

156 FERC ¶ 61,172  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

September 12, 2016

In Reply Refer To:  
Gulf South Pipeline Company, LP  
Docket No. RP15-65-000

Michael E. McMahon  
Sr. Vice President & General Counsel  
Gulf South Pipeline Company, LP  
9 Greenway Plaza  
Suite 2800  
Houston, TX 77046

Ladies and Gentlemen:

1. On July 19, 2016, Gulf South Pipeline Company, LP (Gulf South) and Commission Trial Staff (Trial Staff) filed a Joint Offer of Settlement (Settlement), along with an explanatory statement and an Appendix containing *pro forma* tariff records. On August 8, 2016, Gulf South and Trial Staff filed comments in support of the Settlement. No adverse comments were filed. On August 22, 2016, the Presiding Judge certified the uncontested Settlement to the Commission.<sup>1</sup> The Settlement is summarized below.
2. Article I details the procedural background that led to the joint Settlement. Article II states that the Settlement represents a complete and final resolution of all remaining issues in this proceeding between Gulf South and Trial Staff.

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<sup>1</sup> *Gulf South Pipeline Co., LP*, 156 FERC ¶ 63,029 (2016). This docket originated as a general rate case. On September 25, 2015, Gulf South filed an offer of settlement resolving all issues except those involving segmentation. The Commission approved that first settlement on December 18, 2015. *Gulf South Pipeline Co., LP*, 153 FERC ¶ 61,326 (2015).

3. Article III provides that Gulf South will file tariff records to: (1) clarify that FTS, FTS-SSO, FTS-SCO and EFT shippers using Gulf South's existing Legacy System virtual point segmentation provisions may segment their Maximum Daily Quantity (MDQ) into multiple transactions using all receipt and delivery points on Gulf South's Legacy System, and NNS, NNS-SCO, and NNS-A shippers may segment their MDQ into multiple transactions using all receipt points and their primary delivery points on Gulf South's Legacy System, as long as the total quantity segmented in aggregate by any firm shipper does not exceed the shipper's contracted MDQ; and (2) modify its existing scheduling provisions for virtual point segmentation transactions such that all transactions using a virtual point shall be considered secondary firm service.

4. Article IV allows for further deliberation if the Settlement is contested, or is modified by the Commission. Article V provides that the Settlement will not become effective until the Commission issues a final order approving the Settlement without material modification. Article VI states that the Settlement will become effective on the first day following the first full month after the date on which the Commission issues a final order approving the Settlement without modification.

5. Article VII provides the reservation clauses. Section 7.3 of the Settlement states:

The standard of review for any modification to this Settlement proposed by one of the Settling Parties after the Settlement has become effective shall be the "public interest" application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *Fed. Power Comm'n v. Sierra Pac. Power Co.*, 350 U.S. 348 (1956) (the Mobile-Sierra doctrine), as clarified in *Morgan Stanley Capital Grp., Inc. v. Pub. Util. Dist. No. 1 of Snohomish Cnty., Wash.*, 554 U.S. 527, 550-51 (2008) and refined in *NRG Power Marketing, LLC v. Maine Pub. Utils. Comm'n*, 558 U.S. 165, 174-75 (2010). The standard of review for any modifications to this Settlement requested by a nonsettling party or initiated by the Commission acting *sua sponte* will be the ordinary just and reasonable standard of review. See *Morgan Stanley Capital Grp. Inc.*, 554 U.S. 527.

6. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Settlement resolves all issues set for hearing and terminates Docket No. RP15-65-000.

7. The Commission directs Gulf South to file revised tariff records in eTariff format<sup>2</sup> to replace the *pro forma* tariff records in the Appendix of the Settlement, following the timetable specified in the Settlement.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>2</sup> *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).