

125 FERC ¶ 61,125  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

October 30, 2008

In Reply Refer To:  
Gulf South Pipeline Company, LP  
Docket No. RP08-632-000

Gulf South Pipeline Company, LP  
9 Greenway Plaza, Suite 2800  
Houston, TX 77046

Attention: J. Kyle Stephens

Reference: Letter Order Accepting Tariff Sheets Subject to Conditions

Ladies and Gentlemen:

1. On September 25, 2008, Gulf South Pipeline Company, LP (Gulf South) filed Third Revised Sheet No. 1414 and Second Revised Sheet No. 2501 to its FERC Gas Tariff, Sixth Revised Volume No. 1 to modify sections 7.5, 18.3 and 18.4 of the General Terms and Conditions (GT&C) of its tariff to allow electronic posting and electronic notification of both imbalance statements and transportation invoices, and to eliminate the current practice of sending customers paper transaction invoices. For the reasons discussed below, the Commission accepts the revised tariff sheets to be effective on November 1, 2008, subject to the conditions discussed below.

2. Section 7.5(j) of the GT&C of Gulf South's proposed tariff provides that a customer shall provide Gulf South with at least one e-mail address to be used by Gulf South to provide notice regarding the availability of imbalance statements and final invoices for payment purposes, and shall notify Gulf South of any changes, as necessary. Proposed section 18.3 provides that customers will receive, at each e-mail address provided by the customer, electronic notification when imbalance statements and transportation invoices are finalized for payment purposes and available on the Internet Web Site. Finally, proposed section 18.4 eliminates the current practice of sending customers paper transportation invoices and modifies the date that customers shall pay Gulf South from ten days following "receipt" of the bill to ten days following the date the invoice was "rendered".

3. Gulf South states that its proposal will not negatively affect any customers and is consistent with the Commission-approved provisions contained in the tariffs of other pipelines.<sup>1</sup> Gulf South states that its proposal will provide customers with convenient, time-efficient electronic access to their imbalance statements and transportation invoices on its Internet Web Site. Gulf South asserts that this will provide it with the tools necessary to administer invoices in the most efficient method possible. It states that customers will gain access to their imbalance statements and transportation invoices as soon as they are final and will not have to wait additional time for delivery by mail.

4. Notice of Gulf South's filing was issued on September 30, 2008. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2008). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2008), 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 this proceeding or place additional burdens on existing parties. Both Southern Company Services, Inc., as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company and Southern Power Company (SCS) and the United Municipal Distributors Group (UMDG)<sup>2</sup> filed comments urging the Commission to order certain changes in the proposed tariff provisions which shall be treated as protests.<sup>3</sup>

5. On October 10, 2008, Gulf South filed an answer to the protests. Under Rule 213(a)(2) of the Commission's Rules of Practice and Procedure,<sup>4</sup> answers to protests are not accepted unless otherwise ordered by the decisional authority. The Commission will accept Gulf South's answer because it provides a more complete record in this proceeding and will assist us in our decision-making process.

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<sup>1</sup> *Citing* Columbia Gulf Transmission Co., FERC Gas Tariff, Second Revised Vol. No. 1, GT&C, section 10.1, Second Revised Sheet No. 175 (approved in Columbia Gulf Transmission Corp., 117 FERC ¶ 61,073 (2006)); Guardian Pipeline, LLC, FERC Gas Tariff, Original Vol. No. 1, Substitute Third Revised Sheet No. 128, section 8.1.

<sup>2</sup> UMDG consists of the following municipal-distributor customers of Gulf South: Utilities Board of the City of Atmore, Alabama; City of Brewton, Alabama; Town of Century, Florida; Utilities Board of the Town of Citronelle, Alabama; City of Fairhope, Alabama; Utilities Board of the City of Foley, Alabama; North Baldwin Utilities, Alabama; Okaloosa Gas District, Florida; City of Pascagoula, Mississippi; City of Pensacola, Florida; and South Alabama Gas District, Alabama.

<sup>3</sup> SCS inappropriately captioned its pleading only as a "Motion to Intervene" and should have indicated it also included comments.

<sup>4</sup> 18 C.F.R. § 385.213(a)(2) (2008).

6. Gulf South proposes to modify section 18.4 to eliminate the current practice of sending customers paper transaction invoices. UMDG requests that the Commission require Gulf South to allow customers to elect to continue receiving paper invoices and customer imbalance statements. UMDG requests the Commission to require Gulf South to test its proposed electronic system, while still providing all customers with written communication. Further, UMDG argues that Gulf South should be required to retain its paper invoice provisions during a prescribed testing period of the electronic notification system.

