

140 FERC ¶ 61,261
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

TC Offshore LLC

Docket No. RP12-908-000

ORDER ACCEPTING TARIFF RECORDS SUBJECT TO FURTHER REVIEW

(Issued September 28, 2012)

1. On August 1, 2012, TC Offshore LLC (TC Offshore) submitted its baseline tariff (Baseline Tariff Filing)¹ to comply with the Commission's June 21 Order.² The June 21 Order granted abandonment to ANR Pipeline Company (ANR) and issued TC Offshore a certificate for certain on-shore and off-shore facilities in Louisiana and Texas. The instant filing includes Primary³ and Alternate tariff records⁴ (Primary Tariff and

¹ When the phrase "Baseline Tariff Filing" is used, this refers to TC Offshore's entire compliance filing including the separate "Primary Tariff" and "Alternate Tariff"; the phrase "Alternate Tariff" refers to rates and language specifically unique to that tariff and the phrase "Primary Tariff" refers to rates and language specifically unique to that tariff.

² *ANR Pipeline Co. and TC Offshore LLC*, 139 FERC ¶ 61,238 (2012) (June 21 Order).

³ In its Primary Tariff, TC Offshore proposes interruptible gathering rates of \$0.2810 per Dth and interruptible transportation rates of \$0.0653 per Dth. These rates are located in TC Offshore LLC, FERC NGA Gas Tariff, TC Offshore Tariffs and are calculated on the assumption that TC Offshore will prevail on the issues identified in its July 23, 2012, request for rehearing of the June 21 Order (TC Offshore Rehearing).

⁴ In its Alternate Tariff, TC Offshore proposes interruptible gathering rates of \$0.1443 per Dth and interruptible transportation rates of \$0.0052 per Dth. The Alternate Tariff reflects the rates calculated in purported conformance with the Commission's June 21 Order.

Alternate Tariff, respectively) establishing TC Offshore's initial rates. For the reasons discussed below, the Commission accepts the Primary Tariff records, to be effective October 1, 2012, subject to modifications and further review.⁵ TC Offshore's Alternative Tariff is rejected.

I. Background

2. On September 1, 2011, ANR filed an application, in Docket No. CP11-543-000 for authority to abandon by sale to its wholly owned subsidiary, TC Offshore, all of its offshore pipeline facilities in the Gulf of Mexico, as well as certain onshore pipeline facilities in Louisiana and Texas. Specifically, ANR proposed to abandon by sale: (1) the Patterson System, extending upstream of the Patterson Station in St. Mary Parish, Louisiana; (2) the Grand Chenier System, extending upstream of the Grand Chenier Station in Cameron Parish, Louisiana; (3) the Central Texas Gathering System, extending upstream of an onshore terminus in Wharton County, Texas; and (4) off-system facilities in the Gulf of Mexico.

3. On that same day, TC Offshore filed, in Docket No. CP11-544-000, an application for certificate authority to acquire and operate the facilities that ANR proposed to abandon. Specifically, TC Offshore sought: (1) a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act (NGA), authorizing TC Offshore to acquire and operate the natural gas pipeline facilities to be acquired from ANR; (2) a blanket construction certificate, authorizing certain routine construction, operation, and abandonment activities; and (3) a blanket transportation certificate, authorizing it to provide open access-transportation service on behalf of others as proposed in its application. In its application, TC Offshore also proposed to carry over the gross plant, depreciation, and negative salvage values reflected on ANR's books as of the time it acquires the ANR offshore facilities.⁶

4. On June 21, 2012, the Commission granted TC Offshore authorization under section 7 of the NGA to acquire and operate facilities determined to be jurisdictional transmission facilities.

5. In addressing TC Offshore's proposal to acquire the facilities proposed to be abandoned by ANR, the Commission found it appropriate to analyze the jurisdictional status of the Patterson, Grand Chenier, and Central Texas Gathering Systems, as well as

⁵ TC Offshore LLC, FERC NGA Gas Tariff, TC Offshore Tariffs, [4.1 - Statement of Rates, Rate Schedules FTS-1, ITS, TTS and IPLS, 0.0.0](#), Option B.

