

144 FERC ¶ 61,171
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 30, 2013

In Reply Refer To:
Crosstex Processing Services, LLC
Docket No. OR13-16-000

Vinson & Elkins LLP
First City Tower
1001 Fannin Street
Suite 2500
Houston, TX 77002

Attention: Michelle T. Boudreaux

Dear Ms. Boudreaux:

1. On March 28, 2013, Crosstex Processing Services, LLC (Crosstex) filed a request for temporary waiver of the filing and reporting requirements of sections 6 and 20 of the Interstate Commerce Act (ICA) and Parts 341 and 357 of the Commission's regulations, which implement the filing and reporting requirements.¹
2. Crosstex states that the temporary waiver applies to the following six pipelines that it owns and operates, all of which are located entirely within Louisiana:
 - a. The Mermentau four-inch to six-inch pipeline (Mermentau Line), a 19.08-mile pipeline that runs from the Crosstex Eunice fractionator (Eunice Fractionator) to the Crosstex Mermentau barge dock facility (Mermentau Barge Dock);
 - b. The Eunice to Rayne four-inch pipeline (Eunice-Rayne Line), a 19.45-mile pipeline that runs from the Eunice Fractionator to the Crosstex Rayne Pump Station (Rayne Pump Station);

¹ See 49 U.S.C. §§ 6, 20 (1988). Section 6 requires interstate oil pipelines to file all rates, fares, and charges for transportation on their systems, as well as to file copies of contracts with other common carriers for any such traffic. Section 20 authorizes the Commission to require annual or special reports from carriers subject to the ICA. See also 18 C.F.R. Parts 341, 357 (2013) implementing the filing and reporting requirements of ICA sections 6 and 20.

- c. The six-inch, 20.67-mile pipeline from the Rayne Pump Station to the Anse La Butte (ALB) terminal facility (ALB Terminal) owned by Enterprise Products Partners, L.P. (Enterprise) (Rayne-ALB Six-Inch Line);
 - d. The Dixie Breaux Bridge Lateral six-inch pipeline, a 3.82-mile pipeline currently under construction that, when completed in the third quarter of 2013, will extend the Rayne-ALB Six-Inch Line to the Enterprise Dixie Breaux Bridge pump station (Dixie Breaux Bridge Lateral Line);
 - e. The Rayne to ALB four-inch pipeline, a 20.67-mile pipeline, currently idled, that will be returned to service in the third quarter of 2013 and runs from the Crosstex Rayne Pump Station via the Dixie Breaux Bridge Lateral Line (Rayne-ALB Four-Inch Line); and
 - f. The Egan six-inch to eight-inch pipeline, a 10.75-mile pipeline that runs from the Eunice Fractionator to the Enterprise Dixie Egan Station (Dixie Egan Line).²
3. Crosstex states that it owns all of the Relevant Pipelines, and all are, or when construction is complete will be, used exclusively to facilitate the operations of the Eunice Fractionator and for the transportation of purity natural gas liquids and Y-grade natural gas liquids (collectively NGLs) processed there. Crosstex further states that all of the NGLs originating at the Eunice Fractionator are owned by Crosstex or its affiliates and that Crosstex or its affiliates own all of the NGLs shipped on the Relevant Pipelines.
4. Crosstex explains that the ultimate destination for the NGLs batched and shipped on the Mermentau Line is the Mermentau Barge Dock, where the NGLs typically are sold to third parties at the dock and scheduled for further transportation to intrastate or interstate destinations. Additionally, states Crosstex, the ultimate destinations for the NGLs shipped on the Eunice-Rayne Line, the Rayne-ALB Six-Inch Line, the Rayne-ALB Four-Inch Line, and the Dixie Breaux Bridge Lateral Line are either: (a) the ALB Terminal, where the NGLS typically will be sold to third parties and stored or loaded onto trucks, rail cars, or other Enterprise pipelines for further transportation to intrastate or interstate destinations; or (b) the interconnect at Enterprise's Breaux Bridge pump station, where propane is placed into Enterprise's Dixie Pipeline and transported to various intrastate or interstate destinations. Similarly, continues Crosstex, the ultimate destination for the propane shipped on the Dixie Egan Line is the interconnect at the Enterprise Dixie Egan station, where the propane is placed into the Enterprise Dixie Pipeline and transported to various intrastate or interstate destinations.

² In this order, the six pipelines are collectively referred to as the Relevant Pipelines.

