170 FERC ¶ 61,056
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Richard Glick and Bernard L. McNamee.

Enable Gas Transmission, LLC
Gulf South Pipeline Company, LP

Docket No. CP19-511-000

ORDER ISSUING CERTIFICATE AND GRANTING ABANDONMENT

(Issued January 27, 2020)

1. On September 23, 2019, Enable Gas Transmission, LLC (Enable) and Gulf South Pipeline Company, LP (Gulf South) (collectively, Applicants) jointly filed an application, pursuant to sections 7(b) and 7(c) of the Natural Gas Act (NGA)[1] and Parts 157 and 284 of the Commission's regulations,[2] requesting authorization: (1) for Enable to abandon by sale its undivided ownership interest in the Bistineau Gas Storage Facility (Bistineau) located in Bienville and Bossier Parishes, Louisiana; (2) for Gulf South to purchase Enable's ownership interest in Bistineau, making it the sole owner of the storage field, and to continue to operate it as part of its existing facilities; (3) for Enable to abandon by sale and Gulf South to acquire by purchase the cushion gas *in situ* currently owned by Enable at Bistineau; and (4) for Enable to abandon jurisdictional storage services provided from Bistineau under its Part 284 Subpart G blanket certificate. The Applicants also request that the Commission reaffirm Gulf South's ability to provide storage services in interstate commerce at market-based rates and issue a waiver of the post and bid provisions of section 6.8 of the General Terms and Conditions (GT&C) of Gulf South's tariff in order to permit the proposed Rate Schedule FSS-B service agreement between the Applicants take effect on April 1, 2020. As discussed below, we grant the requested certificate and abandonment authorizations.

[1] 15 U.S.C. §§ 717f(b) and (c) (2018).

[2] 18 C.F.R. pt. 157 and pt. 284 (2019).

I. Background

A. Gulf South and Enable

2. Enable and Gulf South are both interstate natural gas companies as defined by section 2(6) of the NGA.[3] Enable is a wholly-owned subsidiary of Enable Midstream Partners, LP. Enable's firm storage service is a system-wide service provided from four storage reservoirs, including Bistineau, which are connected to its pipeline system. Enable's total combined certificated storage capacity, including its interest in Bistineau, is approximately 90 billion cubic feet (Bcf), which includes approximately 49 Bcf of total combined working gas capacity. Enable holds an approximately 8.33 percent ownership interest in Bistineau,[4] which includes, but is not limited to, recorded and unrecorded property rights, physical facilities such as wells, meters, pipelines, auxiliary facilities, and compressors, 7 Bcf of injected cushion natural gas and 2.5 Bcf of native cushion natural gas.[5]

3. Gulf South owns and operates 7,240 miles of interstate pipeline facilities in Texas, Louisiana, Mississippi, Alabama, and Florida, including storage facilities with a certificated working gas capacity of 113 Bcf. Gulf South operates Bistineau and holds an approximately 91.67 percent ownership interest in the storage facility.[6]

4. Bistineau was placed into operation in 1966 pursuant to a certificate of public convenience and necessity issued to United Gas Pipe Line Company in Docket No. CP66-136-000.[7] In 1969, the Commission authorized the transfer of a partial ownership interest in Bistineau to Arkansas Louisiana Gas Company, now Enable.[8] Bistineau currently consists of two compressor units comprising 9,000 horsepower at the Bistineau Station, 65 injection/withdrawal wells, 9 observation wells, and approximately 32 miles of storage pipeline. Bistineau's current total storage capacity is 141.0 Bcf, as most

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[3] 15 U.S.C. § 717a(6).

[4] Application at Exhibit I.

[5] *Id.* at 1 n.1.

[6] *See id.* at Exhibit I.

[7] *United Gas Pipe Line Company*, 35 FPC 658 (1966).

