In Reply Refer To:
Southern Star Central Gas Pipeline, Inc.
Docket No. RP19-459-000

Mr. Scott LaMar
Southern Star Central Gas Pipeline, Inc.
4700 Highway 56
Owensboro, KY 42301

Attention: Scott LaMar
   Director, Rates & Regulatory

Dear Mr. LaMar:

1. On December 12, 2018, Southern Star Central Gas Pipeline, Inc. (Southern Star) filed a petition for limited waiver of its tariff and, to the extent necessary, the Commission’s regulations, to permit it to correct an error made in a pre-arranged capacity release transaction between Kansas Gas Service, a division of ONE Gas, Inc. (KGS) and Oklahoma Energy Source, LLC (Oklahoma Energy). Southern Star requests a limited waiver of section 11 of the General Terms and Conditions (GT&C) of its tariff in order to retroactively modify the capacity release, RA27811, to ensure that Southern Star may bill the correct reservation rate for November 2018, as requested by both KGS and Oklahoma Energy. As discussed below, the Commission grants the waiver request for good cause shown.

2. Southern Star states that in November of 2018, KGS (Releasing Shipper) and Oklahoma Energy (Replacement Shipper) entered into a one-day pre-arranged capacity release, RA27811, under Rate Schedule TSS, for Gas Day November 8, 2018. Southern Star states that, although the intent was for the capacity release to be offered at a pre-arranged rate of $0.13500 per Dekatherm per day, both the capacity release offer and bid listed the reservation rate at $13.50000 per Dekatherm per day. According to Southern Star, both KGS and Oklahoma Energy explain that the $13.50000 rate was the result of a typographical error in the offer and bid and that the mutually agreed upon rate was intended to be $0.13500.
3. Southern Star states that the error was not discovered until December 2018, when KGS and Oklahoma Energy received December’s invoice for November 2018 business. Southern Star states that both KGS and Oklahoma Energy wish to correct this mutual mistake in the release, and support this petition for waiver in order to allow Southern Star to reflect the correct reservation rate for the month of November 2018.

4. Southern Star states that while the release was a biddable release and the unintentionally high rate may theoretically have discouraged other shippers from bidding on the capacity, KGS entered into 11 other biddable deals for its capacity in November 2018, including five other releases where Oklahoma Energy was the successful pre-arranged bidder, all at the intended $0.135000 per Dekatherm per day rate. Accordingly, Southern Star submits that it is highly unlikely that the erroneous rate discouraged any competitive bidding.

5. Public notice of the filing was issued on December 13, 2018. Interventions and protests were due as provided in section 154.210 of the Commission’s regulations. Pursuant to Rule 214, all timely filed motions to intervene and any unopposed motions 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 adverse comments or protests were filed.

6. The Commission has reviewed Southern Star’s request for waiver and finds good cause to grant the waiver. Specifically, the Commission finds that Southern Star provided information (1) identifying the regulations for which waiver is sought; (2) identifying the pipeline service agreement and capacity that is the subject of the release; and (3) describing the overall transaction and error, with sufficient detail to permit the Commission and other interested parties to determine whether granting the requested waiver is in the public interest. Granting this unopposed waiver will allow the parties to correct the rate in a prearranged capacity release to the correct mutually agreed upon rate, and no other shipper on Southern Star's system will be adversely affected. The Commission has approved limited waivers in this regard in the past. Accordingly, for good cause shown, the Commission grants the limited waiver of Southern Star’s capacity

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2 Id. § 385.214.
release regulations to allow Southern Star to implement its proposed adjustment related to
the pre-arranged capacity release between KGS and Oklahoma Energy.

By direction of the Commission.

Kimberly D. Bose,
Secretary.