5. Crosstex reiterates that a portion of the NGLs transported on the Relevant Pipelines may enter interstate commerce. Accordingly, explains Crosstex, some shipments on the Relevant Pipelines may be subject to the Commission's ICA jurisdiction.
6. Crosstex acknowledges that, if the Commission grants its waiver request, the temporary waiver will be subject to the continuing obligation of Crosstex to report any material change in the facts presented in its request for waiver and to maintain its books and records consistent with the recordkeeping requirements set forth in Parts 352 and 356 of the Commission's regulations.³
7. Crosstex maintains that the Commission historically has granted temporary waivers to pipelines that, while not exempt from the ICA as private carriers, nevertheless qualified for light-handed regulation by the Commission because factual circumstances showed that the traditional filing and reporting requirements of the ICA were unnecessary.⁴ In particular, continues Crosstex, the Commission has granted temporary waivers where the pipeline has shown that: (a) the pipeline or its affiliate owns 100 percent of the throughput on the line; (b) there is no demonstrated third-party interest in gaining access to or shipping on the line; (c) no such interest is likely to materialize; and (d) there is no opposition to granting the waivers.⁵
8. Crosstex asserts that the Relevant Pipelines meet the Commission's criteria for granting a temporary waiver because no third party has requested transportation on the Relevant Pipelines and there have been no third-party requests for access to any of the Relevant Pipelines. According to Crosstex, because the only origin point for the Relevant Pipelines is the Eunice Fractionator, which is owned by Crosstex and produces fractionated products owned only by Crosstex or its affiliates, no third-party interest is likely to materialize in the future. Crosstex also states that it is unaware of any opposition to its request for a temporary waiver.
9. Finally, Crosstex affirms that it will comply with the conditions previously imposed in grants of similar temporary waivers. Specifically, Crosstex agrees that it will report any material changes to the facts set forth in the instant request, including: (a) increased accessibility of other pipelines or fractionators to the Relevant Pipelines; (b) changes in ownership of the Relevant Pipelines; (c) changes in the ownership of the NGLs transported on the Relevant Pipelines; and (d) tenders of NGLs or requests for

³ 18 C.F.R. Parts 352 and 356 (2013).

⁴ Crosstex cites, *e.g.*, *ONEOK Rockies Midstream, L.L.C.*, 138 FERC ¶ 61,133, at PP 4-5 (2012); *Sinclair Pipeline Co., L.L.C.*, 134 FERC ¶ 61,073, at P 4 (2011).

⁵ Crosstex cites, *e.g.*, *Agave Energy Co.*, 136 FERC ¶ 61,094, at P 5 (2011); *Saddle Butte Pipeline LLC*, 136 FERC ¶ 61,071, at P 3 (2011).

service by any person with respect to the relevant pipelines.⁶ Crosstex further affirms that it will maintain its books and records in accordance with the requirements of the Commission's Uniform System of Accounts for Oil Pipelines.

10. Public notice of the Crosstex filing was issued June 7, 2013, with interventions and protests due as provided in accordance with Rules 211 and 214 of the Commission's regulations.⁷ No interventions or protests were filed.

11. The Commission concludes that, given the physical characteristics of the Relevant Pipelines and the limited nature of the Relevant Pipelines' operations, Crosstex meets the criteria necessary to qualify for temporary waiver consistent with Commission precedent.⁸

12. Accordingly, the Commission grants Crosstex temporary waiver of the filing and reporting requirements of ICA sections 6 and 20 and the Commission's related regulations with respect to the Relevant Pipelines. Because this waiver is temporary and based solely on the facts presented in the request for waiver, the Commission directs Crosstex to report immediately to the Commission any change in the circumstances on which this waiver is based. Specifically, Crosstex must report any changes including, but not limited to: (a) increased accessibility of other pipelines or refiners to the Relevant Pipelines; (b) changes in the ownership of the Relevant Pipelines; (c) changes in the ownership of the NGLs shipped; and (d) shipment tenders or requests for service by any person. In addition, Crosstex must maintain all books and records in a manner consistent with the Uniform System of Accounts for Oil Pipelines⁹ and make such books and records available to the Commission or its duly authorized agents upon request.

By the direction of the Commission.

Kimberly D. Bose,
Secretary.

⁶ Crosstex cites, *e.g.*, *Whiting Gas and Oil Corp.*, 131 FERC ¶ 61,263, at P 7 (2010).

⁷ 18 C.F.R. §§ 385.211 and 385.214 (2013).

⁸ *See, e.g.*, *ONEOK Rockies Midstream, L.L.C.*, 138 FERC ¶ 61,133 (2012); *Sinclair Pipeline Company, L.L.C.*, 134 FERC ¶ 61,077 (2011); *Enbridge Pipelines (NE Texas Liquids) L.P.*, 117 FERC ¶ 61,046 (2006).

⁹ 18 C.F.R. Part 352 (2013).