[8] *Arkansas Louisiana Gas Co.*, 41 FPC 525 (1969).

recently amended in Docket No. CP76-341.[9] The following table reflects the current certificated storage levels at Bistineau as divided between Enable and Gulf South.[10]

	Enable (Bcf)	Gulf South (Bcf)	Total (Bcf)
Native Gas	2.5	4.00	6.5
Base Gas	7.0	41.76	48.76
Working Gas	8.0	77.74	85.74
Total	17.5	123.5	141.0

5. Gulf South provides open-access storage services at Bistineau under Rate Schedules FSS-B (Firm Storage Service - Bistineau) and ISS (Interruptible Storage Service). Gulf South's predecessor, Koch Gateway Pipeline Company, was granted market-based rate authority for service under Rate Schedules FSS-B and ISS.[11] Gulf South "maintains working gas capacity to support 60 [percent] of its Rate Schedule NNS (No-Notice Service) customers' maximum supply quantity at Bistineau."[12]

6. Enable provides firm storage service on a system-wide basis using the approximately 49 Bcf of certificated working gas capacity it holds collectively at the Ada Storage Reservoir in Oklahoma, the Chiles Dome Storage Reservoir in Oklahoma, the Ruston Storage Reservoir in Louisiana, together with the 8 Bcf at Bistineau.[13] Enable currently has only one Firm Storage Service (FSS) customer, CenterPoint Energy Resources Corporation (CenterPoint), and several No-Notice Transportation Service (NNTS) contracts that utilize storage.[14]

B. Proposal

7. Applicants seek all certificate and abandonment authorizations necessary to transfer Enable's ownership interest in Bistineau to Gulf South. Upon Commission authorization for Gulf South to acquire the facilities and closing, Gulf South will consolidate the field's capacities under its FERC Gas Tariff, and Bistineau will then be

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[9] *United Gas Pipe Line Co.*, 7 FERC ¶ 61,241, at 61,503 (1979).

[10] Application at 7.

[11] *Koch Gateway Pipeline Co.*, 66 FERC ¶ 61,385 (1994).

[12] Application at 6-7.

[13] *Id.* at 5.

[14] *Id.* at 11.

owned and operated solely by Gulf South as an interstate natural gas storage facility subject to the Commission's jurisdiction under the NGA.[15]

8. Applicants state that neither Enable's nor Gulf South's existing customers will face adverse impacts from this transaction.[16] Enable states that its remaining 41 Bcf of certificated working gas capacity at its other fields is more than adequate to meet the current contract requirements and future anticipated needs of its sole FSS shipper, CenterPoint, as well as to serve its NNTS contracts that utilize storage.[17] Further, Enable will contract for 2,000,000 Dth of firm storage capacity from Gulf South at Bistineau under a new Gulf South Rate Schedule FSS-B service agreement for the period April 1, 2020 through March 31, 2021, to provide (i) operational certainty to ensure that deliveries to and from storage are not impacted by the proposed sale, and (ii) a transition period for Enable and CenterPoint to adjust to Enable's provision of storage services from its other storage facilities.[18] Enable states that in the event that it determines that additional storage capability is needed, it will contract for additional storage capacity from Gulf South or one of the many other storage options available in the area.[19] Enable notes that it has discussed the proposed sale of its interest in Bistineau with CenterPoint and is authorized to state that CenterPoint does not oppose the sale.[20] In addition, Enable asserts that its customers will have the option to enter into service agreements with Gulf South.[21]

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[15] Enable states that it will make a filing with the Commission for approval to modify its tariff to remove those portions of the tariff affected by this abandonment. *Id.* at 10 n.14.

[16] *Id.* at 9.

[17] *Id.* at 11. CenterPoint's current FSS contracts require 22,920,017 dekatherms (Dth) of storage capacity, but CenterPoint intends to turn back approximately 7.6 Bcf of FSS capacity by April 1, 2021. *Id.* Enable's No-Notice Transportation Service (Rate Schedule NNTS) contracts that utilize storage reflect a total storage commitment of approximately 31,000,000 Dth. *Id.*

[18] *Id.* at 12.

[19] *Id.*

[20] *Id.*

[21] *Id.* at 17.

9. Furthermore, Applicants state that combining the capacity at Bistineau under a single entity will create greater operational efficiency, improve reliability, reduce administrative inefficiencies, and provide Gulf South with more flexibility to support additional projects and new services to meet both regional and local market needs.[22] Additionally, Applicants do not expect any material changes to the amount of fuel consumed in the operation of the facilities post-consolidation.[23]

10. Applicants also request a waiver of the post and bid provisions of GT&C section 6.8 of Gulf South's tariff in order to permit the proposed FSS-B service agreement negotiated between the Applicants to take effect on April 1, 2020, without modification.

