

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 28, 2005

In Reply Refer To:
Gulf South Pipeline Company, LP
Docket No. RP06-61-000

Gulf South Pipeline Company, LP
20 East Greenway Plaza, Suite 900
Houston, TX 77046

Attention: Michael E. McMahon

Reference: Second Revised Sheet Nos. 2707 and 2708, and Original Sheet No. 2708A
to FERC Gas Tariff, Sixth Revised Volume No. 1

Dear Mr. McMahon:

1. On October 31, 2005, Gulf South Pipeline Company, LP (Gulf South) tendered for filing the referenced tariff sheets to revise section 20 of its General Terms and Conditions to: (1) change the reporting date of its annual cash-in/cash-out program (cash pool) report; (2) modify the circumstances in which excess cash in the cash pool must be refunded to customers; and (3) increase the refund threshold for its cash pool from \$50,000 to \$250,000. The referenced tariff sheets are accepted to be effective December 1, 2005, as requested.

2. Gulf South's tariff currently requires Gulf South to report the balances in its cash pool as of March 31 and to refund any positive cash balance as of that date, regardless of the cash pool's volumetric balance. Gulf South is proposing to make June 30 the end date for its annual reporting period, thereby making it possible for Gulf South to make gas purchases during the summer when prices are likely to be lower. Gulf South states that this approach is more economically rational for managing the cash pool.

3. Additionally, Gulf South proposes to modify the circumstances in which excess cash must be refunded to customers. Currently, Gulf South is obligated to refund to customers if the cash pool balance is \$50,000 or greater, regardless of the cash pool's volumetric position. Gulf South is proposing that refunds be made to customers when there is a positive cash pool balance of \$250,000 or greater and there is no negative

volumetric balance. Gulf South proposes to include in its annual cash pool report the overall cash position of its cash pool, less the cash pool's negative volumetric position multiplied by the August NYMEX closing price. Any positive cash balance above \$250,000 will be refunded to its customers.

4. Public Notice of Gulf South's filing was issued on November 2, 2005, with comments, protests or interventions due on or before November 14, 2005. Notices of intervention and unopposed timely filed motions to intervene are granted under Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2005)). Any untimely motion to intervene filed as of the date of this order is granted. Granting late interventions 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.

5. The Commission finds Gulf South's proposals to be reasonable and accepts them to be effective December 1, 2005, as requested. First, deferring the cash pool reporting period by two months will allow Gulf South the ability to purchase gas during the shoulder and summer seasons when prices are generally lower, and is therefore more economic than requiring Gulf South to purchase gas in the winter heating season. Second, taking into account the volumetric position of Gulf South before requiring refunds is reasonable, as the cash is necessary to make sure volumes are replaced. Finally, the increase in the refund threshold is consistent with Commission precedent.¹

By direction of the Commission.

Magalie R. Salas,
Secretary.

¹E.g., Discovery Gas Transmission, LLC, FERC Gas Tariff, Original Volume No. 1, section 9.9 of the GT&C (Cashout Revenues) allows Discovery to carry forward amounts less than \$400,000.