March 26, 2019

In Reply Refer To:
Lone Star NGL Mont Belvieu LP
Docket No. OR19-17-000

Mr. George D. Fatula
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Attn:  George D. Fatula
       Attorney for Lone Star NGL Mont Belvieu LP

Reference:  Request for Temporary Waiver of the Filing and Reporting Requirements of Sections 6 and 20 of the Interstate Commerce Act

Dear Mr. Fatula:

1. On January 25, 2019, Lone Star NGL Mont Belvieu LP (Lone Star) filed a request for temporary waiver of the tariff filing and reporting requirements of sections 6 and 20 of the Interstate Commerce Act (ICA)\(^1\) and Parts 341 and 357 of the Commission’s regulations\(^2\) for transportation service on its natural gas liquids (NGL) pipeline facilities (the Facilities) that will be owned and operated by Lone Star between Mont Belvieu, Texas and Nederland, Texas. For the reasons discussed below, the Commission grants Lone Star’s temporary waiver request.

\(^1\) See 49 U.S.C. app. §§ 6, 20 (1988). Section 6 requires interstate oil pipelines to file all rates, fares, and charges for transportation on their systems, as well as to file copies of their contracts with other common carriers for any such traffic. Section 20 authorizes the Commission to require annual or special reports from carriers subject to the ICA.

2. Lone Star states that the Facilities are comprised of approximately 54.54 miles of 6-inch pipeline and 5.28 miles of 12-inch pipeline. Lone Star states that the Facilities will interconnect with NGL storage facilities at Mont Belvieu, Texas. From there, it explains, the NGLs will be delivered to storage tanks and/or vessel or barge loading facilities at Nederland, Texas and ultimately will be transported by barge or by vessel to points inside and outside of Texas. Lone Star states that its affiliate Lone Star NGL Marketing LLC will own 100 percent of the NGLs that enter the Facilities for transportation. Lone Star expects that the Facilities will have a maximum throughput capacity of 30,000 barrels per day and will enter into service in the second quarter of 2019.

3. The criteria to qualify for temporary waiver of the filing and reporting requirements of the Commission’s regulations implementing ICA sections 6 and 20 are as follows: (1) the pipeline (or its affiliates) own 100 percent of the throughput on the line; (2) there is no demonstrated third-party interest in gaining access to or shipping on the line; (3) no such interest is likely to materialize; and (4) there is no opposition to granting the waiver request. In these cases, the Commission determined that there were no active third-party shipper interests to protect under the ICA, and therefore temporary waivers of sections 6 and 20 filing and reporting requirements were warranted. However, the Commission granted the waivers subject to revocation should circumstances change, and required the pipelines to keep their books and records in a manner consistent with the Commission’s Uniform System of Accounts.

4. Lone Star makes the following representations in support of its request: (1) Lone Star, or its affiliate, will own 100 percent of the NGLs to be transported on the Facilities; (2) no third party has requested transportation service on the Facilities or access to the Facilities; (3) no third-party interest is likely to materialize in the future; and (4) Lone Star is not aware of any opposition to its request for a temporary waiver.

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4 Lone Star contends that no third-party interest is likely to materialize given the limited upstream and downstream interconnections of the Facilities. It further notes that the August 2017 termination of a third-party lease on the 6-inch diameter portion of the Facilities is evidence of the lack of third-party interest in transporting volumes on the Facilities. Transmittal at 4-5.
5. Public notice of the filing was issued on January 29, 2019. Interventions and protests were due on or before February 22, 2019. Pursuant to Rule 214 of the Commission’s regulations,⁵ all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. The waiver request is unopposed.

6. Based on the representations provided in the request for waiver, the Commission concludes that Lone Star meets the criteria to receive a temporary waiver, consistent with the Commission’s prior rulings.

7. Accordingly, the Commission grants Lone Star’s request for temporary waiver of the tariff filing and reporting requirements of ICA sections 6 and 20, and the Commission’s implementing regulations, as these requirements relate to the Facilities, as described above. Because the current waiver is temporary, and based solely on the facts presented by Lone Star in its request for waiver, the Commission directs Lone Star to report to the Commission any change in the circumstances on which these waivers are based. Specifically, Lone Star must report any change including, but not limited to, increased accessibility of other pipelines or producers to the Facilities, changes in the ownership of the NGLs being transported on the Facilities, and tenders of NGLs or requests for service by any person. Additionally, Lone Star must maintain all books and records for service by any person and in a manner consistent with the Uniform System of Accounts for Oil Pipelines, 18 C.F.R. Part 352. Lone Star must make such books and records available to the Commission or its duly authorized agents upon request.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

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