11. Finally, Gulf South seeks a determination by the Commission that Gulf South may continue providing firm and interruptible storage services at market-based rates from Bistineau. Gulf South notes that the Commission has previously approved its request to charge market-based rates for its storage services[24] and recently found that Gulf South's storage service raised no market power concerns.[25]

II. <u>Procedural Matters</u>

12. Notice of the application was published in the *Federal Register* on September 26, 2019, with comments and interventions due October 15, 2019.[26] Timely motions to intervene were filed by: PSEG Energy Resources & Trade LLC; Black Hills Service Company, LLC; CenterPoint Energy Resources Corp.; Trans Louisiana Gas Pipeline, Inc.; Atoms Energy Corporation; and the United Municipal Distributors Group. These timely, unopposed motions to intervene are granted by operation of Rule 214 of the Commission's Rules of Practice and Procedure.[27] No comments or protests were filed.

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[22] *Id.* at 10.

[23] *Id*. at 16.

[24] *Id.* at 20, n.28 (citing *Gulf South Pipeline Co*., 101 FERC ¶ 61,204 (2002)).

[25] *See Gulf South Pipeline Co.*, 168 FERC ¶ 61,034, at PP 29-31 (2019) (concluding that Gulf South lacks significant market power in the Gulf Coast Production Area).

[26] 84 Fed. Reg. 52,501 (2019).

[27] 18 C.F.R. § 385.214(c) (2019).

III. Discussion

A. Enable's Abandonment

13. NGA section 7(b) allows an interstate pipeline company to abandon jurisdictional facilities or services only if the abandonment is permitted by the "present or future public convenience or necessity."[28] In reviewing a pipeline company's request to abandon by sale facilities currently being used to provide jurisdictional services, the Commission considers all relevant factors, including the needs of the two natural gas systems and the public markets they serve, the economic effect on the pipelines and their customers, and the level of assurance of continued service to customers dependent on the subject facilities.[29] However, continuity and stability of existing service are the primary considerations in assessing whether the public convenience and necessity permit abandonment.[30]

14. Enable proposes to abandon by sale to Gulf South its 8.33 percent ownership interest in the Bistineau Storage Field and all of Enable's ownership interest in the cushion gas currently *in situ* at Bistineau. Under the subject proposal, the facilities abandoned by Enable will be acquired by Gulf South and operated by Gulf South as part of its jurisdictional interstate natural gas storage system. As such, the rates and terms and conditions of service at Bistineau will continue to be subject to the Commission's open-access requirements and rate policies.

15. In addition, Enable seeks authorization to abandon jurisdictional storage services provided from Bistineau under its Part 284 Subpart G blanket certificate, issued in Docket No. CP82-384. Applicants state that Enable's abandonment will have substantial benefits for existing and potential customers and shippers, and will not adversely affect the

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[28] 15 U.S.C. § 717f(b).

[29] *Trunkline Gas Co.*, 139 FERC ¶ 61,239, at P 26 (2012); *Northern Natural Gas Co.*, 123 FERC ¶ 61,325, at P 12 (2008). *See also Transcontinental Gas Pipe Line Corp. v. FPC*, 488 F.2d 1325, 1330 (D.C. Cir. 1973); *Steuben Gas Storage Co.*, 141 FERC ¶ 62,036 (2012) (granted abandonment authorization when one pipeline company merged into another and the new operator continues to operate the facilities as part of its system, recognizing that customers would benefit from greater flexibility, operational efficiencies, enhanced reliability, and access to new supply).

[30] *See Tennessee Gas Pipeline Co., L.L.C.*, 163 FERC ¶ 61,007, at P 10 (2018); *El Paso Natural Gas Co., L.L.C.*, 148 FERC ¶ 61,226, at P 12 (2014); *Southern Natural Gas Co.*, 126 FERC ¶ 61,246, at P 27 (2009).

