

145 FERC ¶ 61,292
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Sea Robin Pipeline Company, LLC

Docket Nos. RP14-247-000
RP13-968-000

ORDER ACCEPTING AND SUSPENDING TARIFF RECORDS
SUBJECT TO REFUND AND ESTABLISHING
HEARING AND OTHER PROCEDURES

(Issued December 30, 2013)

1. On December 2, 2013, Sea Robin Pipeline Company, LLC (Sea Robin) filed revised tariff records pursuant to NGA section 4 proposing a general rate increase under section 4 of the Natural Gas Act (NGA), as well as other tariff changes.¹ Sea Robin proposes a January 1, 2014 effective date. For the reasons discussed below, the Commission accepts and suspends the proposed tariff records in Appendix A to be effective June 1, 2014, subject to refund and the outcome of the hearing and briefing schedule established in this order. Additionally, the Commission accepts, effective January 1, 2014, Sea Robin's proposed tariff record in Appendix B, increasing its penalties for violation of an Operational Flow Order (OFO).

I. Background

2. On June 29, 2007, in Docket No. RP07-513-000, Sea Robin filed revised tariff sheets pursuant to NGA section 4 proposing a general increase in its firm and interruptible transportation rates. The Commission accepted and suspended Sea Robin's revised tariff sheets, subject to refund and the outcome of a hearing. Subsequently, Sea Robin filed a settlement to resolve all the issues in the rate proceeding, which the

¹ See Appendices A and B.

Commission approved on November 17, 2008.² That settlement requires Sea Robin to file a new NGA general section 4 rate case no later than January 1, 2014.

3. On June 6, 2013, Sea Robin filed revised tariff records proposing to implement a new, permanent Hurricane Surcharge mechanism to replace its current temporary mechanism which expired September 30, 2013. The Hurricane Surcharge mechanism records and recovers hurricane-related costs not recovered from insurance proceeds or from third parties. The design of Sea Robin's proposed revised Hurricane Surcharge was protested by several parties. The Commission accepted and suspended the proposed tariff records for a nominal period, to become effective July 7, 2013, subject to refund and the ultimate outcome of Sea Robin's NGA section 4 general rate case filing required under the terms of the Settlement.³ The Commission stated that efficiency dictated that the issues raised by the protesters concerning the design of Sea Robin's proposed revised Hurricane Surcharge be addressed in Sea Robin's upcoming general NGA section 4 rate case proposing new base rates effective January 1, 2014.⁴ Those issues included, for example, Sea Robin's proposed amortization period, a triennial rate refiling requirement, the relationship between the Hurricane Surcharges in proposed sections 24.2(a) and (b), and the proposed applicability of the surcharge to all shippers.⁵

II. Details of the Filing

4. Sea Robin states the primary reason for the instant filing is to comply with Article IV of the Settlement, which requires Sea Robin "to file a new NGA section 4 general rate case no later than the fifth anniversary of the Effective date." Sea Robin states it is also submitting the instant filing to incorporate into its gathering and transmission rates the current market conditions related to throughput on its system. Sea Robin states that over the past several years throughput has fallen dramatically and has shown very little signs of returning to prior levels. Sea Robin states that the revised rates reflect: (1) a decrease in rate base; and (2) increases in overall rate of return and related taxes.

5. In addition, Sea Robin notes that the instant filing incorporates the offshore assets which were transferred to Sea Robin from its affiliate, Trunkline Gas Company, LLC,

² *Sea Robin Pipeline Co., LLC*, 125 FERC ¶ 61,185 (2008).

³ *Sea Robin Pipeline Co., LLC*, 144 FERC ¶ 61,008 (2013) (July 2013 Order).

⁴ *Id.* P 17.

⁵ *Id.*

effective September 1, 2012, as approved by a June 21, 2012 Commission order⁶ and Sea Robin's subsequent compliance filing as approved by Commission letter order.⁷ For purposes of cost of service and rate design, Sea Robin refers to these facilities as its East Area assets.