7. In response, Gulf South argues that the electronic system, overall, is superior to the paper system in that it is more efficient, timely, environmentally-friendly and reliable. Gulf South argues that continuing to use paper invoices while testing the proposed procedure is unnecessary because Gulf South implemented its electronic invoicing system three years ago and it has been used by a number of customers to manage invoices electronically without incident since that time. Further, Gulf South asserts that it is neither necessary nor efficient for Gulf South to retain paper invoicing as an option, since the electronic invoicing system will provide the same thorough and accurate information more quickly and more efficiently.

8. Based upon Gulf South's comments, we do not believe that it is necessary to require it to retain its paper invoicing system as its proposal to move to a fully electronic notification and invoicing system is justified. Accordingly, we will accept Gulf South's proposal to eliminate the current practice of sending customers paper invoices.

9. Gulf South proposes that the funds for all services provided shall be collected and available to Gulf South no later than ten (10) days from the date the invoice was "rendered" to the customer for service provided. Section 18.3 defines rendered as the provision of a time-stamped invoice on its Internet Web Site. In contrast, Gulf South's currently effective tariff provides that the funds for all services provided shall be collected and available to Gulf South no later than ten (10) days from the date of customer's "receipt" of an invoice, which is defined as three business days after the invoice is postmarked, one business day after delivery to an overnight mail courier or the day transmitted by telegraph, telex, facsimile, or other electronic means.

10. In its protest, SCS notes that, while previous payments were due ten days from receipt of an invoice, the proposed tariff provides that the ten day period will run from the date the invoice was rendered. Therefore, SCS argues that Gulf South's tariff should provide more certainty as to the day of the month the payments are due by providing that payments be due on either the later of the 20<sup>th</sup> day of the month or ten days from the date the invoice was rendered. SCS further asserts that as long as Gulf South's invoice is not rendered after the 10<sup>th</sup> of the month, SCS could plan on always paying its invoices on the 20<sup>th</sup> day of the month.

11. We find that Gulf South's proposal is fully supported and will not direct the change proposed by SCS.<sup>5</sup>

12. In its protest, UMDG argues that proposed section 18.4 does not provide for the possibility of a missed notice from the pipeline to the customer. UMDG notes that the proposal requires payments to be due ten days from the date the invoice was rendered without reference to when the customer was notified via email or the invoice was finalized for payment purposes. UMDG asserts that this creates an ambiguity as to when payments are due and whether the onus is on the customer to frequently check the Gulf South web site rather than rely upon prompt email notification. In its answer, Gulf South asserts that it intends to promptly e-mail notifications to its customers once invoices are finalized and rendered.

13. We agree with UMDG that Gulf South's tariff should explicitly state that e-mail notification to customers will be provided when imbalance statements and invoices are finalized and rendered. Therefore, we will require Gulf South to revise proposed section 18.3 of the GT&C of its tariff to state that it will provide e-mail notification to customer's invoice notification e-mail address when imbalance statements and invoices are finalized and rendered.

14. UMDG asserts that Gulf South's filing fails to reveal how long Gulf South's web site will catalogue and post detailed customer invoice information. In its answer, Gulf South clarifies that, currently, customers may access invoices dating back to 2005, when Gulf South first implemented its current electronic invoicing system.

15. Based upon Gulf South's comment that customers may access invoices dating back to 2005, we find that UMDG's concern regarding this issue has been addressed.

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<sup>5</sup> In its answer, Gulf South responds to SCS's assertion that the tariff change shortens the time within which shippers must pay Gulf South invoices. Gulf South states that the time period has not shortened because as soon as the invoice is rendered, it is available to its customers. Gulf South maintains that under both the existing and proposed tariff, the customer has ten days to make payment from the time the final invoice is made available. Gulf South argues that the proposed tariff language continues to fully comply with North American Energy Standards Board (NAESB) requirements, including that invoices must be prepared on or before the ninth (9<sup>th</sup>) business day after the production month. *Citing* NAESB Wholesale Gas Quadrant Invoicing Related Standard 3.3.14 (The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9<sup>th</sup> business day after the end of the production month).

16. Accordingly, the Commission accepts Gulf South's revised tariff sheets to become effective on November 1, 2008, subject to the above conditions. Gulf South is directed to file revised tariff sheets consistent with the discussion in the body of this order within fifteen days of the date this order issues.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.