interests of the Applicants' existing customers.[31] Enable currently has one FSS shipper, CenterPoint, who has notified Enable of its intent to turnback a portion of its contracted storage service and has further indicated it has no objection to the proposal.[32] The abandonment will not impact the current storage contracts for other customers on Enable's system because Enable's storage fields are operated in aggregate and firm storage service is provided as a system-wide service. Moreover, although Enable has adequate storage capacity to meet current and future anticipated firm contractual obligations, Gulf South and Enable have entered into a contract for additional capacity to ensure that Enable's deliveries to and from storage are not impacted by the proposed sale as it transitions to its other storage facilities.[33]

16. Accordingly, we find that the proposed abandonment will not interrupt, reduce, terminate, or affect the quality of any services currently being provided by Enable, nor will it have any adverse impacts on its system. Enable's remaining facilities will be sufficient to serve the need of existing customers. In addition, Enable's customers will continue to have access to Bistineau under Gulf South's ownership and no customer protested the abandonment. Therefore, we will approve Enable's request to abandon its interest in Bistineau by sale to Gulf South and to abandon by sale Enable's cushion gas *in situ* at Bistineau. Additionally, we authorize Enable to abandon jurisdictional storage services provided from Bistineau under its Part 284 Subpart G blanket certificate.

B. Gulf South's Acquisition

17. We look to the Certificate Policy Statement[34] in considering Gulf South's proposal to acquire Enable's interest in the Bistineau Storage Facilities, because an acquisition of facilities is a substitute for new construction, and the Certificate Policy Statement provides guidance for evaluating proposals to certificate new construction.[35] The

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[31] Application at 18.

[32] *Id.* at 11-12.

[33] *Id.* at 12, 17.

[34] *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *clarified*, 90 FERC ¶ 61,128, *further clarified*, 92 FERC ¶ 61,094 (2000) (Certificate Policy Statement).

[35] *See e.g. Tennessee Gas Pipeline Co., L.L.C.*, 163 FERC ¶ 61,007, at P 15 (applying the Certificate Policy Statement to evaluate a gas company's purchase of another company's 50 percent ownership interest in a storage field); *Chandeleur Pipe Line Co.*, 108 FERC ¶ 61,181, at P 8 (2004) (noting that the Certificate Policy Statement provides

Certificate Policy Statement establishes criteria for determining whether there is a need for a proposed project and whether the proposed project will serve the public interest. Under this policy, the threshold requirement is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, or landowners and communities. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test.

18. Gulf South's acquisition of Enable's interest in Bistineau is consistent with the Certificate Policy Statement. The acquisition does not involve any new construction and will allow the operations and services of the Bistineau facility to be consolidated under the tariff of a single entity. Gulf South is currently permitted to provide storage services from Bistineau at market-based rates and as discussed below, we find that Gulf South may continue to charge market-based rates for services at Bistineau, including those using the acquired capacity. Because Gulf South's storage services from Bistineau will be provided at market-based rates, Gulf South will not be able to shift any costs associated with the acquired capacity to any of its existing customers and will be at risk for the recovery of any such costs. Accordingly, we find that Gulf South's acquisition of Enable's interest in Bistineau will not result in subsidization from its existing customers. Gulf South has not proposed any changes to its existing services, and there will be no operational impact on Gulf South's customers as a result of this proposed transfer. Further, none of Gulf South's existing customers have protested the proposed acquisition.

19. For the reasons discussed above, we find that Gulf South's proposal to acquire Enable's interest in the Bistineau storage field is consistent with the Certificate Policy Statement and is required by the public convenience and necessity.

C. Market-Based Rates

20. Gulf South is currently authorized to charge market-based rates for its storage services.[36] Gulf South requests authorization to continue providing firm and interruptible

guidance on evaluating proposals for certificating new pipeline construction or acquiring existing facilities).

[36] *See Gulf South Pipeline Co., LP*, 149 FERC ¶ 61,174 (2014).

storage services at market-based rates at Bistineau. Gulf South submitted an updated market power analysis as part of its application.[37]

21. Generally, the Commission evaluates requests to charge market-based rates for storage under the analytical framework of its *Alternative Rate Policy Statement*.[38] This framework has two principal purposes: (1) to determine whether the applicant can withhold or restrict services and, as a result, increase prices by a significant amount for a significant period of time; and (2) to determine whether the applicant can discriminate unduly in price or terms and conditions of service.[39] To find that an applicant cannot withhold or restrict services, significantly increase prices over an extended period, or discriminate unduly, the Commission must find either that there is a lack of market power[40] because customers have good alternatives[41] or that the applicant or the Commission can mitigate the market power with specified conditions.

