

144 FERC ¶ 61,018
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony Clark.

TC Offshore LLC

Docket No. RP12-908-001

ORDER ACCEPTING TARIFF RECORDS

(Issued July 9, 2013)

1. On October 9, 2012, TC Offshore LLC (TC Offshore) filed tariff records¹ in compliance with the Commission's order dated September 28, 2012, in Docket No. RP12-908-000.² TC Offshore's tariff records reflect: (1) revised transportation and gathering rates based on the use of a negative salvage rate of 0.23 percent for gathering and transportation plant, (2) the refunctionalization of certain facilities from transportation to gathering, and (3) the modification of certain tariff language to clarify that the Hurricane Surcharge cannot be assessed to both Rate Schedule IPLS and the related transportation service to complete an IPLS transaction. As discussed below, TC Offshore's revised tariff records are accepted effective November 1, 2012, as requested.

I. Background

2. On September 1, 2011, ANR Pipeline Company (ANR) filed an application, in Docket No. CP11-543-000 for authority to abandon by sale to its wholly owned subsidiary, TC Offshore, all of its offshore pipeline facilities in the Gulf of Mexico, as well as certain onshore pipeline facilities in Louisiana and Texas. Specifically, ANR proposed to abandon by sale: (1) the Patterson System, extending upstream of the Patterson Station in St. Mary Parish, Louisiana; (2) the Grand Chenier System, extending upstream of the Grand Chenier Station in Cameron Parish, Louisiana; (3) the Central

¹ TC Offshore LLC, FERC NGA Gas Tariff, TC Offshore Tariffs, 4.1 - Statement of Rates, Rate Schedules FTS-1, ITS, TTS and IPLS, 0.1.0 and 6.24 - GT&C, Hurricane Surcharge, 0.1.0.

² *TC Offshore LLC*, 140 FERC ¶ 61,261 (2012) (September 28 Compliance Order).

Texas Gathering System, extending upstream of an onshore terminus in Wharton County, Texas; and (4) off-system facilities in the Gulf of Mexico.

3. On that same day, TC Offshore filed, in Docket No. CP11-544-000, an application for certificate authority to acquire and operate the facilities that ANR proposed to abandon. Specifically, TC Offshore sought: (1) a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act (NGA), authorizing TC Offshore to acquire and operate the natural gas pipeline facilities to be acquired from ANR; (2) a blanket construction certificate, authorizing certain routine construction, operation, and abandonment activities; and (3) a blanket transportation certificate, authorizing it to provide open access-transportation service on behalf of others as proposed in its application. In its application, TC Offshore also proposed to carry over the gross plant, depreciation, and negative salvage values reflected on ANR's books as of the time it acquires the ANR offshore facilities.

4. On June 21, 2012, the Commission granted TC Offshore authorization under section 7 of the NGA to acquire and operate facilities determined to be jurisdictional transmission facilities.³

5. The June 21 Order found it appropriate to analyze the jurisdictional status of the Patterson, Grand Chenier, and Central Texas Gathering Systems, as well as the off-system facilities, under the primary function test to ensure that the certificate of public convenience and necessity issued to TC Offshore only encompassed facilities and services over which the Commission has jurisdiction under the NGA.⁴ After its primary function test analysis of the facilities proposed to be abandoned by ANR, the June 21 Order determined, among other things, that a portion of the Patterson-West facilities upstream of EIA Block 34 performed a gathering function and was exempt from the Commission's jurisdiction under section 1(b) of the NGA. Thus, the June 21 Order did

³ *ANR Pipeline Co. and TC Offshore LLC*, 139 FERC ¶ 61,238 (2012) (June 21 Order).

⁴ *Id.* P 85. The order explained that prior to the Commission's open-access policies requiring unbundling of pipeline services, there was no need, as a practical matter, to review applications by pipelines for certificate authority to ascertain whether any of the proposed new facilities may have actually functioned as gathering facilities. Thus, in many instances, gathering facilities were constructed under certificate authority and the costs associated with those facilities were part of the rate base of the pipeline's sales rates.

not issue a certificate of public convenience and necessity to TC Offshore for this portion of the Patterson System.

6. Further, the June 21 Order also rejected TC Offshore's proposed negative salvage rates for gathering and transmission plant, stating that TC Offshore had failed to support its proposed negative salvage figures. The Commission required TC Offshore to use the last approved negative salvage rate established for these facilities for ANR in a section 4 rate case, which was 0.23 percent. Finally, the June 21 Order required TC Offshore to make modifications to its proposed *pro forma* tariff consistent with the Commission's findings and file actual tariff records incorporating the incremental firm and interruptible transportation rates at least 60 days prior to the in-service date of the facilities acquired from ANR.

