

142 FERC ¶ 61,050
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 18, 2013

In Reply Refer To:
Gulf South Pipeline Company, LP
Docket No. RP13-401-000

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

Attention: E. Adina Owen, Senior Counsel

Ms. Owen:

1. On December 19, 2012, Gulf South Pipeline Company, LP (Gulf South) filed tariff records¹ to revise Section 6.8[9] of the General Terms and Conditions (GT&C) of its tariff to provide for the ability to sell available firm storage capacity under its Rate Schedule FSS-B pursuant to an open season.² As discussed below, the Commission accepts the referenced tariff records, effective January 18, 2013 as requested.

2. At present, Gulf South's tariff only permits it to sell available firm storage capacity under Rate Schedule FSS-B pursuant to the auction process set forth in Section 6.8[8] of the GT&C of its tariff. Gulf South states that its auction process is designed to sell available storage capacity quickly, and therefore the auction is structured so that bidders can only bid for capacity based on price. By contrast, Section 6.8[9] of Gulf South's tariff permits Gulf South to sell firm transportation service under Rate

¹ Gulf South Pipeline Company, LP, FERC NGA Gas Tariff, Tariffs, Section 6.8, GT&C - Requests for Service, 7.0.0, Section 6.22, GT&C - Turned-Back No-Notice Capacity, 2.0.0 .

² Gulf South provides Rate Schedule FSS-B storage service at its Bistineau storage facility. Gulf South provides storage service at its Magnolia storage facility under its Rate Schedule FSS-M. However, Gulf South states that it is preparing to request to abandon that service, and therefore it is not proposing to include Rate Schedule FSS-M storage service in its instant tariff proposal.

Schedules FTS and EFT pursuant to an open season process in which bidders may submit bids for both rate and contract duration. Bids submitted in the open season are evaluated on a net present value basis, rather than based solely on rate. Gulf South's instant proposal will permit it to sell available capacity under Rate Schedule FSS-B pursuant to either the auction provisions in Section 6.8[8] or the open season provisions in Section 6.8[9]. Gulf South states that this will give it another avenue for Gulf South to market Rate Schedule FSS-B storage capacity, and may increase the potential bidders who desire the flexibility offered by the open season process.

3. In addition to the above modifications, Gulf South proposes minor, non-substantive changes in Section 6.8[9]: to clarify that the subject capacity may be offered pursuant to an open season as opposed to an auction process and to correct a cross reference. Finally, Gulf South proposes to revise GT&C, Section 6.22 of its tariff to provide that FSS-B storage capacity made available from turned-back NNS (No-Notice) capacity shall also be auctioned off as currently allowed or sold pursuant to the open season provisions of Section 6.8[9].

4. Public notice of the filing was issued on December 19, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2012)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), all timely filed motions to intervene and any unopposed motion 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. Trans Louisiana Gas Pipeline and Atmos Energy jointly filed a protest.

5. On January 2, 2013, Gulf South filed a motion to answer and an answer to the protests. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.213(a)(2) (2012)) prohibits answers to protests otherwise ordered by the decisional authority. In this case, the Commission will accept Gulf South's answer because it may assist us in our decision-making process.

6. In their protest, Trans Louisiana Gas Pipeline and Atmos Energy assert that Gulf South's proposal contradicts the Commission's policies concerning transparency. They protest that Gulf South should not be allowed to sell its capacity via both an open season *and* an auction at the same time. The protestors contend that bidders might have to submit a bid in the auction *and* the open season without knowing whether one or the other bid was successful. Therefore, the protestors urge the Commission to either reject Gulf South's proposed tariff modifications or, in the alternative, require it to provide more specificity of detail about the process it intends to utilize when marketing available capacity so that potential customers seeking capacity will know what to expect.

7. In its answer, Gulf South clarifies that an open season and an auction for the same capacity cannot be conducted concurrently under its tariff. Gulf South explains that this is consistent with its existing process to sell firm transportation capacity because Gulf South already has Commission authority to sell that capacity through either an open season or an auction. Gulf South maintains that the instant proposal will encourage more parties to compete for FSS-B capacity by allowing longer bidding timelines that are more suited to certain business structures. Gulf South asserts that its proposal will ensure that, when Gulf South has available FSS-B capacity, it can elect to sell that capacity in the manner that is expected to result in an award to the party that values the capacity most. Gulf South states that as with its firm transportation capacity, it will determine whether to use an open season or auction to sell FSS-B capacity on a case-by-case basis.

8. As requested by the protestors, Gulf South has clarified in its answer that the proposed tariff revisions will not allow it to conduct an open season and an auction process for the same package of Rate Schedule FSS-B capacity concurrently. Therefore, the Commission finds that Gulf South has adequately addressed the concerns raised by the protestors, and we accept Gulf South's proposed revisions to its tariff providing the ability to sell available capacity under its Rate Schedule FSS-B pursuant to an open season as just and reasonable. Accordingly, the tariff records set forth in footnote 1 are accepted effective January 18, 2013, as requested.

By direction of the Commission.

Kimberly D. Bose,
Secretary.