22. The Commission's analysis of whether an applicant has the ability to exercise market power consists of three major steps. First, the Commission reviews whether the applicant has fully and specifically defined the relevant markets in which specific products or services are provided, and identified the suppliers of these products and services who can provide good alternatives to the applicant's ability to exercise market

[37] Application at Exhibit I.

[38] *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Transportation Services of Natural Gas Pipelines*, 74 FERC ¶ 61,076 (1996), *reh'g and clarification denied*, 75 FERC ¶ 61,024 (1996), *petitions for review denied sub nom., Burlington Resources Oil & Gas Co. v. FERC*, 172 F.3d 918 (D.C. Cir. 1998) *(Alternative Rate Policy Statement)*; *criteria modified, Rate Regulation of Certain Natural Gas Storage Facilities*, 115 FERC ¶ 61,343 (2006) (Order No. 678), *order on clarification and reh'g*, 117 FERC ¶ 61,190 (2006) (Order No. 678-A).

[39] *See Blue Sky Gas Storage, LLC*, 129 FERC ¶ 61,210 (2009); *Orbit Gas Storage, Inc.*, 126 FERC ¶ 61,095 (2009).

[40] The Commission defines "market power" as "the ability of a pipeline to profitably maintain prices above competitive levels for a significant period of time." *Alternative Rate Policy Statement*, 74 FERC ¶ 61,076 at 61,230.

[41] A good alternative is an alternative to the proposed project that is available soon enough, has a price that is low enough, and has a quality high enough to permit customers to substitute the alternative for an applicant's service. *Alternative Rate Policy Statement*, 74 FERC ¶ 61,076 at 61,230.

power.[42] Additionally, as part of the first step, the applicant must also identify the relevant geographic market.[43] Second, the Commission measures an applicant's market share and market concentration.[44] Third, the Commission evaluates any other relevant factors, such as the ease of entering the market. The Commission evaluates requests for market-based rates on a case-by-case basis.[45]

i. Geographic and Product Market

23. Consistent with its previously submitted market power analyses, Gulf South identifies the relevant geographic market area as the Gulf Coast Production Area. The Gulf Coast Production Area includes Louisiana, Mississippi, Alabama and the eastern portion of Texas. Gulf South states that the Commission has previously accepted the Gulf Coast Production Area as a geographic market area in numerous market-based storage orders.[46] This area includes 62 underground natural gas storage facilities, including those owned by Gulf South and its affiliate Boardwalk Storage Company LLC.[47] Also, consistent with its most recent market power study, Gulf South proposes to define its relevant product market to include all natural gas storage facilities, both interstate and intrastate, in the Gulf Coast Production Area.

ii. Market Share and Market Concentration

24. The Commission uses the Herfindahl-Hirschman Index (HHI) to analyze whether a competitive market exists for a specific product, and to determine market concentration for natural gas pipeline and storage markets.[48] The *Alternative Rate Policy Statement* states that a low HHI (generally less than 1,800) indicates that sellers are less likely to be

[42] The relevant product market consists of the applicant's service and other services that are good alternatives to the applicant's services. *Alternative Rate Policy Statement*, 74 FERC ¶ 61,076 at 61,231.

[43] *Id*. at 61,232-34.

[44] *Id.* at 61,234.

[45] Order No. 678, 115 FERC ¶ 61,343 at P 47.

[46] Gulf South cites 13 prior cases utilizing this geographic market area definition. *See* Application at 20, n.30.

[47] Gulf South and Boardwalk Storage are both owned by Boardwalk Pipeline Partners, LLC (Boardwalk Pipeline).

[48] *Alternative Rate Policy Statement*, 74 FERC ¶ 61,076 (1996).

able to exert market power because customers have sufficiently diverse alternatives in the relevant market.[49] Conversely, a high HHI (generally greater than 1,800) requires additional scrutiny in order to make a determination about a seller's ability to exert market power.

