

131 FERC ¶ 61,290
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 29, 2010

In Reply Refer To:
High Island Offshore System, L.L.C.
Docket No. RP09-487-002

High Island Offshore System, L.L.C.
1333 H Street, NW, West Tower
10th Floor
Washington, DC 20005

Attention: G. Mark Cook
Assistant General Counsel

Reference: Ninth Revised Sheet No. 10 to FERC Gas Tariff, Third Revised Volume
No. 1

Ladies and Gentlemen:

1. On April 7, 2010, High Island Offshore System, L.L.C. (HIOS) filed the referenced tariff sheet to place reduced Settlement rates into effect, on an interim basis, pending Commission approval of the Settlement it filed on March 15, 2010, to settle its general Natural Gas Act (NGA) section 4 rate case proceeding in the captioned docket.¹ HIOS requests an effective date of April 1, 2010, for its tariff sheet. Waiver of the notice period is granted for good cause shown and the referenced tariff sheet is accepted to be effective April 1, 2010.

2. HIOS states that Section 1.1(b) of the March 15, 2010 Settlement provides that HIOS will file, pursuant to section 4 of the NGA, to place into effect, on an interim basis, the Settlement rates to be effective as of April 1, 2010 and to remain in effect until the earlier of April 1, 2011, or the Effective Date of the Settlement, in the event that no participant submits initial comments in opposition to the Settlement. Section 1.1(b) of the Settlement provides that HIOS's agreement to move the Settlement rates into effect, on an interim basis, is conditioned upon receipt of a prior Commission order approving the interim Settlement rates and HIOS's right to reinstate its subject-to-refund rates and

¹ *High Island Offshore System, L.L.C.*, 127 FERC ¶ 61,097 (2009).

to surcharge or direct bill its shippers for the difference between the Settlement rates and the subject-to-refund rates accepted in this proceeding for the applicable prior periods following April 1, 2010, in the event that this Settlement does not become effective.

3. Public notice of this filing was issued on April 14, 2010, allowing for protests to be filed in accordance with section 154.210 of the Commission's regulations. No protests or adverse comments were filed.

4. The Commission will accept the revised tariff sheet subject to the outcome of the Commission's decision on the pending Settlement in this proceeding and grant HIOS the right to reinstate its subject-to-refund rates and to surcharge or direct bill its shippers for the difference between the Settlement rates and the subject-to-refund rates in the event the Settlement does not become effective prior to April 1, 2011.² The Commission finds that accepting the rates contained in the proposed Settlement, on an interim basis, to become effective as proposed, will provide rate relief for settling parties until the Commission can review the Settlement and the record to make a final determination. All issues set forth in the proposed Settlement in this proceeding will be addressed by the Commission in its order on the Settlement.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties

² *Viking Gas Transmission Company*, 87 FERC ¶ 61,165 (1999); *ANR Pipeline Company*, 81 FERC ¶ 61,141 (1997).