6. Sea Robin states that the revised rates are based on a total cost of service of approximately \$65 million. The filed cost of service consists of, among other things: total operating expenses, including operation and maintenance and administrative and general, of approximately \$17 million; depreciation expense of approximately \$35.9 million; an overall return (at 12.13 percent) of approximately \$11.4 million; federal and state income taxes of approximately \$5.7 million; taxes other than income taxes equaling \$533,421; and a revenue credit of \$(6.0) million.⁸ Sea Robin states that the principal factors supporting the increase in cost of service are: (a) an increase in asset retirement obligation expense; (b) an increase in depreciation expense; and (c) an increase in return and related income taxes.

7. Sea Robin states the filed cost of service reflects an overall rate of return of 12.13 percent which is based on a capital structure of 21.26 percent debt and 78.74 percent equity based on the test period capitalization of its parent, Panhandle Eastern Pipe Line Company, LP. Sea Robin requests a return on equity of 13.50 percent, which Sea Robin states reflects its risks in the highly competitive market environment in which it operates.

8. In addition to the general rate increase discussed above, Sea Robin filed related tariff changes to consolidate and expand its creditworthiness provisions in a new General Terms and Conditions (GT&C) section 26. Sea Robin states that the new creditworthiness provisions comply with the Commission's Creditworthiness Policy Statement.⁹ Sea Robin also proposes to modify the OFO penalty provisions in GT&C

⁶ *Trunkline Gas Co., LLC and Sea Robin Pipeline Co., LLC*, 139 FERC ¶ 61,239 (2012).

⁷ *Sea Robin Pipeline Co., LLC*, 140 FERC ¶ 61,161 (2012).

⁸ Sea Robin Initial Filing at Statement A.

⁹ Sea Robin Initial Filing at 4 of Statement of the Nature, Reasons, and Basis (citing [*Creditworthiness Standards for Interstate Natural Gas Pipelines*] *Policy Statement on Creditworthiness Issues for Interstate Natural Gas Pipelines and Order Withdrawing Rulemaking Proceeding*, FERC Stats. & Regs. ¶ 31,191 (2005) (cross-referenced at 111 FERC ¶ 61,412 (2005)) (Creditworthiness Policy Statement)).

section 7.1 to increase the penalty for violating an OFO from \$1.00 to \$25.00 and update the Hurricane Surcharge provisions in GT&C section 24 to remove expired effective dates.

III. Public Notice, Interventions and Protests

9. Public notice of Sea Robin's filing was issued on December 3, 2013. Interventions and protests were due December 16, 2013, as provided in section 154.210 of the Commission's regulations.¹⁰ Pursuant to Rule 214,¹¹ all timely filed motions to intervene and any unopposed 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. Protests were filed by Walter Oil & Gas Corporation (Walter Oil), Arena Energy, LP (Arena), Deep Gulf Energy LP and Deep Gulf Energy II, LLC (collectively, Deep Gulf), the Producer Coalition,¹² and Indicated Shippers.¹³ On December 18, 2013, Sea Robin filed an answer in opposition to the Motion to Intervene filed by Century Exploration New Orleans, LLC (Century).

A. Opposition to Motion to Intervene

10. Sea Robin states that Century has not met the Commission's standard for intervention set forth in Rule 214 and its participation as a party will prejudice the proceeding.¹⁴ Sea Robin states that Century made no attempt to provide "sufficient

¹⁰ 18 C.F.R. § 154.210 (2013).

¹¹ 18 C.F.R. § 385.214 (2013).

¹² The Producer Coalition includes: Bandon Oil & Gas, LP, Castex Energy Inc., Century Exploration New Orleans, LLC, Energy XXI (Bermuda) LTD., Dynamic Offshore Resources, LLC, Enven Energy Ventures, LLC, and W&T Offshore, Inc.

¹³ Indicated Shippers include: Chevron U.S.A. Inc., ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation, Fieldwood Energy, LLC, Hess Corporation and Shell Offshore, Inc.