⁶ June 21 Order, 139 FERC ¶ 61,238 at P 118.

the off-system facilities, under the primary function test to ensure that the certificate of public convenience and necessity issued to TC Offshore only encompassed facilities and services over which the Commission has jurisdiction under the NGA.⁷ After its primary function test analysis of the facilities proposed to be abandoned by ANR, the June 21 Order determined, among other things, that a portion of the Patterson System, as more fully described below, performed a gathering function and was exempt from the Commission's jurisdiction under section 1(b) of the NGA. Thus, the June 21 Order did not issue a certificate of public convenience and necessity to TC Offshore for this portion of the Patterson System. Therefore, as part of its Baseline Tariff Filing, TC Offshore was required to functionalize its cost of service related to the facilities consistent with the Commission findings as identified in Appendix A, Tables 2 through 4 of the June 21 Order; remove the costs related to the facilities identified in Appendix A, Table 1 from its cost of service recoverable through its jurisdictional services; and refunctionalize its rate base consistent with the findings in the June 21 Order.⁸

6. Further, the June 21 Order also rejected TC Offshore's proposed negative salvage rates for gathering and transmission plant, stating that TC Offshore had failed to support its proposed negative salvage figures and required TC Offshore to use the negative salvage rate of 0.23 percent. Finally, the June 21 Order required TC Offshore to make modifications to its proposed Baseline Tariff consistent with the Commission's findings and file actual tariff records incorporating the incremental firm and interruptible transportation rates at least 60 days prior to the in-service date of the facilities acquired from ANR.

7. Parties to the proceedings, including TC Offshore, filed rehearing requests on various issues in the June 21 Order. TC Offshore requested rehearing of the Commission's finding that a portion of the Patterson System performs a non-jurisdictional gathering function and the Commission's rejection of TC Offshore's proposed negative salvage rates. The Commission is addressing TC Offshore's request for rehearing of the June 21 Order in a contemporaneous order. The Commission will address the other parties' requests for rehearing in a subsequent order.

⁷ *Id.* P 85. The order explained that prior to the Commission's open-access policies requiring unbundling of pipeline services, there was no need, as a practical matter, to review applications by pipelines for certificate authority to ascertain whether any of the proposed new facilities may have actually functioned as gathering facilities. Thus, in many instances, gathering facilities were constructed under certificate authority and the costs associated with those facilities were part of the rate base of the pipeline's sales rates.

⁸ *Id.* Ordering Paragraph (G).

II. Baseline Tariff Filing

8. In its Primary Tariff, TC Offshore proposes interruptible gathering rates of \$0.2810 per Dth and interruptible transportation rates of \$0.0653 per Dth. TC Offshore asserts that it has calculated those rates consistent with the June 21 Order with two exceptions. First, TC Offshore's Primary Tariff rates assume that the Commission will grant its request for rehearing of the June 21 Order holding that the Patterson-West System facilities upstream of EIA Block 34 perform a gathering function. Therefore, TC Offshore's calculation of its Primary Tariff rates functionalizes those facilities as transmission facilities. Second, TC Offshore assumes that the Commission will grant rehearing of the June 21 Order's requirement that it use a negative salvage rate of 0.23 percent. Instead, TC Offshore has included in the cost of service for its Primary Tariff rates the higher negative salvage rates which it asserts are supported by its rehearing request.

9. In its Alternate Tariff, TC Offshore proposes interruptible gathering rates of \$0.1443 per Dth and interruptible transportation rates of \$0.0052 per Dth. TC Offshore asserts that those rates are calculated in strict conformance with the Commission's June 21 Order.

III. Interventions

10. Public notice of TC Offshore's Baseline Tariff Filing was issued on August 2, 2012, with interventions and protests due as provided in section 154.210 of the Commission's regulations.⁹ Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), 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. Interventions and protests were filed by Apache Corporation (Apache), Arena Energy, LP (Arena), and Marathon Oil Company and Shell Offshore, Inc. (Indicated Shippers). Century Exploration New Orleans, LLC, Dynamic Offshore Resources, LLC, Energy XXI (Bermuda) LTD., Hilcorp Energy Company, McMoRan Oil & Gas LLC, Pisces Energy LLC, W&T Offshore, Inc. (collectively, Producer Coalition), Walter Oil & Gas Corporation, and LLOG Exploration Company, L.L.C. (LLOG).

⁹ 18 C.F.R. § 154.210 (2012).