7. Parties to the certificate proceedings in Docket Nos. CP11-543-001 and CP11-544-001, including TC Offshore, filed rehearing requests on various issues in the June 21 Order. TC Offshore requested rehearing of the Commission's finding that a portion of the Patterson System performs a non-jurisdictional gathering function and the Commission's rejection of TC Offshore's proposed negative salvage rates.

8. On August 1, 2012, TC Offshore in Docket No. RP12-908-000 filed Primary and Alternative tariff records and initial rates (August 1 Tariff Filing) in compliance with the June 21 Order. The Primary Tariff rates assumed that the Commission would grant TC Offshore's request for rehearing of the June 21 Order with respect to both the functionalization issue and the negative salvage issue. TC Offshore asserted that the Alternate Tariff rates were calculated in strict conformance with the June 21 Order. TC Offshore's filing was protested by several parties, including the Indicated Shippers and Apache Corporation (Apache), who protested the August 1 Tariff Filing both on compliance related issues and also by reiterating arguments in their respective requests for rehearing of the June 21 Order. In response to the compliance related issues, TC Offshore filed revised work papers on September 12, 2012, (September Tariff Supplement) to correct certain arithmetic errors in its August 1 Tariff Filing.⁵

9. On September 28, 2012, the Commission, in two separate orders, addressed TC Offshore's request for rehearing of the June 21 Order and TC Offshore's August 1 Tariff Filing to comply with the June 21 Order.⁶

⁵ The references to the August 1 Tariff Filing will also incorporate amendments made in the September Tariff Supplement.

⁶ *TC Offshore LLC*, 140 FERC ¶ 61,260 (2012) (September 28 Rehearing Order); *see also*, September 28 Compliance Order, 140 FERC ¶ 61,261.

10. In the September 28 Rehearing Order, the Commission granted rehearing of its functionalization determination in the June 21 Order and held that all the Patterson-West facilities downstream of the interconnection with the Garden Banks pipeline at SMI Block 76 are transmission facilities subject to Commission jurisdiction. Thus, the Commission granted certificate authority for TC Offshore to acquire and operate those facilities. The Commission also clarified that Line 10760 and the portion of Line 2310 upstream of the SMI Block 61 interconnection with Line 12280 are upstream of the Garden Banks interconnection and should be functionalized as gathering. Further, the Commission clarified that pipeline segment No. 9676 should have been included in Table 3 of the June 21 Order as a gathering line. The September 28 Rehearing Order also denied TC Offshore's request for rehearing of the rejection of its proposal to increase the negative salvage rate above 0.23 percent. Finally, in the September 28 Rehearing Order, the Commission stated that it would address the rehearing requests raised by the other parties to the proceeding in a separate order.

11. In the September 28 Compliance Order, the Commission determined that the September 28 Rehearing Order rendered TC Offshore's proposed initial rates in the August 1 Tariff Records incorrect. The Commission found that, while the Primary Tariff rates appeared to include the proper functionalization of the Patterson-West facilities, those rates reflected the incorrect negative salvage expense and that the inverse was true of the Alternate Tariff rates. Accordingly, the Commission accepted the Primary Tariff rates effective October 1, 2012, subject to TC Offshore recalculating those rates using a negative salvage rate of 0.23 percent, consistent with the September 28 Rehearing Order's decision on that issue. The Commission noted that Apache and Indicated Shippers had also raised issues regarding TC Offshore's proposed cost allocations between gathering and transmission functions, the recalculation of certain derivative costs such as depreciation expenses, arithmetic errors and billing determinants, and that it would address these issues in a later order once TC Offshore had complied with the changes required by the September 28 Rehearing Order. However, the September 28 Compliance Order found that the other issues raised by the parties on TC Offshore's proposed postage stamp rate design, Operations, Maintenance, Administrative, and General Expenses, capital structure, cost of debt and cost of capital were consistent with the findings of the June 21 Order.