25. Gulf South's updated market power analysis shows that after incorporating Enable's interest in Bistineau, Boardwalk Pipeline will possess market shares of 10.74 percent and 10.09 percent for working gas and daily deliverability, respectively, resulting in projected HHI calculations for the relevant market of 1,151 for working gas capacity and 815 for daily deliverability.[50] Gulf South asserts that the proposed HHIs are significantly below the 1,800 level that the Commission has determined warrants additional scrutiny, and demonstrate that acting alone Boardwalk Pipeline will continue to lack the ability to exercise market power at its storage facilities.

iii. Ease of Entry and Other Factors

26. In its updated market analysis, Gulf South states that the Commission has found that ease of entry into the relevant market can limit the potential for natural gas storage companies operating in that market area to exercise market power.[51] Gulf South asserts that the analysis demonstrates that there is substantial ease of entry into the Gulf Coast Production Area that can help mitigate any potential market power concerns. Gulf South's market power analysis study shows that there are currently 62 separate facilities owned by 25 corporate entities in the Gulf Coast Production Area.[52] Gulf South states that out of the 25 corporate entities, 23 of them possess a working gas market share of less than 10 percent.[53] According to Gulf South, this demonstrates that no significant barriers to entry exist with respect to the size and scale of market participants. Gulf South also contends that this ease of entry is supported by the fact that there have been 59 certificated storage projects in the Gulf Coast Production Area since 2000, which amounts to

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[49] *See* Order No. 678, 115 FERC ¶ 61,343 at P 55 (noting that the Commission is not changing the 1,800 HHI threshold level).

[50] Application at Exhibit I, App. B.

[51] Application, Exhibit I (citing *Sawgrass Storage, L.L.C.*, 138 FERC ¶ 61,180, at P 43 (2012); *Golden Triangle Storage, Inc.*, 138 FERC ¶ 61,036, at P 19 (2012); and *Perryville Gas Storage LLC*, 137 FERC ¶ 61,160, at P 18 (2011)).

[52] *See* Application at Exhibit I at 4 and Apps. A & B.

[53] Application at Exhibit I at 4.

approximately 793 Bcf of working gas capacity and 45 Bcf per day of daily deliverability.[54] Additionally, Gulf South notes that there are a number of certificated storage projects which are expected to be placed into service in the future.[55]

27. Finally, Gulf South maintains that its market power analysis is conservative because it excludes potential competition from non-storage alternatives. Specifically, Gulf South asserts that it excluded non-storage competitors such as local natural gas production, liquefied natural gas peaking and import facilities, pipeline capacity and park and loan services, and financial market instruments, all of which, it states, could have been included in its market power analysis.[56]

iv. Commission Determination

28. Gulf South's use of the Gulf Coast Production Area as its relevant geographic market and all natural gas storage facilities, both interstate and intrastate, as its product market is consistent with the Commission's analysis and findings in prior orders granting Gulf South market-based rate authority.[57] The Commission has found in previous orders that the Gulf Coast Production Area is a highly competitive market where numerous storage facilities and service alternatives exist for potential customers.[58]

29. The HHI values provided by Gulf South are well below the Commission's threshold number of 1,800, indicating that Gulf South will not be able to exert market power in the relevant market. Gulf South's market power analysis also shows that there are no significant barriers to entry in the Gulf Coast Production Area. In these circumstances, we conclude that Gulf South lacks significant market power in the Gulf Coast Production Area. Accordingly, we find that Gulf South may continue to charge market-based rates for storage services at the Bistineau Gas Storage Facility.

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[54] *Id.* at 4 and App. C.

[55] *Id.* at 4 and App. D.

[56] *Id.* at 4.

[57] *See, e.g.*, *Gulf South Pipeline Co., LP*, 149 FERC ¶ 61,174, at P 40.

[58] *See, e.g., D'Lo Gas Storage*, *LLC,* 140 FERC ¶ 61,182 (2012); *Sawgrass Storage, LLC*, 138 FERC ¶ 61,180 (2012); *Golden Triangle Storage, Inc*., 138 FERC ¶ 61,036 (2012); and *Cadeville Gas Storage, LLC*, 132 FERC ¶ 61,115 (2010).