IV. Discussion

11. In general, the protesting parties argue that the Primary Tariff should be rejected because the transportation rates are not in compliance with the June 21 Order and go beyond the scope of the compliance filing. The protesting parties argue that the Alternate Tariff, calculated in conformance with the June 21 Order, contains the rates the Commission should review as part of the compliance filing. The protestors argue that, if and when the Commission addresses and grants all or a portion of TC Offshore's request for rehearing, TC Offshore would be free to propose in any future filing revised rates based on the Commission's decision.

12. As discussed below, the Commission accepts the Primary Tariff records, to be effective October 1, 2012, subject to modifications and further review, and the Commission rejects the Alternative Tariff record.

A. Initial Rate Protests

1. Parties' Arguments

13. The protesters state that TC Offshore initially proposed in Docket No. CP11-544-000 a Rate Schedule ITS-1 rate of 7.5 cents per Dth for gathering and a 12.57 cents per Dth rate for transmission for a combined rate of 20.7 cents per Dth. The protesters argue that the combined Primary ITS-1 rate of 34.63 cents per Dth (Primary ITS-1 rate of 6.53 cents per Dth and Primary gathering rate of 28.10 cents per Dth) is 70 percent higher than the original combined rate. The protesters state that the increases appear to be primarily due to TC Offshore's adoption of certain positions it has taken on rehearing of the June 21 Order including the: (1) proposed refunctionalization from gathering to transmission of certain facilities, most notably line 12280, which results in a significant drop in gathering billing determinants; and (2) submission of a new revised negative salvage study in which TC Offshore allocates significant decommissioning costs to the gathering facilities.

14. Apache argues that TC Offshore has provided no narrative explanation between the "as-filed," Primary Tariff, and Alternate Tariff proposals. Apache states that, if the Primary Tariff maintains the pre-existing functionalization and includes the higher negative salvage rate, one would expect the rates to be closer to the as-filed rates. Apache requests that TC Offshore be required to provide a full explanation and reconciliation of all of the differences between its "as-filed" case, Primary Tariff rates and Alternate Tariff rates. Further, Apache notes that, although TC Offshore claims that its Alternate Tariff reflects rates calculated in strict conformance with the requirements of the June 21 Order, TC Offshore did not include in the Baseline Tariff Filing any explanations for the adjustments made in recalculating rates. Among other things, Apache states that TC Offshore appears to have calculated its Alternate Tariff rates using new, higher depreciation rates which were not required by the June 21 Order. Apache

states that the Commission should require TC Offshore to explain how its new depreciation rates comply with the June 21 Order and provide support for those new rates.

15. The Indicated Shippers argue that the rate differences in both the Primary Tariff and the Alternate Tariff are based on estimated cost of service changes that are not supported by substantial evidence in the record. The Indicated Shippers also contend that TC Offshore's Alternate Tariff is also unjust and unreasonable as demonstrated by the proposed 328 percent increase in its gathering rate. Moreover, the Indicated Shippers assert that the Primary Tariff does not comply with the June 21 Order for a variety of reasons, not the least of which is TC Offshore's failure to use the negative salvage rate of 0.23 percent required by that order. The Indicated Shippers further state that, in the event the Commission was to entertain a negative salvage rate in excess of the current 0.23 percent rate, TC Offshore should not be allowed to hold the reserve balance in unrestricted accounts. The Indicated Shippers state that, unlike depreciation where a pipeline is recovering its investment already made in facilities, negative salvage is advance funding for a future event; thus, the collected funds should be held in an interest-bearing escrow account that would prevent the pipeline's access to or use of such funds for any other purpose.

16. The Indicated Shippers state that it is unclear what discounting adjustments are reflected in TC Offshore's proposed design determinants. To ensure that TC Offshore is not intending to abrogate existing discount agreements for gathering and transportation services on facilities acquired by TC Offshore, the Indicated Shippers request the Commission clarify that TC Offshore is required to honor the terms of all existing long term agreements, including reserve dedications by shippers, settlement agreements of prior disputes and long term discount agreements.