12. In addition, the September 28 Compliance Order found that Footnote 2 of Part 4.2, Statement of Rates, and Part 6.24(a) of TC Offshore's General Terms and Conditions (GT&C) were unclear concerning whether TC Offshore intends to charge a Hurricane Surcharge for both the park and loan service and the transportation service to complete a park and loan transaction. Therefore, TC Offshore was required to revise its tariff to clarify its intent regarding what charges will be applied to what transactions. Finally, the September 28 Compliance Order noted that the parties raised many issues in their protests of the compliance filing in Docket No. RP12-908-000 that they also raised in

their respective requests for rehearing of the June 21 Order, and that the Commission would address those issues when it addresses their requests for rehearing.⁷

13. On June 7, 2013, the Commission denied rehearing of all remaining issues the parties raised on rehearing of the June 21 Order and not addressed by the September 28 Rehearing Order.⁸ The June 7 Order did not affect TC Offshore's compliance obligations.

II. Instant Filing

14. In compliance with the Commission directives, TC Offshore filed revised initial rates (October 9 Compliance Filing) using as a basis its Primary Tariff rate proposal accepted by the September 28 Compliance Order. TC Offshore's Primary Tariff rate proposal included as transmission all the Patterson-West facilities upstream of EIA Block 34 in anticipation that the Commission would grant rehearing on this issue. Thus, TC Offshore avers that no changes to the August 1 Tariff Filing were required to reflect the September 28 Rehearing Order's findings on these facilities. In addition, TC Offshore states that it revised its calculations as required to comply with the Commission's directives on Lines 10760, 2310, and 9676. TC Offshore asserts that its revised initial rates and supporting work papers demonstrate that it reduced the negative salvage rate to 0.23 percent for both transmission and gathering facilities. TC Offshore states that the resulting Rate Schedule ITS transportation rates are \$0.1952 per Dth for gathering and \$0.0535 per Dth for transmission.⁹

15. Finally, TC Offshore modified tariff section 6.24(a) of its GT&C to state that the Hurricane Surcharge cannot be assessed to both Rate Schedule IPLS and the related transportation service to complete a Rate Schedule IPLS transaction. TC Offshore notes that, although the September 28 Compliance Order accepted TC Offshore's August 1 Primary Tariff Records effective October 1, 2012, it started operations November 1, 2012. Therefore, TC Offshore requests an effective date of November 1, 2012, instead of its previously requested October 1, 2012 date.

⁷ September 28 Compliance Order, 140 FERC ¶ 61,261 at P 28.

⁸ *ANR Pipeline Co. and TC Offshore LLC*, 143 FERC ¶ 61,225 (2013) (June 7 Order).

⁹ In TC Offshore's baseline filing TC Offshore proposed primary rates of \$0.2810 per Dth for interruptible gathering and \$0.0653 per Dth for interruptible transportation.

III. Notice, Protest and Answer

16. Public notice of TC Offshore's October 9 Compliance Filing was issued on October 10, 2012, with protests due as provided in section 154.210 of the Commission's regulations.¹⁰ Apache Corporation (Apache) filed a request for additional clarification of the October 9 Compliance Filing. On November 20, 2012, TC Offshore filed an answer to clarify its filing. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept TC Offshore's answer because it provides a more complete record in this proceeding.

17. In its request for clarification, Apache notes that TC Offshore's October 9 Compliance Filing reflects an increase in the depreciation rate for its transmission laterals from 0.745 percent in its August 1 Tariff Filing to 1.247 percent in the October 9 Compliance Filing. Apache states TC Offshore did not explain how the revised depreciation rates were calculated and argues that the increased depreciation rates were not authorized by the Commission's September 28 Compliance Order. Apache requests that the Commission require TC Offshore to provide information clarifying how and why its depreciation rates changed, and provide support for all adjustments to its previously filed depreciation rates. Further, Apache believes that TC Offshore has yet to provide any justification for its failure to remove certain costs associated with idle facilities from its cost of service.

18. In addition, Apache states that the October 9 Compliance Filing rates remain subject to a Commission decision on issues raised by parties in their protests to TC Offshore's August 1 Tariff Records (Docket No. RP12-908-000).

