

152 FERC ¶ 61,091  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

July 31, 2015

In Reply Refer To:  
Gulf South Pipeline Company, LP  
Docket No. RP15-1109-000

Gulf South Pipeline Company, LP  
9 Greenway Plaza, Suite 2800  
Houston, TX 77046

Attention: E. Adina Owen

Dear Ms. Owen:

1. On July 1, 2015, Gulf South Pipeline Company, LP (Gulf South) filed a revised tariff record<sup>1</sup> to reflect the addition of certain capacity release agreements to its tariff. Gulf South requests that the revised tariff record becomes effective July 1, 2015. Waiver of the Commission's 30-day notice requirement is granted and the referenced tariff record is accepted, subject to conditions. The Commission also orders that in the future, in the case of temporary capacity releases, when filing replacement shipper agreements that include negotiated usage and or fuel charges with the Commission, Gulf South must file a tariff record summarizing the negotiated rate and may no longer choose to file the contract itself.
2. Gulf South states that on May 1, 2014, it submitted a filing to incorporate Petal Gas Storage, L.L.C.'s then current contracts as non-conforming agreements in its Tariff in Docket No. RP14-823-000 as a result of a merger. On November 26, 2014, the Commission accepted those agreements,<sup>2</sup> including a negotiated rate agreement (Original Agreement) with Atlanta Gas Light Company (AGL). Gulf South states that AGL has released capacity under the Original Agreement to certain Replacement Shippers.

---

<sup>1</sup> Gulf South Pipeline Company, LP; FERC NGA Gas Tariff; Tariffs: Section 3.24, Capacity Release Agmts-Atlanta Gas Light 8438 to Various, 4.0.0.

<sup>2</sup> Gulf South Pipeline Co. LP and Petal Gas Storage, L.L.C. 149 FERC ¶ 61,174 (2014).

Gulf South states that it has agreed to provide the same negotiated usage and/or usage charges to the Replacement Shippers as are provided for in the Original Agreement with AGL. In its instant filing, Gulf South accordingly proposes to revise Section 3.24 of its Tariff to include the capacity release agreements between Gulf South and the Replacement Shippers. Gulf South's revised tariff record contains the "Award Download" electronic version of the replacement agreements in the form required by NAESB Standard No. 5.4.26.<sup>3</sup> Gulf South states that the capacity release agreements continue the terms and conditions of the Original Agreements for the Replacement Shippers. Gulf South further states that the capacity release agreements have a one-month term, commencing on July 1, 2015.

3. Public notice of the filing was issued on July 2, 2015. 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. No protests or adverse comments were filed.

4. Upon review of the "Award Download" electronic version of the replacement agreements submitted with Gulf South's current filing, the Commission was not able to identify the actual negotiated rate being charged. As a result, on July 15, 2015, the Commission issued a Request for Additional Information (Data Request) asking Gulf South to identify where the negotiated usage charges for the replacement contracts could be found in the Award Download data provided. Gulf South filed a Response to the Commission's July 15, 2015, Data Request (Response). In its Response, Gulf South states that the negotiated usage and fuel charges from the original May 1, 2014, filing were passed through to the Replacement Shippers and the original, underlying negotiated rate agreement is referenced in the heading of the tariff record filed on July 1, 2015.

5. The Alternative Rate Policy Statement requires that when a pipeline enters into a negotiated rate service agreement with a customer, it must either file the contract or a tariff record describing the negotiated rate for acceptance by the Commission.<sup>4</sup> The Commission has found that the disclosure of the contract terms of a negotiated rate transaction is necessary to provide transparency and to permit shippers that believe they

---

<sup>3</sup> The Commission required pipelines to incorporate by reference in their tariffs NAESB Wholesale Gas Quadrant, Version 2.0, Standard No. 5.4.26. *Standards for Business Practices of Interstate Natural Gas Pipelines*, Order No. 587-V, FERC Stats. & Regs. ¶ 31,332 (2012).