¹⁴ Sea Robin Answer at 2 (citing 18 C.F.R. § 385.214 (2013)).

factual detail” to show how it satisfies Rule 214’s standard for intervention. Rather, Century stated only that it is “active in and developing reserves in the Gulf of Mexico.”¹⁵

11. Sea Robin states that, as Century is seeking to intervene by motion, rather than by right conferred by statute or rule, it must either show that it has “an interest which may be directly affected”¹⁶ or that its “participation is in the public interest.”¹⁷ Sea Robin states that Century has satisfied neither standard and its Motion to Intervene should be denied. With regard to Century’s “interest which may be directly affected,” Sea Robin states that the Producer Coalition’s Motion to Intervene and Protest states that the members of the Producer Coalition have a “direct interest in this proceeding” as “either interruptible transportation customers of Sea Robin or as producers of gas with holdings in the Gulf of Mexico in the vicinity of Sea Robin.” Sea Robin states that Century is not a customer on the Sea Robin system and Century has no stated interest in this NGA section 4 proceeding involving the rates to be charged to customers using the Sea Robin pipeline system.¹⁸ Sea Robin states that, since at least 2004, Century has not had a contract with Sea Robin (or Trunkline) and it does not allege otherwise.

12. Sea Robin states that Century has not explained how being a gas producer “in the vicinity of Sea Robin” gives it an interest that will be “directly affected” by Sea Robin’s rate case. Sea Robin states that a tenuous link to the “vicinity” of the Sea Robin pipeline system should not suffice for meeting the standards for participation as a party in this rate case proceeding. Sea Robin states that Century does not describe in any manner how the outcome of the rate proceeding will impact it. Sea Robin states that the vague interest

¹⁵ Sea Robin Answer at 2 (citing Producer Coalition Motion to Intervene and Protest at 3).

¹⁶ Sea Robin Answer at 2 (citing 18 C.F.R. § 385.214(b)(2)(ii)).

¹⁷ Sea Robin Answer at 2 (citing 18 C.F.R. § 385.214(b)(2)(iii)).

¹⁸ Sea Robin Answer at 3 (citing *See PNGTS Shippers’ Group v. FERC*, 592 F.3d 132, 138-39 (D.C. Cir. 2010) (Finding that shippers lacked standing to challenge Commission orders because they could not demonstrate that they were aggrieved by the orders); *Colorado Interstate Gas Co. v. Fed. Power Comm’n*, 370 F.2d 777, 781 (10th Cir. 1967) (Finding that the Court lacked jurisdiction to review an order of the Federal Power Commission terminating party status of transporters as the transporters had not been aggrieved within the meaning of the NGA and there was no jurisdictional basis for review); *El Paso Natural Gas Co.*, 46 FERC ¶ 61,334, at 62,010 (1989), *order on reh’g*, 48 FERC ¶ 61,027, at 61,133 (1989) (Terminating party status because producers’ interest was too attenuated to support party status).

alleged by Century could theoretically be held by so many entities that it cannot possibly be a legitimate basis to become a party. Sea Robin states that it also prejudices Sea Robin's ability to understand what interest Century has in this proceeding and to meaningfully respond. Furthermore, Sea Robin states, Century made absolutely no attempt to demonstrate that its "participation is in the public interest."

13. Sea Robin states that by way of comparison, Century also fails to satisfy the federal standards for judicial review set forth in the NGA. Sea Robin states that under section 19(b) of the NGA, only an "aggrieved" party may seek review of a Commission order.¹⁹ A party is "aggrieved only 'if it can establish both the constitutional and prudential requirements for standing.'"²⁰ Sea Robin states that at a minimum, a party must establish "'injury in fact' to a protected interest."²¹ Sea Robin states that injury in fact, in turn, "requires harm that is both 'concrete and particularized,' and 'actual or imminent, not conjectural or hypothetical.'"²² Sea Robin states that the burden is on the party to show "the specifics of the aggrievement alleged."²³

B. Protests

14. Walter Oil, Arena, Deep Gulf, the Producer Coalition, and Indicated Shippers each request that the Commission accept and suspend Sea Robin's filing for the full five-month suspension period to become effective June 1, 2014, subject to refund and the outcome of a hearing. The Producer Coalition, whose protest is generally identical to the protests of Walter Oil, Arena, and Deep Gulf, is, among other things, concerned with the increases Sea Robin has proposed for its Rate Schedule IT maximum transportation rates. The Producer Coalition states that Sea Robin's West Area ITS rate jumps from

¹⁹ Sea Robin Answer at 4 (citing 15 U.S.C. § 717r(b)).

