

141 FERC ¶ 61,165  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

November 29, 2012

In Reply Refer To:  
Gulf South Pipeline Company, LP  
Docket No. RP13-208-000

Gulf South Pipeline Company, LP  
9 Greenway Plaza, Suite 2800  
Houston, TX 77046

Attention: E. Adina Owen  
Senior Counsel

Reference: Revision to Enhanced Firm Transportation Service

Ladies and Gentlemen:

1. On October 31, 2012, Gulf South Pipeline Company, LP (Gulf South) filed revised tariff records<sup>1</sup> to modify its Enhanced Firm Transportation (EFT) service to allow an EFT customer the one-time right to convert its service to Firm Transportation service (FTS) without changing any other terms of the contract. In addition to adding this provision to its Rate Schedule EFT, Gulf South proposes a corresponding footnote referencing the proposed section in each FTS currently effective rate section. The tariff records are accepted, effective December 1, 2012, subject to Gulf South filing revised tariff records, within 15 days of the date of this letter order, consistent with the discussion below.

2. Gulf South's EFT service is relatively new, having first taken effect in August 2011.<sup>2</sup> Gulf South's initial proposal included the right for an FTS customer to convert all or part of its FTS service to EFT service, subject to capacity availability. Gulf South's current proposal would allow the converse: that is, it would grant an EFT customer the

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<sup>1</sup> See Appendix.

<sup>2</sup> *Gulf South Pipeline Company, LP*, 136 FERC ¶ 61,086 (2011).

one-time right to convert to FTS service, providing the opportunity for customers to gain operational experience under the EFT service with the flexibility to switch back to FTS service, if desired. Gulf South asserts that this right will not adversely affect any customers because the converted contract will not require any additional capacity. Further, to ensure that the economic bargain between parties remains the same, the customer will pay the same rate originally agreed to under the EFT contract. Thus, Gulf South will remain revenue neutral regardless of which service the customer elects.

3. Public notice of the filing was issued on November 1, 2012. Interventions and protests were due on or before November 13, 2012, as provided by the notice. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2012), all timely 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 this proceeding or place additional burdens on existing parties. A Motion to Intervene and Request for Clarification was filed by Southern Company Services, Inc. (SCS).

4. SCS states that its understanding of the intent of Gulf South's proposal of a one-time conversion to FTS service is to permit the conversion to be accomplished through multiple requests. Thus, for example, a customer could convert one third of its service from EFT to FTS in one request, a second third of its service from EFT to FTS in a later request, and then the remainder of its service in a final request, if it so desired, and after conversion of the final portion of service, the customer would no longer have any right of conversion. However, SCS states that as drafted, the language of the tariff revision could be construed as meaning that a customer holds a one-time option to convert *either all* of its service *or part* of its service from EFT to FTS, but if the customer elected to convert only part of the service it could not decide later to convert the remainder (in whole or part) from EFT to FTS.

5. SCS argues that, in view of Gulf South's stated objective being to provide customers both with the opportunity to gain operational experience under the EFT service and also with the flexibility to switch back to FTS service, if necessary, the tariff language should permit the one-time right of conversion to be accomplished through multiple requests. SCS claims that it has discussed this issue with Gulf South and its view that clarification would be beneficial, and SCS states that Gulf South concurs. Accordingly, SCS proposes that the bold-faced text set forth below be added to the end of Section 5.11(1)(c)(ii), so that the full revision states as follows:

An EFT Customer shall have the one-time right to elect to convert all or part of its service under this Rate Schedule EFT to service under Rate Schedule FTS at the existing contract maximum daily quantity level and existing rate. **A customer will only be able to convert its entire contractual capacity once, but such conversion may occur in one or more requests for service.**

6. The Commission finds that Gulf South's proposed tariff records, with the modification proposed by SCS, are just and reasonable. Therefore, the Commission directs Gulf South to file within 15 days of the date of this letter order, to either (1) make the revisions to Section 5.11(1)(c)(ii) quoted above or (2) file an answer explaining why the Commission should not require Gulf South to make the modifications proposed by SCS as a condition of acceptance. The Commission encourages pipelines to provide additional flexibility. Allowing customers the opportunity to gain experience with the EFT service, while still having the opportunity to return to FTS, will provide customers with the opportunity to try EFT without locking them into the service and should benefit existing FTS and EFT shippers without adversely affecting other existing or potential shippers.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

## **Appendix**

Gulf South Pipeline Company, LP  
FERC NGA Gas Tariff  
Gas Tariffs

Tariff Records Accepted, Subject to Condition, Effective December 1, 2012

[Section 4.1, Currently Effective Rates - Transportation - FTS Service, 5.0.0](#)  
[Section 4.1.1, Currently Effective Rates - FTS - Haynesville/Perryville Exp, 5.0.0](#)  
[Section 4.2, Currently Effective Rates - FTS - Small Customer Option, 5.0.0](#)  
[Section 4.3, Currently Effective Rates - FTS - Summer Season Option, 4.0.0](#)  
[Section 5.11, Rate Schedules - EFT, 2.0.0](#)