

126 FERC ¶ 61,205
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 5, 2009

In Reply Refer To:
Venice Gathering System, L.L.C.
Docket No. RP09-219-000

Venice Gathering System, L.L.C.
Baker Botts L.L.P.
The Warner
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Attention: G. Mark Cook
Counsel for Venice Gathering System, L.L.C.

Reference: Limited Waiver of Imbalance Cash-Out Provisions

Ladies and Gentlemen:

1. On January 16, 2009, Venice Gathering System, L.L.C. (VGS) filed a petition for a limited waiver of section 11.4 of the General Terms and Conditions (GT&C) of its FERC Gas Tariff in order to not penalize shippers for imbalances that occurred as a result of repairs to the VGS system. Under GT&C section 11.4, the price of gas shippers pay or receive to cash-out monthly imbalances is determined on a tiered system depending upon the level of the imbalance. Within a 5 percent tolerance, volumes are cashed out at a weekly Spot Index Price, with escalating or de-escalating multipliers applicable to the weekly Spot Index Price for imbalances beyond 5 percent.
2. During December 2008, VGS states that several shippers were shut-in as a result of damage to the South Timbalier 151-CP Platform caused by Hurricane Gustav. Shippers on the affected portion of the system were only able to ship gas for two days during the month and they were unable to adjust their deliveries to reduce any imbalances because they were not informed of the difference between their actual deliveries and nominations until mid-day on December 31, 2008, when data was released. Because these circumstances were beyond the shippers' control and not an attempt to game the system, VGS is requesting a blanket waiver of the

imbalance penalties under GT&C section 11.4 for shippers during December 2008. VGS instead proposes to cash-out all December 2008 imbalances at 100 percent of the relevant weekly Spot Index Price.

3. VGS states that transportation service on its system will not be affected by granting the waiver request and no third party will be adversely affected. It also maintains that waiver of GT&C section 11.4 is consistent with recent Commission decisions in which the Commission permitted the waiver of tiered cash-out mechanisms under similar circumstances.¹

4. Notice of VGS' filing was issued on January 23, 2009. 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. No party filed a protest or adverse comments.

5. For good cause shown, we grant VGS' requested waiver of the penalty tiers applicable under the cash-out provisions set forth in section 11.4 of its GT&C. Granting this waiver will allow VGS to resolve the December 2008 imbalances without penalty to affected shippers and will not adversely affect other shippers on VGS' system.

By direction of the Commission. Commissioner Kelliher is not participating.

Kimberly D. Bose,
Secretary.

cc: All Parties

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¹ VGS January 16, 2008 Filing at 5 (citing *Northern Natural Gas Co.*, 125 FERC ¶ 61,142 (2008); *Northern Natural Gas Co.*, 122 FERC ¶ 61,118 (2008)).