17. The Indicated Shippers contend that TC Offshore's proposal to have a single postage stamp rate for each service is unjust and unreasonable. Indicated Shippers state that TC Offshore's rehearing request states that its abandoned facilities principally comprise three discrete gathering and transmission systems, plus miscellaneous facilities. The Indicated Shippers assert that, based on this statement, applying a single gathering rate to captive shippers with different gathering systems with widely varying costs is unjust and unreasonable and contrary to the public convenience and necessity. The Indicated Shippers argue that, because there are multiple discrete gathering and transmission systems with different P/R ratios, different estimated retirement costs, different gas supply sources, and different operations, there is no reason for a single postage stamp rate for either gathering or transportation rates.

18. The Indicated Shippers argue that the cost of separation and dehydration facilities plus operating costs are included in the proposed design of TC Offshore's transportation rates. The Indicated Shippers argue that TC Offshore does not clearly indicate that transportation customers will not be required to pay any additional charges for separation

and dehydration of the gas volumes transported on its systems. Accordingly, the Indicated Shippers request the Commission clarify that these services are part of the pipeline's gas transportation services.

19. The Indicated Shippers also state that TC Offshore has not submitted anything that explains how its parent corporation, TransCanada, allocates overhead. Indicated Shippers aver that, to the extent the Commission allows TC Offshore to recover the full cost of developing new software for its system, at a minimum the Commission should require all other TransCanada affiliates who use such software to pay for such and to have such revenues credited to TC Offshore's cost of service. Finally, the Indicated Shippers aver that TC Offshore's proposed O&M and A&G expenses, capital structure, cost of debt and cost of capital are unsupported. On August 16, 2012, Commission Staff sent a request for additional information and clarification (August 16 Request). Staff requested, among other things, work papers detailing adjustments made to TC Offshore's as filed rates in compliance with the June 21 Order.

20. On August 29, 2012, TC Offshore filed work papers (August 29 Data Response) detailing the adjustments made pursuant to the requirements of the June 21 Order. On August 29, 2012, the Commission issued public notice of TC Offshore's August 29 Data Response requiring that parties submit responses on or before September 6, 2012. On September 5, 2012, the Indicated Shippers filed comments.¹⁰

21. The Indicated Shippers argue that the August 29 Filing shows TC Offshore overstated its gathering depreciation rates by approximately \$820,231 (citing TC Offshore's Appendix A, pages 22 for Alternate Tariff and 25 Primary Tariff). The Indicated Shippers contend that the annual gathering depreciation expense should be \$854,375; instead, TC Offshore used \$1,674,605 as its annual gathering depreciation expense. The Indicated Shippers also avow that TC Offshore's transmission depreciation costs are overstated by approximately 40 percent (\$278,749 in its Primary Tariff and \$282,183 in its Alternate Tariff). The Indicated Shippers state that TC Offshore has not explained why it shows that the transmission facilities labeled "Mainlines-Central-La" have a negative book value of \$13,021,191, which the Indicated Shippers believe cannot be ignored in the calculation of annual transmission depreciation expense. The Indicated

¹⁰ The Commission notes that, when TC Offshore submitted its August 29 Data Response, TC Offshore submitted two volumes: Volume 1 (public) and Volume 2 (proprietary). Volume 2 was made available to the requesting parties (Indicated Shippers and Apache) by September 6, 2012, after the requesting parties executed a confidentiality agreement with TC Offshore. Apache and Indicated Shippers both reserved their rights to submit further comments on Volume 2 after receiving the additional information. To date, no additional comments have been submitted.

Shippers further state that TC Offshore's "Total Offshore Mainline System Transmission Plant at 6/30/11" has a negative plant balance of \$2,176,453, which reduces TC Offshore's net balance for its Offshore Transmission Mainlines to \$18,773,832. The Indicated Shippers also point out various other inconsistencies in the August 29 Data Response alleging that TC Offshore has not adjusted its depreciation expense, has not explained its adjustments fully, or has not reconciled values between various work papers.