19. On November 2, 2012, TC Offshore filed an answer to Apache. TC Offshore states that it has shown and supported how it calculated the depreciation rates through its work papers. Further, TC Offshore continues, the recalculation of the new transmission lateral depreciation rate of 1.247 percent from 0.7452 percent was the result of the Commission's clarification in the September 28 Rehearing Order that pipeline segment No. 9676 should be functionalized as gathering. TC Offshore avers that the *Determination of Depreciation Explanatory Statement* contained in its October 9 Compliance Filing explains how it derives its various transmission and gathering depreciation rates for its facility: first, it calculates its depreciation expense on a facility by facility basis, based on the ratio of undepreciated plant to the depreciation group's

¹⁰ 18 C.F.R. § 154.210 (2012).

remaining life.¹¹ Then, it calculates its depreciation rates by dividing its depreciation expense by its gross plant. TC Offshore explains that the Commission's finding that segment No. 9676 was gathering caused \$1.5 million in gross plant to shift from the lateral transmission function to the gathering function. This reduced the denominator of the fraction used to calculate the lateral transmission depreciation rate by \$1.5 million. However, segment No. 9676 has no undepreciated plant. Therefore, TC Offshore continues, the depreciation expense in the numerator did not change, because the ratio of undepreciated plant to the remaining lateral transmission life used to calculate the depreciation expense remained the same.¹² As a result, TC Offshore states the lateral transmission depreciation rate increased although the depreciation expense did not change. TC Offshore also explains that, as a result of the refunctionalization of segment No. 9676 to gathering, it made a decrease in the gathering depreciation rate from 0.331 percent to 0.329 percent because of a new higher gathering gross plant balance and no change in gathering depreciation expense. TC Offshore states that the magnitude of the changes in the lateral transmission and gathering depreciation rates is different because the gross plant bases for each function are vastly different (i.e. \$241,851,791 vs. \$2,228,763 for gathering and lateral transmission functions, respectively).

20. TC Offshore further states that it has demonstrated throughout this compliance proceeding that it has removed approximately \$38.3 million of "idle facilities" from rate base and approximately \$27.8 million of direct plant associated with the idle facilities. TC Offshore states that Apache's concerns should be resolved.

IV. Commission Decision

21. As more fully explained below, the Commission determines that TC Offshore's October 9 Compliance Filing complies with the September 28 Rehearing and Compliance Orders and the June 21 Order. Therefore, TC Offshore's tariff records are accepted effective November 1, 2012, as requested.

¹¹ TC Offshore Answer/Clarification at 4-5 (citing October 9 Compliance Filing at n. 14 and Appendix E, p. 8, cells D36, E36, p. 9 cells D33, E33).

¹² TC Offshore states that there was a \$10,000 change relating to accumulated depreciation for the period from July 2011 to April 2012 as it relates to pipeline segment No. 9676. TC Offshore states that, although this segment is fully depreciated on its own, composite depreciation continues to accrue for a particular depreciation group as long as the group as a whole has positive book value.

A. Compliance with Functionalization and Negative Salvage Findings of September 28 Rehearing Order

22. The September 28 Rehearing Order:

- (1) Found that all the Patterson-West facilities downstream of the interconnection with the Garden Banks pipeline at SMI Block 76 are transmission facilities subject to Commission jurisdiction;
- (2) Clarified that Line 10760, a portion of Line 2310, and pipeline segment No. 9676 should be functionalized as gathering lines; and
- (3) Found that the negative salvage rate should remain at 0.23 percent.

23. The September 28 Compliance Order accepted TC Offshore's Primary Tariff Records. Under this proposal, TC Offshore had anticipated the Commission granting rehearing on the Patterson-West facilities. Thus, the instant compliance filing's work papers showed no adjustments related to this finding. With regard to the remaining items, TC Offshore's work papers show that it made adjustments for each item.

24. Apache questioned TC Offshore's change in depreciation rates for transmission laterals from 0.745 percent in the first compliance filing to 1.247 percent in the instant filing. Apache believes that this change was unexplained and unsupported. TC Offshore, in response to Apache's comments, explained that the increase in the transmission lateral depreciation rate was attributable to the fact that the transmission lateral depreciation expense did not change as the result of removing pipeline segment No. 9676 from the transmission lateral depreciation category, whereas the category's gross plant number was reduced. As the numerator of the transmission lateral depreciation rate calculation (depreciation expense) did not change, but the denominator (gross plant) decreased, the result was an increase in the transmission lateral depreciation rate. The Commission finds that TC Offshore has satisfactorily explained how the transmission lateral depreciation rate increased.

25. The Commission also finds that TC Offshore has shown that the methodology that it used to recalculate the transmission lateral and gathering depreciation rates is consistent with what it proposed and what was approved by the June 21 Order. In TC Offshore's certificate application, it stated that it was using production to reserve factors to calculate depreciation expense.¹³ This proposal was accepted without comment by the June 21

¹³ TC Offshore's Application in Docket No. CP11-544-000, Exhibit P, page 2, as filed on September 8, and December 22, 2011.