<sup>4</sup> Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines, 74 FERC ¶ 61,076, at 61,241-242. (1996) (Alternative Rate Policy Statement).

are similarly situated with respect to a particular negotiated rate shipper to make such a determination.<sup>5</sup> The Commission has held that this policy applies to the filing of a pipeline's negotiated rate agreements with replacement shippers concerning their usage and fuel charges.<sup>6</sup> As noted, in accordance with its tariff and this policy, Gulf South chose to file the actual negotiated replacement shipper contracts in lieu of a tariff record summary of those agreements. The electronic version of the agreements filed by Gulf South are in the "Award Download" form required by NAESB Standard No. 5.4.26.<sup>7</sup>

6. Whether the pipeline files the contract or a tariff record summarizing the contract, the Alternative Rate Policy Statement asserts that "When a rate is negotiated, the pipeline will need to file a numbered tariff rate sheet stating the exact legal name of the customer and the negotiated rate for the service."<sup>8</sup> As demonstrated by Gulf South's response to the Commission's July 15, 2015, data request, the negotiated usage charges for the replacement agreements were not included in the Award Download data contained in the revised tariff record of this instant filing. Because the negotiated usage charges were not included in the contract data filed by Gulf South as required by the Alternative Rate Policy Statement, and thus the rate is not transparent in the filing to potentially similarly situated shippers, we find that Gulf South's filing is deficient.

7. Additionally, the Commission recently issued two orders on July 1, 2015<sup>9</sup> addressing the usefulness of filing the NAESB standard electronic format for filed negotiated rate agreements. In *Gulf South*, the Commission stated that;<sup>10</sup> "... the Commission orders that in the future, in the case of temporary capacity releases, when filing replacement shipper agreements that include negotiated usage and or fuel charges with the Commission, Gulf South must file a tariff record summarizing the negotiated

---

<sup>5</sup> *NorAm Gas Transmission Co.*, 77 FERC ¶ 61,011, at 61,037 (1996) (*NorAm*).

<sup>6</sup> *Texas Eastern Transmission, LP*, 129 FERC ¶ 61,025, at P 21(2009) (*Texas Eastern*).

<sup>7</sup> The Commission required pipelines to incorporate by reference in their tariffs NAESB Wholesale Gas Quadrant, Version 2.0, Standard No. 5.4.26. Order No. 587-V, FERC Stats. & Regs. ¶ 31,332.

<sup>8</sup> Alternative Rate Policy Statement, 74 FERC at 61,241.

<sup>9</sup> *Natural Gas-Gulf South Pipeline Company, LP*, 152 FERC ¶ 61,002 (2015) (*Gulf South*) and *Natural Gas-Equitrans, L.P.*, 152 FERC ¶ 61,003 (2015) (*Equitrans*).

<sup>10</sup> See *Gulf South*, 152 FERC ¶ 61,002 at P 7.

rate and may no longer choose to file the contract itself.” The Commission expects tariff filings that summarize negotiated usage rates between the pipeline and the capacity release replacement shipper to include: the legal name of the Shipper, the negotiated rate, the rate schedule, the type of service, any affiliate relationship between the pipeline and the shipper and any other applicable term or condition applicable to the negotiated rate, such as receipt points, delivery points, total volume and contract terms.<sup>11</sup> Gulf South’s filing does not summarize or even include this information.

8. As discussed in *Gulf South* and *Equitrans*, Gulf South may no longer choose to file the contract in the Award Download electronic data format when it reports replacement shipper negotiated rate agreements. Accordingly, the revised tariff record filed by Gulf South in this instant proceeding is accepted effective July 1, 2015, subject to Gulf South refiling, within fourteen (14) days of the issuance of this order, tariff records containing summaries of the replacement shipper agreements, consistent with the conditions set forth in *Gulf South and Equitrans*.

By direction of the Commission

Kimberly D. Bose,  
Secretary.

---

<sup>11</sup> See *NorAm*, 77 FERC at 61,037; *Texas Gas Transmission Corp.*, 92 FERC ¶ 61,188, at 61,649-650 (2000).