30. The Commission requires any pipeline with market-based rates to notify the Commission if future changes in storage circumstances may significantly affect its present market power status.[59] The Commission also reserves the right to require an updated market power analysis at any time.[60]

D. Waiver

31. Section 6.8 of the GT&C of Gulf South's tariff defines the process by which shippers request transportation and storage service on Gulf South's system, including any necessary bidding and posting procedures. Applicants request waiver of the posting and bidding provisions of section 6.8 in order to permit the proposed short-term FSS-B service agreement between Enable and Gulf South to take effect on April 1, 2020, without modification. For good cause shown, we grant waiver of the post and bid provisions of Gulf South's tariff to permit the proposed FSS-B service agreement between the Applicants to take effect on April 1, 2020, as requested. As discussed above, granting waiver of this tariff section will permit Applicants to enter into the service agreement to ensure that Enable's deliveries to and from storage are not impacted by the proposed sale.

E. Accounting

32. Enable proposes to record the abandonment by sale and transfer of Bistineau Storage field to Gulf South Pipeline Company, LP for the amount of $18,770,000 using Account 102, Gas Plant Purchased or Sold.[61] The proposed journal entries remove the original cost and accumulated depreciation of the assets from Enable's books, consistent with Gas Plant Instruction No. 5, Gas Plant Purchased or Sold.[62] Enable indicates that it recognized a gain of $182,367 on the sale of its assets, which it proposes to record in Account 421.1, Gain on Disposition of Property.

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[59] 18 C.F.R. § 284.504(b) (2019).

[60] *See Golden Triangle Storage, Inc.*, 152 FERC ¶ 61,158, at P 27 (2015) and *Floridian Natural Gas Storage Co., LLC*, 124 FERC ¶ 61,214, at P 33 (2008).

[61] *See* Application at Exhibit Y.

[62] *See* 18 C.F.R. pt. 201 (2019).

33. Gulf South omitted from its application the description of its proposed accounting treatment stating that it currently has Commission authorization for market-based rates for all services provided from Bistineau under its FERC Gas Tariff.[63] However, the Commission's accounting requirements are applicable to pipeline companies on a company-wide basis. Accordingly, Gulf South should have made the necessary accounting submission within Exhibit S of this application, and is required to submit proposed accounting entries within six months of the date that the transaction is consummated.

F. Environmental Analysis

34. On October 3, 2019, Commission staff issued an Environmental Assessment Report finding that Gulf South's and Enable's proposal qualifies as a categorical exclusion under section 380.4(a)(27) of the Commission's regulations.[64]

35. The Commission on its own motion received and made a part of the record in this proceeding all evidence, including the application, and exhibits thereto, and all comments and upon consideration of the record.

The Commission orders:

(A) Enable is authorized to abandon by sale its interest in the Bistineau Gas Storage Facility and the cushion gas *in situ* currently owned by Enable at Bistineau to Gulf South, as more fully described in the body of this order and in the application.

(B) Enable shall notify the Commission within 10 days of the date of abandonment of its interest in Bistineau

(C) Enable is authorized to abandon jurisdictional storage services provided at the Bistineau Gas Storage Facility under its Part 284 Subpart G blanket certificate.

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[63] *See* Application at 26. *See* 18 C.F.R. § 157.16 (2019) (requiring applications relating to acquisitions to include in Exhibit S the original cost of the facilities to be acquired, the related depreciation, depletion, and amortization reserves, and the amount at which the applicant proposes to record the facilities upon its books).

[64] 18 C.F.R. § 380.4(a)(27) (2019).

(D) A certificate of public convenience and necessity is issued to Gulf South authorizing it to acquire and operate Enable's interest as part of its existing facilities as described and conditioned herein, and as more fully described in the application.

(E) Gulf South is authorized to continue to charge market-based rates for storage services at the Bistineau Gas Storage Facility.

(F) Waiver of the post and bid provision of GT&C section 6.8 of Gulf South's tariff is granted to permit the proposed FSS-B service agreement between the Applicants to take effect on April 1, 2020.

(G) Applicants shall account for the proposed transaction in accordance with Gas Plant Instruction No. 5 and Account 102, Gas Plant Purchased or Sold, of the Uniform System of Accounts.[65] Applicants shall submit the proposed accounting entries within six months of the date that the transaction is consummated, and the accounting submissions shall provide all the accounting entries and amounts related to the transfer along with narrative explanations describing the basis for the entries.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

[65] 18 C.F.R. pt. 201 (2019).