Order. TC Offshore's work papers in the initial compliance filing and the instant compliance filing show that TC Offshore continued to use the same depreciation expenses and the same production to reserve methodology.¹⁴

26. The Commission finds that TC Offshore has complied with the September 28 Rehearing Order with regard to the recalculation of TC Offshore's initial rates to reflect the functionalization of the lines listed above and for a negative salvage rate of 0.23 percent.

B. June 21 Order Compliance Issues not Decided in September 28 Compliance Order

27. The September 28 Compliance Order found that TC Offshore's proposed postage stamp rate design, Operations, Maintenance, Administrative, and General expenses (including any overhead allocated by TransCanada), capital structure, cost of debt and cost of capital in its Docket No. RP12-908-000 compliance filing were consistent with the findings of the June 21 Order. The September 28 Compliance Order declined to address the protesting parties' request for rehearing issues in the compliance proceedings.¹⁵ However, the Commission noted that the protesting parties raised issues regarding TC Offshore's proposed cost allocations between gathering and transmission functions, the recalculation of certain derivative costs such as depreciation expenses, arithmetic errors and billing determinants, and that would be addressed in a later order once TC Offshore had complied with the changes required by the September 28 Rehearing Order.¹⁶ The September 28 Compliance Order summarized the protesters' issues with TC Offshore's compliance filing.¹⁷ That summary will not be repeated here. The two parties that did raise issues related to TC Offshore's compliance with the June 21 Order were Apache and the Indicated Shippers. Their compliance related comments that were not addressed by the September 28 Compliance Order are addressed below.

¹⁴ TC Offshore's August 29, 2012 Data Response and Docket No. RP12-908-001 compliance filings, Appendix A, p. 14-26, and Appendix E, respectively.

¹⁵ September 28 Compliance Order, 140 FERC ¶ 61,261 at P 7. Subsequently, in the June 7 Order, the Commission did address these outstanding request for rehearing issues, and denied rehearing of each one.

¹⁶ September 28 Compliance Order, 140 FERC ¶ 61,261 at P 27.

¹⁷ *Id.* PP 13-21.

28. The June 21 and September 28 Rehearing Orders made several findings as to whether the pipeline facilities TC Offshore proposed to acquire were providing gathering or transmission service, or whether the facilities were not utilized. These orders required TC Offshore to remove the non-utilized plant from its rate base and cost of service, and to refunctionalize the remaining plant and costs consistent with the Commission's findings. Apache questioned whether TC Offshore removed the non-utilized plant costs from the cost of service. In addition, Apache claimed that TC Offshore failed to reconcile its as-filed case with the Commission's findings for removal of the idle facilities (including accumulated depreciation), failed to provide work papers reconciling its proposal and the Commission's refunctionalization findings for both plant and related costs.¹⁸ TC Offshore replied, stating that it had removed approximately \$38.3 million of non-utilized plant from rate base. Apache responded that TC Offshore had not removed other expenses attributable to non-utilized plant from the cost of service underlying the rate calculations.

29. TC Offshore's *Idle Facilities* work sheet¹⁹ shows that the sum of the facilities the June 21 Order found to be idle had a gross plant as of April 30, 2012 of \$38,293,028, and a net book value of \$8,007,179. These plant numbers carry over to the *Plant Summary* work sheet, which shows that TC Offshore's gross and net plant had been reduced from \$531,375,295 and \$75,292,533, to \$493,082,266 and \$67,285,354, respectively.²⁰ The Commission finds that TC Offshore has removed the facilities that the June 21 Order found to be idle from the rate base.

30. TC Offshore's work papers also show that removal of idle plant reduced depreciation, interest expense, return on equity and income tax expenses by approximately \$9.491 million from what TC Offshore initially proposed.²¹ The Commission finds that TC Offshore has shown the cost of service reductions related to the removal of idle plant and it has reconciled those adjustments with the costs it proposed.

¹⁸ Apache, in its protest to TC Offshore's first compliance filing, also argued that TC Offshore failed to support its depreciation expense and depreciation calculations. That issue has been addressed in the section above.

¹⁹ TC Offshore October 9 Compliance Filing, Appendix C, p. 1.

²⁰ *Id.* p. 8.

²¹ TC Offshore October 9 Compliance Filing, Appendix D, p. 1 summarizes the cost of service reductions. The remaining pages of Appendix D are the supporting work sheets for the summary page.