²⁰ Sea Robin Answer at 4 (citing *PNGTS Shippers' Group*, 592 F.3d at 136 (citing *Exxon Mobil Corp. v. FERC*, 571 F.3d 1208, 1219 (D.C. Cir. 2009); *Pub. Util. Dist. No. 1 v. FERC*, 272 F.3d 607, 613 (D.C. Cir. 2001))).

²¹ Sea Robin Answer at 4 (citing *PNGTS Shippers' Group*, 592 F.3d at 136 (citing *Interstate Natural Gas Ass'n*, 285 F.3d 18, 45 (D.C. Cir. 2002); *Shell Oil Co. v. FERC*, 47 F.3d 1186, 1200 (D.C. Cir. 1995))).

²² Sea Robin Answer at 4 (citing *PNGTS Shippers' Group*, 592 F.3d at 136 (citing *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 559-61 (1992); *N.C. Util. Comm'n v. FERC*, 653 F.2d 655, 662 (D.C. Cir. 1981))).

²³ Sea Robin Answer at 4 (citing *N.C. Util. Comm'n*, 653 F.2d at 663).

22.07 cents/Dth to 59.60 cents/Dth and the West Area gathering rate goes from 8.221 cents/Dth to \$1.1899/Dth. Similarly, Sea Robin's East Area ITS rate jumps from 10.72 cents/Dth to 26.48 cents/Dth, and the West Area gathering rate goes from 4.09 cents/Dth to 22.24 cents/Dth. The Producer Coalition contends these increases present and extraordinary hardship on producers at a time when gas prices are less than \$4.

15. Similarly, Indicated Shippers state that Sea Robin proposes rate increases that would increase its West Area transmission rates to levels between 270 percent and 280 percent of current levels and nearly 1,450 percent for West Area gathering rates. Indicated Shippers note the proposed increased for the East Area system would cause the transmission rates to rise to approximately 244 percent of current levels and the gathering rates to approximately 544 percent of current levels. Indicated Shippers argue that the magnitude of these increases requires that the Commission set this filing for hearing to examine whether the proposed increases are just and reasonable.

16. The Producer Coalition and Indicated shippers also argue that Sea Robin's proposed return on equity of 13.50 percent is excessive. The Producer Coalition argues that Sea Robin's reasoning for the proposed return on equity, asserting that it faces significant business risks and therefore justifies a high return on equity, must be closely evaluated. Indicated Shippers state that Sea Robin's claimed weighted average long-term debt cost of 7.07 percent exceeds comparable debt costs of other interstate pipelines. In addition, Indicated Shippers state that the Commission should explore the appropriateness of Sea Robin's proposed capital structure of 21.26 percent debt and 78.74 percent equity.

17. The Producer Coalition also argues that Sea Robin's projected throughput appears to be significantly undercounted. The Producer Coalition states that the discount adjustment dramatically reduces the ITS and gathering billing determinants and is a significant underlying cause for the inflated ITS and gathering rates. The Producer Coalition states that Sea Robin must provide additional details with the manner in which the adjustment was calculated. The Producer Coalition also states that Sea Robin's throughput study, by being based on actual throughput rather than system capacity, places the entire burden and risk of unsubscribed capacity on Sea Robin's shippers. The Producer Coalition states that Sea Robin's proposal to absorb none of the risks and costs associated with unsubscribed capacity is contrary to the Commission policy as set forth in *Natural Gas Pipeline Co. of America*.²⁴ The Producer Coalition states that Sea Robin has

²⁴ Producer Coalition Protest at 7 (citing 73 FERC ¶ 61,050, at 61,129 (1995) ("As the Commission stated recently in *El Paso*, a pipeline cannot expect to be able to recover all the costs of its unsubscribed capacity from its remaining customers. It is appropriate

(continued...)

unilaterally adjusted its throughput study to improperly lower the throughput on which its billing determinants have been designed. The Producer Coalition states that Sea Robin's proposed rates are significantly higher than they would be if the facilities' design capacity was used and requests that Sea Robin be required to submit a more accurate throughput study. Indicated Shippers states that Sea Robin's cost allocation and rate design, including the allocation of costs between East Area and West Area system, and projected throughput, raise issues that should be explored at hearing.

