations.²⁷

²⁴ See *Northern Natural Gas Company v. FERC*, 929 F.2d 1261, 1262-63 (8th Cir. 1989), *cert. denied*, 502 U.S. 856 (1991), wherein the court affirmed that the Commission regulates the rates that natural gas companies charge third-party interstate transportation customers for moving gas on gathering facilities owned by the gas companies. See also *Arkla Gathering Services Company*, 69 FERC ¶ 61,280 (1994).

²⁵ These tariffs should *not* include terms, conditions, or rates related to Regency's processing services, which are not subject to the Commission's NGA jurisdiction. Regency uses the Coyanosa processing plant to treat and remove valuable natural gas liquids (NGLs) from the gas stream for commercial sale. Historically, the Commission has found that processing by an interstate natural gas company is only "in connection with" its jurisdictional transmission service as contemplated by NGA section 4 if the processing is necessary for the safe and efficient transportation of the gas on its pipeline system, and that section 4 "in connection with" jurisdiction does not extend to processing that is not essential to make gas fit for pipeline transportation. At Regency's Coyanosa processing plant, the extraction of NGLs and gas treatment related to NGL extraction are for the purpose of selling the NGLs separately, not for the safe and efficient transportation of gas on Regency's Coyanosa Residue Line. See, e.g., *Questar Pipeline Company*, 67 FERC ¶ 61,197, at 61,621-22 (1994).

²⁶ See *Implementation Guide for Electronic Filing of Parts 35, 154, 284, 300, and 341 Tariff Filings* (Sept. 11, 2015), available at <http://www.ferc.gov/docs-filing/etariff/implementation-guide.pdf> for an explanation of Type of Filing Code and other information for assembling an electronic tariff and tariff filing.

²⁷ 18 C.F.R. pt. 154 (2015). Regency is advised to consult with Commission staff prior to its compliance filing as to the format its electronic tariff.

2. Regulatory Requirements

19. The Commission requires jurisdictional companies to provide service on an open-access basis. Regency asserts it “cannot operate in a commercially viable manner as an open access interstate pipeline.” Regency states that “[n]o customer has requested stand-alone transportation service on the Coyanosa Residue Line,” and requests the Commission waive the open-access obligation “until such time as it receives a bona fide request for stand-alone transportation service.”²⁸

20. No prospective customer has informed the Commission that it has been denied firm or interruptible transportation service on Regency’s residue pipeline, nor has any existing customer indicated a preference to change the terms under which service is currently being provided (e.g., to request service compliant with the terms and conditions available under our open-access regime). In view of this, we will grant Regency’s request for a waiver of our open-access requirements until such time as Regency receives a bona fide request for firm transportation service on its pipeline.²⁹ Upon receipt of such a request, Regency shall apply for an open-access blanket transportation certificate within 30 days. Until Regency receives such a request, we will not require compliance with the Part 250 and 284 regulatory requirements applicable to interstate pipelines offering open-access transportation.³⁰ However, following such a request, Regency shall comply with the Part 250 and 284 regulatory reporting obligations and business practices. Regency shall maintain records to separately identify the original cost and related future depreciation on its facilities, since open-access transportation calls for cost-of-service accounting.

21. In previous cases involving residue pipelines, we have waived compliance with: (1) the requirement under section 157.6(b)(8) to provide information to support the determination of an initial rate for service on the proposed facilities; (2) the requirements under sections 157.14(a)(10), (11), (13), (14), (16), (17), and (18) to provide Exhibits H,

²⁸ Regency’s Application at 3.

²⁹ See, e.g., *Regency*, 150 FERC ¶ 62,187 and 150 FERC ¶ 62,096; *Atlas Pipeline Mid-Continent Westtex, LLC Pioneer Natural Resources USA, Inc.*, 140 FERC ¶ 62,238 (2012); *DCP Midstream LP*, 138 FERC ¶ 62,080 (2012); and *Continental Natural Gas Company*, 83 FERC ¶ 61,065 (1998), in which we reach the same result for the same reasons.

³⁰ The Commission notes that Regency delivers gas to El Paso. This conditional waiver of Part 284 requirements does not excuse Regency from satisfying El Paso’s Part 284 requirements applicable to counterparties.

I, K, L, N, and O; and (3) the accounting and reporting requirements under Part 201 and section 260.2. Regency indicates it seeks the same waivers for its services.