31. The June 21 and September 28 Rehearing Orders require TC Offshore to refunctionalize its cost of service consistent with the Commission's findings as to whether the acquired facilities served a gathering or transmission function. Apache claimed that TC Offshore failed to provide work papers reconciling its proposal and the Commission's refunctionalization findings for both plant and related costs. The Commission finds otherwise. TC Offshore provided work papers that show, system by system and line by line, its as-proposed facility functionalization and as required by the Commission's orders. Each line item is reconciled with its proposal and cross referenced with the Commission's orders.²² This information created a direct allocation of rate base by gathering and transmission function.²³ TC Offshore's electronic version of Appendices C and D show that it used gross plant of directly allocated rate base to allocate intangible plant by function, and that it used functionalized gross plant to allocate administrative and general, operation and maintenance expense, ADIT and other taxes. The Commission finds that TC Offshore complied with the June 21 and September 28 Rehearing Orders by submitting work papers showing its refunctionalization of its rate base and costs of service between gathering and transmission functions, and reconciling the results with its as-proposed figures.

32. The September 28 Compliance Order found that TC Offshore's operations and maintenance expenses in its Docket No. RP12-908-000 compliance filing were consistent with the findings of the June 21 Order. Apache protests that, contrary to the June 21 Order, TC Offshore failed to allocate any of these expenses, or its property taxes, to idle plant. The Commission rejects Apache's protest. The June 21 Order found that several of the facilities ANR proposed to abandon were not being utilized, some for many years. Un-utilized facilities should not incur operation expenses. Idle facilities most likely do not require as much maintenance as facilities that are rendering service. TC Offshore was not able to show that these facilities were required for future use. If it had made such a showing, then the idle facilities and maintenance costs would be recoverable from jurisdictional rates. If there are some maintenance costs attributable to the idle facilities, the Commission believes that they are *de minimis* compared to the \$27 million cost of service. As for property taxes, most of the idle plant is located outside of state waters. Therefore these facilities would not be subject to property tax.

33. Both Apache and the Indicated Shippers had questions with regard to the billing determinants TC Offshore used to recalculate the gathering and transmission rates. They noted that TC Offshore had filed those work papers as non-public, thus they could not

²² TC Offshore October 9 Compliance Filing, Appendix C, p. 2-16.

²³ *Id.* p. 17.

find if there were answers to their questions, and that they reserved their rights to make further comments after they gained access to those work papers. Apache subsequently informed the Commission that it had gained access to the work papers. Neither Apache nor the Indicated Shippers filed supplemental comments on TC Offshore's billing determinant adjustments. Commission review of the work papers indicates that TC Offshore did make adjustments to the billing determinants reflecting the volumes on the refunctionalized facilities. The Commission finds that TC Offshore complied with the June 21 Order's requirement to revise billing determinants consistent with the Commission's refunctionalization findings.

34. Apache and the Indicated Shippers raised issues with regard to the August 1 Tariff Filing that they also raised in their requests for rehearing of the June 21 Order. The September 28 Compliance Order stated that these issues would be addressed in a later order. The June 7 Order denied rehearing on all of Apache's and the Indicated Shippers' issues. There were no further outstanding obligations established by the Commission in the June 21 Order and therefore, TC Offshore's compliance responsibilities have been met.

C. September 28 Compliance Order Directive concerning Hurricane Surcharge

35. The September 28 Compliance Order found that Footnote 2 of Part 4.2, Statement of Rates, and Part 6.24(a) of TC Offshore's General Terms and Conditions (GT&C) were unclear if TC Offshore intends to charge a Hurricane Surcharge for both the park and loan service and the transportation service to complete a park and loan transaction. TC Offshore file a revised tariff record that provides the Hurricane Surcharge cannot be assessed to both Rate Schedule IPLS and the related transportation service to complete an IPLS transaction.

36. TC Offshore's clarification to charge the Hurricane Surcharge once for volumes utilizing park and loan and the related transportation service is accepted.

D. Effective Date

37. TC Offshore informed the Commission in the instant proceeding that its originally proposed in-service date of October 1, 2012, had to be delayed to November 1, 2012. The Commission accepts the updated in-service date of November 1, 2012 for the underlying tariff records.

The Commission orders:

TC Offshore's tariff records reflected in footnote no. 1 are accepted effective November 1, 2012, as requested.

By the Commission

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.