

120 FERC ¶ 61,216  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

September 5, 2007

In Reply Refer To:  
Crossroads Pipeline Company  
Docket No. RP07-567-000

Crossroads Pipeline Company  
5151 San Felipe, Suite 2500  
Houston, TX 77056

Attention: James R. Downs  
Director of Regulatory Affairs

Reference: Tariff Revisions – Creditworthiness Provisions

Dear Mr. Downs:

1. On August 10, 2007, Crossroads Pipeline Company (Crossroads) filed revised tariff sheets<sup>1</sup> to implement changes to the creditworthiness provisions of its FERC Gas Tariff, with a proposed effective date of September 10, 2007. As more fully discussed below, the referenced tariff sheets are accepted effective September 10, 2007, subject to conditions.
2. Crossroads states that its proposed changes incorporate the Commission's policies on creditworthiness as articulated in the *Policy Statement on Creditworthiness*,<sup>2</sup> and were previously approved for its affiliates Columbia Gas Transmission Corporation,<sup>3</sup>

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<sup>1</sup> See Appendix.

<sup>2</sup> *Policy Statement on Creditworthiness Issues for Interstate Natural Gas Pipelines and Order Withdrawing Rulemaking Proceeding*, 111 FERC ¶ 61,412 (2005) (*Policy Statement on Creditworthiness*).

<sup>3</sup> Citing *Columbia Gas Transmission Corp.*, 119 FERC ¶ 61,041 (2007).

Columbia Gulf Transmission Company,<sup>4</sup> and Hardy Storage Company, LLC.<sup>5</sup> In summary, the proposed tariff revisions specify: (1) the criteria on which a credit appraisal shall be performed; (2) the methods by which a shipper who has failed to satisfy the credit criteria may still obtain service by providing credit assurance; (3) an elaboration on the procedures that apply if there is a loss of creditworthiness; (4) a shipper's right to and the procedure for initiating a reevaluation of creditworthiness; (5) Crossroads' ability to require additional creditworthiness or credit assurance for new expansions projects; and (6) additional detail on a shipper's payment obligations.

3. Notice of Crossroads' filing was issued on August 15, 2007, with interventions and protests due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2007)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2007)), 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. Crossroads proposes a new section 3.10(1) in the General Terms and Conditions (GT&C) of its tariff which states that, among other things, if shipper fails to provide the credit assurance within the specified time period, Transporter may (i) immediately suspend service to shipper, and/or (ii) terminate shipper's service agreement upon at least thirty (30) days written notice to shipper, releasing shipper, if any, and the Commission that it will terminate service to shipper if shipper fails to pay the outstanding balance and/or provide the required credit assurance. However, the proposed provision fails to state that shippers are not responsible for a charge during the period service has been suspended.

5. In the *Policy Statement on Creditworthiness*, the Commission clarified that, since the pipeline is making an election to suspend and is not providing the service required under the contract during the suspension, the pipeline is not permitted to impose reservation charges during the period of suspension.<sup>6</sup> The fact that the Commission did

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<sup>4</sup> Citing *Columbia Gulf Transmission Co.*, 117 FERC ¶ 61,073 (2006); *Columbia Gulf Transmission Co.*, Docket No. RP06-596-000 (Feb. 28, 2007) (unpublished letter order).

<sup>5</sup> Citing *Hardy Storage Co., LLC*, Docket No. RP07-480-000 (June 29, 2007) (unpublished letter order).

<sup>6</sup> *Policy Statement on Creditworthiness* at P 24. See *Millennium Pipeline Co., L.L.C.*, 117 FERC ¶ 61,319 at P 155 (2006); *Tennessee Gas Pipeline Co.*, 102 FERC ¶ 61,075 at P 32 (2003), *order on reh'g*, 103 FERC ¶ 61,275 at P 90 (2003).

not require this provision to be included in the tariffs of Crossroads' affiliates was inadvertent and does not support approval of the instant filing's omission of the required language. In the absence of affirmative authority to continue to charge during a suspension, Crossroads' affiliates, likewise, would not be allowed to charge a shipper during suspension under Commission policy. Therefore, within 15 days of the issuance of this order, Crossroads is required to file revised tariff sheets to revise section 3.10(l) to fully comply with the *Policy Statement on Creditworthiness* and Commission precedent to provide that a shipper is not responsible for charges during the period service is suspended.

6. In addition, Crossroads proposes to include a new section 3.12 in the GT&C of its tariff, which states:

If a shipper has multiple service agreements with transporter and defaults on one service agreement, transporter may deem a default by shipper on that one service agreement as a loss of creditworthiness on any other service agreement the shipper has with transporter; provided, however, this provision shall not affect amounts disputed by shipper in good faith. This section 9.9 shall apply solely to the shipper that is the service agreement holder.

However, it appears that Crossroads meant to reference section 3.12, and not section 9.9, of its GT&C. Thus, Crossroads is directed to file revised tariff sheets to revise section 3.12 of the GT&C of its tariff to reference "section 3.12" instead of "section 9.9." Finally, Crossroads is directed to file a revised tariff sheet to change "looses" in section 3.10(j) to "loses."

7. Accordingly, the Commission accepts the proposed tariff sheets effective September 10, 2007, subject to the above conditions.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

**Appendix**

**Crossroads Pipeline Company  
FERC Gas Tariff, First Revised Volume No. 1  
Tariff Sheets accepted effective September 10, 2007, Subject to Condition**

First Revised Sheet No. 67  
First Revised Sheet No. 68  
First Revised Sheet No. 69  
First Revised Sheet No. 70  
Second Revised Sheet No. 71  
Second Revised Sheet No. 72  
Original Sheet No. 72A  
Original Sheet No. 72B  
Original Sheet No. 72C  
Original Sheet No. 72D  
Second Revised Sheet No. 73  
Second Revised Sheet No. 74  
First Revised Sheet No. 147  
First Revised Sheet No. 149  
First Revised Sheet No. 177  
First Revised Sheet No. 185B