18. The Producer Coalition and Indicated Shippers also note that Sea Robin proposes a significant increase to its annual depreciation rates. The Producer Coalition argues that Sea Robin has not shown that its depreciation study reflects the actual remaining life of its various facilities. The Producer Coalition states that the calculation of the remaining life of reserves as summarized by Sea Robin's witness Tilley presumes that the decline of drilling completions and productions will continue far into the future without any basis for his conclusion.²⁵ Indicated Shippers state that Sea Robin has proposed three separate remaining lives for the East Area and two remaining lived for the West Area. Indicated Shippers state that Sea Robin's depreciation study is based on a unit of production approach, which represents a change from Sea Robin's current depreciation rates established in a negotiated settlement. Indicated Shippers stated that Sea Robin's current depreciation rates are based on a useful life of 26.29 years, well above the 17-year useful life determined for the West Area system in Sea Robin's filed case. Indicated Shippers state that the parties should be permitted to examine the separate calculation of depreciation for sub-areas, and the effect it may have on the proposed depreciation rates.

19. Indicated Shippers state that, with respect to Asset Retirement Obligations (ARO) costs, Sea Robin asserts that an analysis subsequent to the settlement of its last rate case showed that it previously had not adequately accounted for ARO costs. Indicated Shippers state that Sea Robin's claimed ARO costs, including the analysis on with a portion of these costs is based, should be examined at hearing. In addition, Indicated

for a pipeline's customers to pay their fair share of the pipeline's costs in proportion to the capacity they use. But the Commission will not permit a pipeline losing customers simply to shift the costs of resulting unsubscribed capacity to the remaining customers without regard to the adverse effects on those customers. Rather, the pipeline must have an incentive to recover the costs of its unsubscribed capacity from new markets. This principle is an important safeguard for the pipeline's existing customers, particularly captive customers, against pipeline overreaching.”).

²⁵ Producer Coalition Protest at 8 (citing Prepared Direct Testimony of Joshua S. Tilley at page 5, lines 3-9).

Shippers state that Article IV.B.6 of the Settlement included provisions concerning Sea Robin's recovery of and accounting for ARO costs, including provisions intended to survive the term of the Settlement. Indicated Shippers state that the parties should be provided an opportunity to examine Sea Robin's filing in detail to confirm compliance with the Settlement. Indicated Shippers state that additional issues related to ARO and negative salvage may be raised regarding the East Area system facilities acquired from Trunkline subsequent to the Settlement.

20. The Producer Coalition states that, while it has not completed its review of Sea Robin's proposal to revise its creditworthiness provisions, it is concerned that Sea Robin's proposal is burdensome and unduly vague. In particular, the Producer Coalition states that smaller shippers who are not rated by S&P or Moody's may find it unduly difficult to obtain or maintain credit with Sea Robin.

21. The Producer Coalition also points out that, in accordance with the July 2013 Order, all issues raised by Sea Robin's Hurricane Surcharge proposal in Docket No. RP13-968-000 must be addressed in this proceeding. Indicated Shippers state that Sea Robin projects a remaining uncovered Hurricane Surcharge balance attributable to the costs of repairing damage caused by Hurricane Ike of \$2,102,585.26, following receipt of estimated insurance proceeds from Oil Insurance Limited. Indicated Shippers state that Sea Robin does not indicate whether it could receive compensation from any of its Hurricane Ike costs from any other source, such as litigation. Indicated Shippers argue that consistent with Sea Robin's historical recovery of these costs on an accelerated tracked basis between rate cases, the Commission should require Sea Robin to reflect all future recoveries against these costs, not limited to recoveries from Oil Insurance Limited insurance, through rate adjustments. In addition, Indicated Shippers state that Sea Robin proposes to amortize the Hurricane Ike balance for recovery over a four-year period, applicable only to the West Area system. However, Indicated Shippers state that there is no indication that Sea Robin would reduce the West Area system rates at the end of the amortization period to reflect Sea Robin's full recovery of those costs. Indicated Shippers state that, consistent with the prior authorization to Sea Robin to recover these costs on an accelerated basis between rate cases through a tracker mechanism, the Commission should similarly require Sea Robin to adjust its West Area rates to reflect the completion of its recovery of these costs from its shippers.