22. On September 12, 2012, TC Offshore made a Supplemental Filing. TC Offshore states that comments filed in response to its August 29 Data Response brought to its attention calculation errors used to support the depreciation for offshore gathering assets. Therefore, TC Offshore's Supplemental Filing provides a corrected Appendix A (labeled "Revised Appendix A") to the August 29 Data Response and corrects work papers that support TC Offshore's Primary Tariff and Alternate Tariff transportation and gathering rate calculations. The revised work papers modify TC Offshore's proposed rates as follows: (1) Primary Interruptible Gathering rates would decrease from \$0.2810 per Dth to \$0.2695 per Dth; (2) Primary Interruptible Transportation rates would decrease from \$0.0653 per Dth to \$0.0651 per Dth; (3) Alternate Interruptible Gathering rates would decrease from \$0.1443 per Dth to \$0.1366 per Dth; and (4) Alternate Interruptible Transportation rates would decrease from \$0.0502 per Dth to \$0.0501 per Dth.

2. Commission Determination

23. For the reasons discussed below, the Commission accepts TC Offshore's proposed Primary Tariff rates filed in its August 29 Data Response, to be effective October 1, 2012, subject to refund and conditions. The Commission rejects TC Offshore's Alternate Tariff.

24. Contemporaneously with this order, the Commission has issued an order on rehearing of the June 21 Order. That order: (1) grants rehearing of its decision on the functionalization determination for the Patterson-West facilities; (2) denies rehearing of its decision to reject TC Offshore's proposed negative salvage rates; (3) clarifies that all facilities downstream of the interconnection with the Garden Banks pipeline at SMI Block 76 are transmission facilities subject to Commission jurisdiction; and (4) grants certificate authority for TC Offshore to own and operate the Patterson-West facilities. In that order, the Commission also notes that Line 10760 and the portion of Line 2310 upstream of the SMI Block 61 interconnection with Line 12280 are upstream of the Garden Banks interconnection and will, therefore, remain functionalized as gathering.

25. The Commission's rehearing order renders TC Offshore's proposed Baseline Tariff's rates incorrect. While the Primary Tariff rates appear to include the proper functionalization of the Patterson-West facilities, those rates reflect incorrect negative salvage expenses. The inverse is true for the Alternative Tariff rates. We, therefore,

direct TC Offshore to calculate new transportation rates using a negative salvage rate of 0.23 percent for gathering and transmission plant and to submit a compliance filing¹¹ within 30 days of the date of this order, to be effective October 1, 2012.¹²

26. In its protest, Indicated Shippers suggest that, if we allow a negative salvage rate in excess of the existing 0.23 percent rate, TC Offshore be required to deposit the amount in an interest bearing account. This request is moot because the Commission's order on rehearing retains the existing 0.23 percent rate approved in the June 21 Order.

27. Next, several parties raise issues regarding TC Offshore's proposed cost allocations between gathering and transmission functions, the recalculation of certain derivative costs such as depreciation expenses, arithmetic errors and billing determinants. These issues require further examination to determine if TC Offshore has complied with the June 21 Order, and they will be addressed in a later Commission order, which may require TC Offshore to file revised initial rates, effective October 1, 2012.¹³

28. However, the Commission finds that TC Offshore's proposed postage stamp rate design, O&M and A&G expenses including any overhead allocated by TransCanada,

¹¹ The work papers should use the Supplemental Filing's Primary work papers as the starting point to revise the rates in its next compliance filing.

¹² TC Offshore, if necessary, should remove Line 10760 and the portion of Line 2310 upstream of the SMI Block 61 interconnect with Line 12280 upstream of the Garden Banks interconnect from the transmission function costs, consistent with the terms of the rehearing order.

¹³ See *Black Marlin Pipeline Co.*, 48 FERC ¶ 61,024 (1989), and *KN Energy, Inc.*, 50 FERC ¶ 61,290 (1990), in which the Commission held that it may issue a section 7 certificate, subject to further review of the proposed initial rates and refund if it later finds the initial rates unreasonable. In *Transcontinental Gas Pipe Line Corp. v. FERC*, 54 F.3d 893, 899 (D.C. Cir. 1995), the court cited those decisions and then stated:

The norm seemingly represented by these FERC decisions . . . is that where service starts under § 7 before final determination of the rates, the rate finally determined will be applied retroactively to the start of service. . . The norm makes a good deal of sense, as it means that the "right rate," i.e., whatever rate the Commission lawfully determines to be right, is applied throughout the period despite the Commission's initial uncertainty and delay.

capital structure, cost of debt and cost of capital are consistent with the findings of the June 21 Order. Indicated Shippers and other parties have also raised most of those issues in their requests for rehearing of the June 21 Order. In addition, the issue of how the abandonment may affect the terms of existing long term agreements, including reserve dedications by shippers, settlement agreements of prior disputes and long term discount agreements has also been raised on rehearing. Accordingly, the Commission will address these issues when it addresses the requests for rehearing by Indicated Shippers and other parties.

