

125 FERC ¶ 61,269
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 5, 2008

In Reply Refer To:
Southern Star Central Gas Pipeline, Inc.
Docket Nos. RP08-350-001 and
RP08-350-002

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

Attention: Daryl R. Johnson
Vice President of Rates and Regulatory Affairs

Reference: Motion to Place Suspended Rates and Tariff Sheets into Effect and
Superseding Motion to Place Interim Rates and Substitute Tariff Sheets into
Effect

Ladies and Gentlemen:

1. On October 31, 2008, in Docket No. RP08-350-001, Southern Star Central Gas Pipeline, Inc. (Southern Star) filed revised tariff sheets¹ to place the suspended rates, and certain of the tariff provisions, into effect pursuant to the Commission's Regulations at 18 C.F.R. § 154.206. Southern Star's November 21, 2008 filing, discussed below, renders the tariff sheets filed in Docket No. RP08-350-001 moot.

2. On November 21, 2008, in Docket No. RP08-350-002, Southern Star filed substitute tariff sheets² to place reduced rates into effect on an interim basis pending the filing of a Stipulation and Agreement to settle its general rate case proceeding in this docket. In order to timely implement the reduction, Southern Star asks for expedited

¹ See Appendix A.

² See Appendix B.

approval of the interim rate reduction so that November 2008 invoices, scheduled to be rendered on December 5, 2008, may reflect the interim reduced rates on the substitute tariff sheets referenced in Appendix B to this order. Accordingly, Southern Star requests that the Appendix B tariff sheets become effective November 1, 2008. Waiver of the notice period is granted and the Appendix B tariff sheets are accepted effective November 1, 2008.

2. Public notices of Southern Star's filings were issued on November 4, 2008 and November 26, 2008. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2008)). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214. On December 2, 2008, Kansas Gas Service, a Division of ONEOK Inc., filed comments in support of Southern Star's filing to implement reduced interim rates.

3. Southern Star states that the Commission Staff and all active parties have been able to reach an agreement in principle with regard to the total cost of service and all other issues set for hearing in this proceeding. Southern Star states that while such an agreement will require the drafting of a proposed Stipulation and Agreement to be filed and approved by the Commission, Southern Star has agreed to file a motion to implement interim reduced base tariff rates to reflect the rates agreed to in the settlement discussions in lieu of the motion rates filed on October 31, 2008, in Docket No. RP08-350-001.

5. Southern Star states that these tariff sheets and the associated interim reduced rates set forth herein are to remain in effect on a month-to-month basis pending the finalizing and filing of the settlement agreement in the above captioned proceeding. In the event such settlement is not filed or the settlement is not ultimately approved by the Commission, Southern Star states that it reserves the right, and requests authority, to prospectively reinstate the motion rates at any time by filing with the Commission.

6. Waiver of the notice period is granted and the Appendix B tariff sheets are accepted effective November 1, 2008, subject to the outcome of Southern Star's rate proceeding in Docket No. RP08-350-000. Southern Star may reinstate its original motion rates on a prospective basis upon the occurrence of the conditions specified in Southern Star's request, provided that it gives shippers 30-days prior notice as required by section 4 of the NGA. Additionally, consistent with precedent,³ Southern Star will be at risk for

³ *Southern Star Central Gas Pipeline, Inc.*, 110 FERC ¶ 61,026 (2005) and *Pine Needle LNG Company, LLC*, 118 FERC ¶ 61,039 (2007).

any under-collection resulting from the difference between the motion rates and the interim rates conditionally accepted by this order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

Appendix A

**Southern Star Central Gas Pipeline, Inc.
Docket No. RP08-350-001
Filed October 31, 2008**

FERC Gas Tariff, Original Volume No. 1

Tariff Sheets Rendered Moot

Substitute Sixth Revised Sheet No. 10
Substitute First Revised Sheet No. 10A
Substitute Tenth Revised Sheet No. 11
Substitute Second Revised Sheet No. 102
Substitute Third Revised Sheet No. 107
Substitute Fourth Revised Sheet No. 114
Substitute Second Revised Sheet No. 134
Substitute Fifth Revised Sheet No. 136

**Southern Star Central Gas Pipeline, Inc.
FERC Gas Tariff, Original Volume No. 2**

Tariff Sheets Rendered Moot

Substitute First Revised Sheet No. 1
Substitute Second Revised Sheet No. 327

**Southern Star Central Gas Pipeline, Inc.
Docket No. RP08-350-002
Filed November 21, 2008**

FERC Gas Tariff, Original Volume No. 1

Tariff Sheets Accepted Conditionally Effective November 1, 2008

Second Substitute Sixth Revised Sheet No. 10
Second Substitute First Revised Sheet No. 10A
Second Substitute Tenth Revised Sheet No. 11
Second Substitute Second Revised Sheet No. 102
Second Substitute Third Revised Sheet No. 107
Second Substitute Fourth Revised Sheet No. 114
Second Substitute Second Revised Sheet No. 134
Second Substitute Fifth Revised Sheet No. 136

**Southern Star Central Gas Pipeline, Inc.
FERC Gas Tariff, Original Volume No. 2**

Tariff Sheets Accepted Conditionally Effective November 1, 2008

Second Substitute First Revised Sheet No. 1
Second Substitute Second Revised Sheet No. 327