22. In this case, we waive the Part 157 filing requirements only as it relates to the Coyanosa Residue Line. We deny Regency's request to waive filing Form No. 2-A under section 260.2 of our regulations. Regency reports that it transports significantly more than the Commission's minimum requirement for filing Form No. 2-A of 200,000 Mcf per year,³¹ and it transports gas on behalf of other customers. Because we are denying Regency's request for waiver of filing Form No. 2-A, we must also deny Regency's request for waiver of compliance with the Part 201 Uniform System of Accounts regulations, as Form No. 2-A requires the reporting of financial data consistent with the Uniform System of Accounts. Further, if Regency proposes a change to the rates of its customers pursuant to NGA section 4, or if Regency must establish a cost-based rate for open-access transportation services, Regency will need data maintained consistent with the Uniform System of Accounts in order to supply the documentation required to support such rate proposals.

3. Standards of Conduct

23. Regency requests a waiver from our Part 358 Standards of Conduct,³² claiming that compliance would not be "operationally feasible" due to the pipeline's integration with Regency's other processing and gathering services. We discussed the parameters for a waiver of the Standards of Conduct in Order No. 2004-A, stating an exemption would only be granted for good cause shown, and explaining that a small company might qualify based on its size, number of employees, level of interest in transportation, and whether the company had separated to the maximum extent practicable from its marketing affiliates. Regency has not provided an adequate description of why it might qualify to enable us to make an informed decision on the requested waiver. However, because we will not require Regency to comply with the Part 284 open-access

³¹ Regency reports that its average deliveries were 68,265 Mcf/d in the previous 12 months, an amount equal to approximately 25,000,000 Mcf per year. 25,000,000 Mcf per year is approximately the midpoint of the Form No. 2-A reporting range, which extends from 200,000 Mcf per year to 50,000,000 Mcf per year. Companies with volumes in excess of 50,000,000 Mcf per year must file a Form No. 2. Form No. 2-A requires less financial data than Form No. 2.

³² Regency's Application at 11.

requirements at this time, the Standards of Conduct will not apply to Regency.³³ We remind Regency that although it will not be required to comply with the Standards of Conduct, it must nevertheless adhere to the undue discrimination and undue preference prohibitions of NGA section 4.

IV. Conclusion

24. We grant Regency's request for certificate authorization to operate its eight-mile Coyanosa Residue Line, and grant in part and deny in part its requested waivers, for the reasons discussed above.

25. At a hearing held on October 15, 2015, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the application and exhibits thereto submitted herein, and upon consideration of the record,

The Commission orders:

(A) A certificate of public convenience and necessity is issued to Regency to operate and maintain its Coyanosa Residue Line, as described and conditioned herein, and as more fully described in the application and the body of this order.

(B) A blanket certificate pursuant to Part 157, Subpart F, of the Commission's regulations is issued to Regency authorizing performance of certain routine activities in conjunction with the operation of its Coyanosa Residue Line, as discussed in the application and the body of this order.

(C) The certificate authorizations issued in Ordering Paragraphs (A) and (B) will not otherwise affect the nonjurisdictional status of any other Regency facilities.

(D) Regency is required to file all its certificated transportation contracts with the Commission consistent with Part 154 of the Commission's regulations within 30 days of this order.

³³ See note 20. The Standards of Conduct apply to any company that transports gas in interstate commerce for others pursuant to Part 284, Subpart B (transportation by an interstate pipeline under section 311 of the Natural Gas Policy Act), or Part 284, Subpart G (interstate pipeline providing open-access transportation under the NGA) of the Commission's regulations, and conducts transportation transactions with an affiliate that engages in marketing functions. See 18 C.F.R. §§ 358.1(a) and 358.3(k)(2) (2015). Note the foundation underlying this exemption will be removed if and when Regency receives a bona fide request for transportation service.

(E) Regency's request to waive certain sections of Part 157 as it relates to the instant filing and Parts 250 and 284 of the Commission's regulations is granted, subject to the conditions discussed the body of this order.

(F) Regency's request to waive filing Form No. 2-A and compliance with Part 201 of the Commission's regulations is denied.

(G) Regency must notify the Commission if there is a material change in facts that affects its obligation to comply with Parts 157, 250, 284, and 358 of the Commission's regulations within 30 days of the date of such change.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.