IV. Discussion

22. Sea Robin's filing raises many typical rate case issues that warrant further investigation. Accordingly, the Commission will establish a hearing to explore all issues concerning the justness and reasonableness of the rate increases proposed by Sea Robin. These issues include the rate issues set forth in the protests, including, for example, Sea Robin's proposed transmission and gathering rates, cost of service, and rate design volumes. In addition, such hearing should explore the issues raised with respect to Sea

Robin's Hurricane Surcharge filing in Docket No. RP13-968-000, which the Commission accepted subject to the outcome of this rate proceeding, as well as the issues raised with respect to Sea Robin's proposed changes to the Hurricane Surcharge in the instant docket.²⁶ The Commission finds that it is appropriate to examine these issues in the context of a hearing where a factual record can be developed by the parties.

23. However, the Commission is not including Sea Robin's proposed increase in its OFO penalties and revisions to its creditworthiness provisions in the hearing established by this order. The Commission finds that Sea Robin's proposal to increase the penalty for violating an OFO from \$1.00 to \$25.00 is consistent with Commission policy and just and reasonable.²⁷ Accordingly, the Commission accepts the tariff records in Appendix B containing that proposal to be effective January 1, 2014.

24. Sea Robin's proposed restructuring of its creditworthiness standards warrants further review by the Commission to determine whether the revised standards are consistent with the Commission creditworthiness policies.²⁸ Therefore, the Commission accepts and suspends the tariff records containing that proposal for five months to be effective June 1, 2014, subject to refund and the outcome of the following briefing schedule. The Commission establishes a briefing schedule to permit the parties to present their views on Sea Robin's proposed revision to its creditworthiness provisions. Within 20 days of the issuance of this order, the intervenors may file comments and views on Sea Robin's proposal. Within 40 days of the issuance of this order, Sea Robin may file a response to any comments filed.

25. The Commission grants Century's motion to intervene. Century's stated interest in this proceeding is that it is "an exploration and production company" that is "active in and developing reserves in the Gulf of Mexico." Sea Robin contends that Century has not explained how being a gas producer "in the vicinity of Sea Robin" gives it an interest that will be "directly affected" by Sea Robin's rate case. Sea Robin notes that since at

²⁶ July 2013 Order, 144 FERC ¶ 61,008. These issues include, for example, Sea Robin's proposed amortization period, a triennial rate refiling requirement, the relationship between the Hurricane Surcharges in proposed sections 24.2(a) and (b), and the proposed applicability of the surcharge to all shippers.

²⁷ *See, e.g., Algonquin Gas Transmission, LLC*, 115 FERC ¶ 61,067 (2006), and *Columbia Gas Transmission Corp.*, 115 FERC ¶ 61,134 (2006).

²⁸ [*Creditworthiness Standards for Interstate Natural Gas Pipelines*] *Policy Statement on Creditworthiness Issues for Interstate Natural Gas Pipelines*, FERC Stats. & Regs. ¶ 31,191 (2005) (cross-referenced at 111 FERC ¶ 61,412 (2005)).

least 2004, Century has not had a contract with Sea Robin (or Trunkline). Sea Robin states that this “exceedingly vague interest” prejudices Sea Robin’s ability to understand what interest Century has in this proceeding and to meaningfully respond.

