

149 FERC ¶ 61,019
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 6, 2014

In Reply Refer To:
Southern Star Central Gas Pipeline, Inc.
Docket No. RP14-1202-000

Southern Star Central Gas Pipeline, Inc.
Attention: Philip A. Rullman
4700 Highway 56
PO Box 20010
Owensboro, KY 42301

Dear Mr. Rullman:

1. On August 26, 2014, Southern Star Central Gas Pipeline, Inc. (Southern Star) filed a petition seeking a limited waiver of a provision of its tariff establishing the shipper's right of first refusal (ROFR) relating to termination of a transportation agreement. Southern Star states that it has a firm transportation agreement dated December 19, 1997 (Contract No. TA 972) with Talbot Industries, Inc. (Talbot) under Southern Star's Rate Schedule FTS. According to Southern Star, Contract No. TA 972 is in a five-year rollover term that will expire on January 1, 2015. As discussed below, the Commission grants the requested waiver.
2. Southern Star states that Contract No. TA 972 provides for firm transportation service in both Southern Star's Production Area and its Market Area. Further, explains Southern Star, because that contract is a long-term firm transportation agreement at maximum rates, Contract No. TA 972 is automatically subject to five-year evergreen rights under section 7 of the General Terms and Conditions (GT&C) of Southern Star's tariff unless either party gives notice to cancel or terminate the contract. Moreover, continues Southern Star, if either Talbot or Southern Star gives notice of termination, Talbot has a ROFR pursuant to GT&C section 6 of Southern Star's tariff.
3. Southern Star states that, on September 9, 2013, Talbot provided notice to Southern Star of its intent to forego its GT&C section 7 evergreen rights and cancel the Production Area portion of Contract No. TA 972. However, explains Southern Star, Talbot expressed its desire to extend the Market Area portion of its contract for an additional year, until January 1, 2016, to which Southern Star agreed. According to Southern Star, pursuant to its GT&C section 6.2, it should have posted the availability of

the Talbot's Production Area capacity on July 1, 2014, six months before the expiration of the Production Area portion of Contract No. TA 972.

4. According to Southern Star, a data entry error regarding the termination date of the Production Area portion of Contract No. TA 972 caused it to post the availability of that capacity on July 7, 2014, rather than on July 1, 2014. However, Southern Star emphasizes that it did post the capacity for a full month, as required by its tariff, and that it received no bids for that capacity. Subsequently, continues Southern Star, Talbot affirmed it did not wish to retain the Production Area capacity.

5. Southern Star asks the Commission to find that good cause exists for grant of a limited waiver of the posting requirement of GT&C section 6.2 that it post the availability of capacity under an expiring service agreement six months prior to the expiration of any such service agreement. Southern Star contends that the missed tariff deadline caused only minimal delay in the ROFR process and that it followed the remaining ROFR procedures pursuant to the tariff. Southern Star argues that granting the requested waiver effectuates Talbot's desire to cancel a portion of Contract No. TA 972 and does not harm any other party.

6. Public notice of the filing was issued on August 27, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2014)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2014)), all timely filed motions to intervene and any unopposed motion 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 the proceeding or place additional burdens on existing parties. Southern Star's petition is unopposed.

7. The Commission finds that Southern Star has demonstrated that good cause exists to grant the requested limited waiver. Accordingly, Southern Star's request for waiver of section 6.2 of its GT&C to allow the late posting of cancelled portion of Talbot's Contract No. TA 972 is granted.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.