B. Tariff Language Protests

1. Parties' Arguments

29. Apache requests the Commission require TC Offshore to revise its proposed Baseline Tariff language to clarify two ambiguous provisions. First, Apache states that TC Offshore revised Part 6.29 of the General Terms and Conditions (GT&C) of its tariff to state that TC Offshore “may file with the Commission, as needed, a limited NGA section 4 rate filing to revise the base Transporter’s Use percentages.” Apache argues that the “may” language suggests that TC Offshore “may” use some other means to revise its base Transporter’s Use percentages, such as a monthly posting on its website. Apache requests the Commission require TC Offshore to revise Part 6.29(c)(1) of its GT&C to state that, if TC Offshore exercises its discretion to change its base Transporter’s Use percentages prior to the annual filing, it can do so by filing a limited NGA section 4 filing.

30. Second, Apache points out that Part 6.24(a) of the GT&C of TC Offshore’s proposed tariff states that the Hurricane Surcharge applies to any “Rate Schedule FTS-1, ITS, *or* IPLS Transportation Agreement.” [emphasis added.] Apache notes that the “Statement of Surcharges” in TC Offshore’s proposed tariff at Part 4.2 of the Statement of Rates provides that the Hurricane Surcharge applies to “Rate Schedule FTS-1, ITS, *and* IPLS.” [emphasis added.] Apache is concerned that Part 4.2 of the Statement of Rates would permit TC Offshore to collect its Hurricane Surcharge twice for one transaction – once when a shipper takes a park and loan service under Rate Schedule IPLS and again when TC Offshore transports the park or loaned gas. Apache requests that the Commission require TC Offshore to revise Part 4.2 of the Statement of Rates to be consistent with Part 6.24(a) of the GT&C of TC Offshore’s proposed tariff, and to ensure that TC Offshore does not charge the Hurricane Surcharge twice.

2. Commission Determination

31. Apache's request to have TC Offshore modify Part 6.29(c)(1) of its GT&C is denied as unnecessary. The June 21 Order at P 158 required TC Offshore to establish an initial base Transporter's Use retention percentage of zero.¹⁴ The June 21 Order states that "[I]f TC Offshore wishes to change the approved base Transporter's Use retention percentage, it may file an out-of-cycle limited NGA section 4 rate case pursuant to section 154.403 of the Commission's regulations."¹⁵ The June 21 Order specifically requires TC Offshore to make a limited section 4 filing with the Commission if TC Offshore wishes to change its initial Transporter's use retention percentage and not some other means as suggested by Apache. Therefore, we find that no change to TC Offshore's tariff is necessary.

32. Footnote 2 of Part 4.2, Statement of Rates, refers to the applicability of the Hurricane Surcharge. Footnote 2 states that the Hurricane Surcharge is applicable to Rate Schedule FTS-1, ITS, and IPLS. Part 6.24(a) of TC Offshore's GT&C states that the Hurricane Surcharge shall be applicable to each Dth of gas transported under any Rate Schedule FTS-1, ITS or IPLS transportation service agreement. As Apache states in its protest, it is unclear from this tariff language if TC Offshore intends to charge a Hurricane Surcharge for both the park and loan service and the transportation service to complete a park and loan transaction. Therefore, TC Offshore is required to revise its tariff to clarify its intent as to what charges will be applied to what transactions in the compliance filing directed in this Order.

The Commission orders:

(A) TC Offshore's Primary Tariff records are accepted, effective October 1, 2012, subject to modifications and further review as discussed in the body of this order.

(B) The Alternate Tariff record is rejected as moot.

(C) TC Offshore must file actual revised tariff records incorporating revised initial rates, firm and interruptible transportation gathering rates reflecting the refunctionalization of the Patterson-West facilities within 30 days of the date of this

¹⁴ June 21 Order, 139 FERC ¶ 61,238 at P 158.

¹⁵ *Id.*

order. TC Offshore must submit work papers showing the adjustments to the revised initial rates in the format and detail required by the June 21 Order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.