

146 FERC ¶ 61,076  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Enterprise TE Products Pipeline Company, LLC

Docket Nos. OR14-20-000  
OR14-19-000

ORDER DIRECTING PRIORITY TREATMENT

(Issued February 7, 2014)

1. In this order, the Commission exercises its emergency powers pursuant to section 1(15) of the Interstate Commerce Act (ICA)<sup>1</sup> to require Enterprise TE Products Pipeline Company, LLC (Enterprise TEPPCO) to temporarily provide priority treatment to propane shipments from Mont Belvieu, Texas, to locations in the Midwest and Northeast in order to help alleviate a shortage of propane supplies in those regions.

**Background**

2. Enterprise TEPPCO provides a direct route from Mont Belvieu, Texas, to propane storage facilities in the Midwest and Northeast. Enterprise TEPPCO's proration policy states that it "may elect to allocate its Available Capacity on any equitable basis, in a manner different from this policy, during a generally recognized emergency period in order to alleviate the emergency conditions."

**Discussion**

3. Section 1(15) of the ICA states in pertinent part:

Whenever the Commission is of opinion that shortage of equipment, congestion of traffic, or other emergency requiring immediate action exists in any section of the country, the Commission shall have, and it is given, authority, either upon complaint, or upon its own initiative without complaint, at once, if it so orders, without answer or other formal pleading by the interested carrier or carriers, and with or without notice, hearing, or

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<sup>1</sup> 49 App. U.S.C. § 1(15) (1988).

the making of a filing or report, according as the Commission may determine . . . (d) to give directions for preference or priority in transportation, embargoes, or movement of traffic under permits, at such time and for such periods as it may determine, and to modify, change, suspend or annul them.

4. The January 28, 2014 Department of Homeland Security IIA Update 1: Propane Supply Issues in the United States had three key findings: (1) unseasonably cold weather is expected over the next two weeks and additional regions or states are likely to extend or issue emergency declarations; (2) the Department of Transportation has issued emergency declarations concerning trucking regulations in 35 states and the District of Columbia to help facilitate the delivery of propane to commercial and residential customers; (3) because prices are continuing to rise some states are providing emergency heating assistance to residents who can no longer afford fuel costs.<sup>2</sup> The report further describes the wide ranging impact of propane shortages. In the Midwest and Northeast, limited supplies have forced companies to “short-fill” customer tanks. Counties in Tennessee and Alabama have been forced to close schools due to lack of propane for heat. Many states have limited or curtailed propane deliveries to municipal and commercial facilities in favor of residential customers. The report also recognizes economic impacts on chicken farmers, pig farmers, and dairy farms in the South and Midwest who use propane to maintain the livelihood and health of their stock.

5. Based upon the foregoing information, and other information written in letters by Governors,<sup>3</sup> Senators and members of Congress outlining the emergencies occurring in their respective states, the Commission is of the opinion that an emergency exists requiring immediate action. The Commission therefore invokes its authority pursuant to section 1(15)(d) of the ICA and directs Enterprise TEPPCO to provide priority for propane pursuant to its authority in its prorationing policy “to allocate its Available Capacity on any equitable basis, in a manner different from this policy, during a generally recognized emergency period in order to alleviate the emergency conditions.” Compliance with this directive shall begin immediately and remain in place for seven days from the date of this order pending further review and order of the Commission.

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<sup>2</sup> Department of Homeland Security, Integrated Analysis Task Force, IIA Update 1: Propane Supply Issues in the United States (Jan.28, 2014).

<sup>3</sup> See e.g. February 4, 2013 letter from the Midwestern Governors Association to President Barack Obama, available at <http://www.midwesterngovernors.org/resolutions/2014/Propane.pdf>

6. Additionally, we note that on February 6, 2014, the National Propane Gas Association and its members (collectively NPGA) filed a request for the Commission to exercise emergency powers pursuant to section 1(15) of the ICA to require Enterprise TEPPCO to temporarily provide priority treatment for up to 75,000 barrels per day (bpd) of propane shipments from Mont Belvieu, Texas, to locations in the Midwest and Northeast beginning immediately and extending through the first week of March 2014 or “until such time as the emergency is resolved.” NPGA states that to accommodate this priority transportation, the Commission should direct Enterprise TEPPCO to temporarily suspend the 81,000 bpd it reserves on a firm basis for contract shippers of diluent with minimum volume commitments.

7. The Commission noticed the NPGA petition in Docket No. OR14-19-000 and specified that comments must be received by 5:00 pm Eastern time on February 11, 2014. Commenters in Docket No. OR14-19-000 are encouraged to provide the Commission with concrete factual information such as:

- the status of propane inventories, including whether inventories are increasing or decreasing, and the levels of such increases or decreases;
- projected propane deliveries from all sources including truck, barge, rail and pipe;
- consumption rates;
- pricing information;
- potential propane demand;
- weather forecasts; and
- other specific factual information that will assist the Commission in establishing a record for making a determination on the NPGA petition.

The Commission orders:

Enterprise TEPPCO is hereby directed to act in accordance with this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.