

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

December 23, 2009

In Reply Refer To:
TE Products Pipeline
Company, LLC
Docket No. IS10-56-000

TE Products Pipeline Company, LLC
1100 Louisiana Street, Suite 1400
Houston, TX 77002-5227

Attention: Andrew Hill, Jr.
Director, Tariffs & Ratemaking

Reference: FERC Tariff Nos. 87, 88, 89, and 90

Ladies and Gentlemen:

1. On November 25, 2009, TE Products Pipeline Company, LLC (TEPPCO) filed tariff sheets¹ to eliminate the summer rate discounts in FERC Tariff Nos. 87-90 and to update certain other non-substantive information to be effective December 26, 2009.
2. TEPPCO states that, historically, its FERC tariffs governing the movements of propane and butane (LPG) have contained seasonal discounts for summer movements. TEPPCO states that this seasonal rate structure was intended as an incentive to attract more LPG shipments during off-peak months. TEPPCO states that it is eliminating such discounts to simplify its tariff rate structure, and as a result of this filing, its base rates will become effective for the entire year for the movements subject to the cancelled tariffs.

¹ FERC Tariff No. 87 (cancels FERC Tariff No. 78), FERC Tariff No. 88 (cancels FERC Tariff No. 79), FERC Tariff No. 89 (cancels FERC Tariff No. 81), and FERC Tariff No. 90 (cancels FERC Tariff No. 85).

3. TEPPCO further states that its FERC Tariff Nos. 79 and 85 currently contain proportional rates for propane shipments that are delivered at the Selkirk Terminal for further transportation via truck or rail carriers to ultimate destinations in Connecticut, Maine, Massachusetts, New Hampshire, New York, Vermont, and the Dominion of Canada. According to TEPPCO, the proportional rates were offered as an incentive to increase certain propane shipments, and the incentive will no longer be offered. Therefore, states TEPPCO, it is also cancelling the proportional rates set forth in Item Nos. 140 and 145 in FERC Tariff No. 88 and Items Nos. 130 and 135 in FERC Tariff No. 90. As a result, states TEPPCO, FERC Tariff Nos. 88 and 90 also reflect the cancellation of all provisions and references pertaining to the proportional rate.

4. On December 15, 2009, the New York State Propane Gas Association submitted a late-filed comment opposing elimination of the summer discount in FERC Tariff Nos. 87 and 90.

5. The Commission accepts the referenced tariff sheets to be effective December 26, 2009, as requested by TEPPCO. A carrier is not required to maintain discount rates and can choose to eliminate them at any time, as TEPPCO proposes here.² Service will continue for TEPPCO's shippers at TEPPCO's current base rates year-round. Section 342.3(a) of the Commission's regulations³ provides in part that a carrier at any time may change a rate charged to a level that does not exceed its established ceiling level. TEPPCO's discontinuance of its discounts results in its rates returning to their existing base level and thus is consistent with the Commission's regulations.

² See, e.g., *Shell Pipeline Company LP*, 100 FERC ¶ 61,139 (2002).

³ 18 C.F.R. § 342.3(a) (2009).

6. Accordingly, as stated above, the Commission accepts the referenced tariff sheets to be effective December 26, 2009.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: Mr. Robert J. Warner, President
New York State Propane Gas Association
P.O. Box 760
Clifton Park, NY 12065