

143 FERC ¶ 61,293  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Enbridge Pipelines (Southern Lights) LLC

Docket No. IS13-439-000

ORDER ACCEPTING AND SUSPENDING TARIFF SUBJECT TO REFUND  
AND HOLDING PROCEEDING IN ABEYANCE

(Issued June 28, 2013)

1. This order addresses Enbridge Pipelines (Southern Lights) LLC's (Southern Lights) filing to reduce committed and uncommitted rates on its diluent pipeline to reflect the outcome of an open season which resulted in the addition of 50,000 barrels per day of committed volumes as of July 1, 2013. For the reasons discussed below, the Commission accepts and suspends Southern Lights' FERC Tariff 4.9.0, to be effective July 1, 2013, subject to refund. This order also holds any further proceedings in this docket in abeyance pending the outcome of the ongoing proceeding in Docket No. IS10-399-000, *et al.*<sup>1</sup>

**Background**

2. Southern Lights operates the U.S. segment of a diluent pipeline, which provides transportation service from Manhattan, Illinois to the International Boundary near Neche, North Dakota. The pipeline commenced service on July 1, 2010, and the tariff rate structure was approved by the Commission in a declaratory order in Docket No. OR07-15-000.<sup>2</sup> The Commission approved the calculation of the rate for committed shipments in accordance with the agreed-upon Transportation Service Agreement (TSA) entered into between Southern Lights and its committed shippers and further approved the setting of the initial uncommitted rate at two times the committed rate, subject to review of the uncommitted rate at the time it is filed.

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<sup>1</sup> The initial decision in Docket Nos. IS10-399-003, *et al.* is currently pending before the Commission on exceptions. *Enbridge Pipelines (Southern Lights) LLC*, 139 FERC ¶ 63,015 (2012).

<sup>2</sup> *Enbridge Pipelines (Southern Lights) LLC*, 121 FERC ¶ 61,310 (2007), *order on clarification and reh'g*, 122 FERC ¶ 61,170 (2008).

### **Instant Filing**

3. Southern Lights proposes FERC Tariff No. 4.9.0, cancelling FERC No.4.8.0, to be effective July 1, 2013, containing reduced committed and uncommitted rates as provided for in the TSA. The committed and uncommitted rates are approximately 20.3 percent lower than the existing rates.

4. Southern Lights states that the reduced committed and uncommitted rates in FERC Tariff No. 4.9.0 reflect the outcome of the recent successful open season conducted by Southern Lights, which resulted in the addition of 50,000 barrels per day (bpd) of committed volumes as of July 1, 2013, and represent a reduction of 20.3 percent from the rates contained in FERC Tariff No. 4.8.0. The new rates reflect both the additional committed volumes and an adjustment for the increased projected power costs relating to those volumes. Southern Lights states this substantial decrease in the committed and uncommitted rates is a direct result of the tariff rate mechanism approved by the Commission in *Enbridge Pipelines (Southern Lights) LLC*, 121 FERC ¶ 61,310 (2007), *order on reh'g*, 122 FERC ¶ 61,170 (2008), which automatically flows through the effects of increased committed volumes to both the committed and uncommitted shippers.

### **Interventions and Protests**

5. Imperial Oil and ExxonMobil Oil Corporation (Indicated Shippers) filed a motion to intervene and protest. Indicated Shippers have not yet shipped volumes on the Southern Lights pipeline, but claim they have a substantial economic interest in the tariff filings submitted by Southern Lights since they are potential uncommitted shippers.

6. Indicated Shippers state that for all reasons set forth in their protests in prior rate case proceedings involving Southern Lights, they request that the Commission suspend the proposed rates, subject to refund and investigation, and subject to the outcome of the rate case proceedings, as the Commission did in Southern Lights previous rate filing in Docket No. IS12-63-000<sup>3</sup> and Docket No. IS13-63-00.<sup>4</sup>

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<sup>3</sup> *Enbridge Pipelines (Southern Lights) LLC*, 137 FERC ¶ 61,256 (2011).

<sup>4</sup> *Enbridge Pipelines (Southern Lights) LLC*, 141 FERC ¶ 61,257 (2012).

**Southern Light's Answer**

7. Southern Lights filed an answer to the Indicated Shippers' protest. Southern Lights does not object to suspension of the instant filing subject to refund, consistent with the Commission's general practice of suspending a newly filed rate when the prior rate is already subject to a pending investigation.

**Discussion**

8. The Commission accepts and suspends Southern Lights' proposed rates to be effective July 1, 2013, subject to refund. The Commission will hold any further proceedings on the subject filing in abeyance pending the outcome of the initial decision in Docket No. IS10-399-000, *et al.*, and a future Commission order.

**Suspension**

9. Based upon a review of the filing, the Commission finds that Southern Lights' tariff filing has not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, pursuant to section 15(7) of the Interstate Commerce Act (ICA), the Commission will accept FERC Tariff 4.9.0 for filing and suspend it, to be effective July 1, 2013, subject to refund and subject to the conditions set forth in the body of this order and in the ordering paragraphs below.

**The Commission orders:**

(A) Pursuant to the authority contained in the ICA, particularly section 15(7) thereof, Southern Lights' FERC Tariff 4.9.0 is accepted for filing and suspended, to be effective July 1, 2013, subject to refund, and the conditions set forth in this order.

(B) Further proceedings in this Docket No. IS13-439-000 are held in abeyance pending the outcome of the initial decision in Docket Nos. IS10-399-003 and IS11-146-000.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.