

122 FERC ¶ 61,258
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 21, 2008

In Reply Refer To:
Gulfstream Natural Gas System, L.L.C.
Docket No. RP08-218-000

Gulfstream Natural Gas System, L.L.C.
P.O. Box 1642
Houston, TX 77251-1642

Reference: Petition for Temporary Waiver of Tariff Provisions

Attention: David A. McCallum
Director, Rates and Tariffs

Dear Mr. McCallum:

1. On February 28, 2008, Gulfstream Natural Gas System, L.L.C. (Gulfstream) filed a Petition for Temporary Waiver of Tariff Provisions and Request for Expedited Action (Petition). On March 13, 2008, Gulfstream filed an amendment to its petition for waiver.¹ According to Gulfstream, the purpose of the petition, as amended, is to seek temporary waivers of section 3.3 of Rate Schedule PALS (Parking and Lending Service) and section 6 (Scheduling and Curtailment) of the General Terms and Conditions (GT&C) of its tariff. Gulfstream proposes during approximately March 25, 2008 until April 19, 2008, to offer parking and lending services to firm shippers at below the minimum recourse rate, and schedule PALS service for firm shippers on a *pro rata* basis rather than on the basis of confirmed price. Gulfstream states that it will experience two construction-related outages during this period that will significantly affect its ability to receive gas and requests the temporary waivers to enable firm shippers to continue to receive deliveries of gas during the outages.

¹ Florida Power & Light Company (FPL) protested Gulfstream's initial proposal, but withdrew its protest by motion filed on March 13, 2008, the same day that Gulfstream amended its petition after discussions with FPL.

2. Gulfstream requests that the Commission expeditiously grant its Amended Petition by March 21, 2008, so that firm shippers will have sufficient time prior to the outages to make an informed decision about whether to park gas or take loans of line pack gas under the proposed terms. The Commission finds that good cause exists to grant the temporary waivers requested by Gulfstream to be effective as described herein, subject to condition.

3. Public notice of the filing was issued on February 29, 2008. Interventions and protests were due on or before March 6, 2008. As stated above, FPL filed, and subsequently withdrew a protest to the February 28, 2008 petition. Notice of the amended petition was issued on March 14, 2008, with comments due on March 18, 2008. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2007)), all timely filed motions to intervene and any 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 adverse comments or protests were filed.

4. Gulfstream states that it will soon experience outages on its system during periods when it installs its portion of an interconnection with the Southeast Supply Header, LLC, and certain tie-ins at its Station 410 as part of Gulfstream's Phase IV Project.² During the first outage, which is expected to last three days starting April 4, 2008, Gulfstream will be unable to receive gas onto the Mississippi/Alabama side of its system. During the second outage, which is expected to last one day and occur roughly one week after the first outage, Gulfstream will be able to receive gas only from Destin Pipeline Co., L.L.C.

5. As amended, Gulfstream's petition proposes to allow firm shippers to park gas under Rate Schedule PALS service at no cost for a period commencing ten gas days immediately prior to the first outage through and including the last gas day of the second outage. In addition, Gulfstream proposes to allow firm shippers to take loans of available line pack gas under PALS service at no cost starting on the first gas day of the first outage through and including the seventh gas day after the second outage. All line pack gas loaned during both outages must be returned to the system no later than the 30th day following the end of the second outage.

6. Gulfstream proposes to offer these parking and lending services for \$0.00 per Dth per day to its firm shippers and states that to do so, it will be necessary to temporarily waive a portion of section 3.3 of Rate Schedule PALS that provides that a negotiated rate under Rate Schedule PALS "shall not be less than the minimum rate."

7. Gulfstream also states that because it schedules PALS service within Priority Class Four, with the highest rate transaction receiving the highest scheduling priority, it

² *Gulfstream Natural Gas System, L.L.C.*, 120 FERC ¶ 61,225 (2007).

proposes to temporarily waive its scheduling provisions in GT&C section 6 to allow it to schedule park and loan transactions for its firm shippers during the period of the waivers at the highest priority within Priority Class Four (i.e., next after firm service has been scheduled). Gulfstream further states that if adequate capacity is not available on any day during the waiver period to satisfy all firm shippers' nominations for PALS service, Gulfstream proposes to pro rate the capacity available for such service based on each firm shipper's *pro rata* portion of the aggregate firm capacity subscribed under Rate Schedule FTS in order to give firm shippers the greatest opportunity to use their respective quantities of capacity during the outages.

8. Gulfstream states that in conjunction with the waivers, and to help ensure that firm shippers have the maximum ability to use their firm service during the outages, Gulfstream will issue an Action Alert under GT&C section 13 (Operational Flow Orders) to limit Rate Schedule PALS services to shippers that have a Rate Schedule FTS firm transportation service agreement, and to interrupt all Rate Schedule ITS interruptible transportation service during the outages. During each outage, the Action Alert will restrict deliveries under Rate Schedule FTS to primary delivery points.

9. In addition, Gulfstream states that because it is critical to continuing firm deliveries during the outage periods and to ongoing system operations after the end of the second outage, Gulfstream will issue an operational flow order under GT&C section 13 directing firm shippers who take loans of line pack gas during the outages to adhere strictly to their scheduled nominations and to return loaned gas by the previously described deadlines. Gulfstream states that it anticipates that the operational flow order will include a five percent tolerance, although it reserves the right to reduce the tolerance depending on the quantity of line pack available to be loaned at the beginning of the first outage.

10. Finally, Gulfstream requests any further waivers of its tariff and the Commission's regulations that are necessary for Gulfstream to implement PALS service as described in its Petition. Gulfstream states that if the Petition is granted, it will file tariff sheets that are consistent with the requirements of section 31 of its GT&C (Negotiated Rates), setting forth a negotiated rate of \$0.00 per Dth per day of park and loan quantities for the waiver period. According to Gulfstream, the tariff sheets will list the Rate Schedule PALS negotiated rate service agreements for each of its firm shippers that are eligible for the negotiated rate.

11. The Commission finds that good cause exists to grant temporary waivers of section 3.3 of Rate Schedule PALS and GT&C section 6 as requested in Gulfstream's petition, as amended. Granting such waivers will provide Gulfstream's firm shippers with the opportunity to maintain, to the extent possible, a flow of firm deliveries into the Florida market during the construction-related outages. This opportunity will be made

available at no cost and on a voluntary basis. Gulfstream's proposal to allocate limited available PALS service during the waiver period based on each shipper's *pro rata* share of total subscribed firm capacity is rational and fair.

12. Gulfstream is directed to file tariff sheets, consistent with the filing requirements of section 31 of its GT&C, listing the Rate Schedule PALS negotiated rate service agreements for each of its firm shippers that are eligible for a negotiated rate of \$0.00 per Dth per day of park and loan quantities during the waiver period. Gulfstream is also directed to file a report no later than 45 days after the end of the second outage stating the actual dates the waivers were implemented.

By direction of the Commission.

Kimberly D. Bose,
Secretary.