26. The Commission does not require that Century be a direct customer of Sea Robin in order to satisfy Rule 214’s standard for intervention. For example, the Commission has recognized that to the extent a producers’ gas is transported by other shippers to the market, the rates paid by those shippers could affect the netback prices the producer receives for its gas.²⁹ Century’s stated interest in this proceeding is not unlike, and in fact it is generally identical to, the stated interests of Castex Energy, Inc. (Castex) and Enven Energy Ventures LLC (Enven), who are also members of the Producer Coalition. Sea Robin does not oppose those motions to intervene. Accordingly, we find that Century has a sufficient direct interest in the proceeding under Rule 214 and its intervention is granted.

Suspension

27. Based upon review of the filing, the Commission finds that the proposed tariff records set forth in Appendix A have not been shown to be just and reasonable, and may be unjust, unreasonable, and unduly discriminatory or otherwise unlawful. Accordingly, the Commission will accept and suspend the effectiveness of the tariff records in Appendix A for the period set forth below, subject to the conditions set forth in this order.

28. The Commission’s policy regarding suspensions is that tariff filings generally should be suspended for the maximum period permitted by statute where preliminary study leads the Commission to believe that the filing may be unjust, unreasonable, or inconsistent with other statutory standards.³⁰ It is recognized, however, that shorter suspensions may be warranted in circumstances where suspension for the maximum period may lead to harsh and inequitable results.³¹ Such circumstances do not exist here. The Commission will therefore suspend the tariff records in Appendix A for the maximum period, to be effective June 1, 2014, subject to refund and the outcome of the hearing and briefing schedule ordered herein.

²⁹ *Trailblazer Pipeline Co.*, 106 FERC ¶ 61,034 (2004) (citing *Trailblazer Pipeline Co.*, 88 FERC ¶ 61,168, at 61,569 (1999)).

³⁰ See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

³¹ See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension).

The Commission orders:

(A) The proposed tariff records set forth in Appendix A are accepted and suspended for the maximum period, to be effective June 1, 2014, subject to refund and the outcome of the hearing and briefing schedule established in this order. The proposed tariff records in Appendix B are accepted effective January 1, 2014.

(B) Within 20 days of the issuance of this order, the intervenors may file comments and views on Sea Robin's proposed revision of its creditworthiness tariff provisions. Within 40 days of the issuance of this order, Sea Robin may file a response to any comments filed.

(C) Pursuant to the Commission's authority under the Natural Gas Act, particularly sections 4, 5, 7, 8, and 15 thereof, and the Commission's rules and regulations, a public hearing is to be held in Docket No. RP14-247-000 concerning the rate issues raised by Sea Robin's proposed tariff records in the instant docket and the issues raised by Sea Robin's proposed Hurricane Surcharge tariff records in Docket No. RP13-968-000 and in the instant docket, consistent with the discussion above.

(D) A Presiding Administrative Law Judge, to be designated by the Chief Administrative Law Judge for that purpose pursuant to 18 C.F.R. § 375.304, shall convene a prehearing conference in this proceeding within twenty (20) days after issuance of this order, in a hearing or conference room of the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. The prehearing conference shall be held for the purpose of establishing a procedural schedule. The Presiding Administrative Law Judge is authorized to establish procedural dates and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix A

Sea Robin Pipeline Company, LLC
FERC NGA Gas Tariff
Third Revised Volume No. 1

Part I, Table of Contents, 4.0.0

1. Rate Schedule FTS, Currently Effective Rates, 11.0.0
2. Rate Schedule FTS-2, Currently Effective Rates, 11.0.0
3. Rate Schedule ITS, Currently Effective Rates, 11.0.0
4. Rate Schedule GPS, Currently Effective Rates, 1.0.0

Part VI, General Terms and Conditions, 3.0.0

GT&C Section 2., Requests for Service, 1.0.0

GT&C Section 9., Capacity Release, 2.0.0

GT&C Section 15., Statements and Payments, 1.0.0

GT&C Section 24., Hurricane Surcharge, 3.0.0

GT&C Section 26., Creditworthiness, 0.0.0

Appendix B

Sea Robin Pipeline Company, LLC
FERC NGA Gas Tariff
Third Revised Volume No. 1

GT&C Section 7., Operational Flow Orders, 1.0.0