

111 FERC ¶ 61,445  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 20, 2005

In Reply Refer To:  
Gulf South Pipeline Company, LP,  
Transcontinental Gas Pipe Line Corporation  
Docket No. CP05-71-000

Gulf South Pipeline Company, LP  
20 East Greenway Plaza  
Houston, TX 77046  
Attention: J. Kyle Stephens, Director of Certificates

Transcontinental Gas Pipe Line Corporation  
Post Office Box 1396  
Houston, TX 77251  
Attention: Marg Camardello, Manager, Certificates and Tariffs

Reference: Order Approving Abandonment of Service

Dear Mr. Stephens and Ms. Camardello:

1. This order grants Gulf South Pipeline Company, LP (Gulf South) and Transcontinental Gas Pipe Line Corporation (Transco) permission to abandon service under ten exchange and transportation service agreements as requested in the above docket. This order is in the public interest as it allows Gulf South and Transco to abandon old, unused services which are no longer required.

2. On February 15, 2005, Gulf South and Transco filed pursuant to section 7(b) of the Natural Gas Act (NGA),<sup>1</sup> and Part 157.18 of the Commission's regulations,<sup>2</sup> for

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<sup>1</sup> Section 7(b) of the NGA provides for abandonment of expired or terminated contracts upon 30-days written notice, or where the parties to the contract have mutually agreed upon termination or modification of the contract.

<sup>2</sup> Part 157.18 of the Commission's regulations provides that applications for an order authorizing abandonment of service pursuant to section 7(b) of the NGA must contain a statement providing in detail the reasons for the abandonment and must contain the exhibits listed herein.

permission and approval to abandon ten service agreements (seven exchange agreements, two firm transportation agreements, and one interruptible transportation agreement).<sup>3</sup> Gulf South and Transco state they no longer require the exchange and transportation services described in the filing. By letter agreements dated August 2, 2004, the parties have agreed to terminate six of the ten Service Agreements. As to the other four Service Agreements, Transco has by letters dated March 20, 2002, notified Gulf South of its intent to terminate those Service Agreements.

3. Gulf South and Transco state the Service Agreements are no longer being utilized and no imbalances remain under any of the Service Agreements. Consistent with section 157.7 and 157.18 of the Commission's regulations, Gulf South and Transco have provided statements supporting the reasons for the abandonment and the necessary exhibits under Part 157.18.

### **Notice and Comments**

4. Gulf South's and Transco's joint application was noticed by publication in the *Federal Register* on March 1, 2005, 70 Fed. Reg. 9,941 (2005), providing for comments, protests, or motions to intervene to be filed on or before March 15, 2005. On March 15, 2005, Pelican Gas Management, Inc. (Pelican) filed a motion to intervene and comments on behalf of the Louisiana Municipal Gas Authority (LMGA).<sup>4</sup> Pelican's motion to intervene is granted.

5. Pelican states that Gueydan was originally a firm customer of Gulf South where deliveries were made to Gulf South by Transco pursuant to an exchange agreement between Gulf South and Transco.<sup>5</sup> Gulf South then delivered gas to Gueydan through Gulf South's owned meter and appurtenant facilities at the point of interconnect with Gueydan's municipal distribution system.

6. Pelican states that as part of the restructuring required by Order No. 636, Gulf South, in 2001, sold to Gueydan, all of the facilities located at the Gueydan delivery point, wherein, Gueydan agreed to an abandonment of service from Gulf South. Gueydan now receives natural gas transportation service directly from Transco. Pelican states that starting in late 2002, Gueydan began experiencing certain problems arising, in

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<sup>3</sup> See Appendix for list of Agreements.

<sup>4</sup> Pelican serves as an Agent for LMGA, which is comprised of fifty-seven small municipal gas utilities providing service to homes and businesses in their respective service territories. The town of Gueydan, Louisiana (Gueydan), a LMGA member, is a transportation customer on the pipeline system of Transco.

<sup>5</sup> Transco Rate Schedule X-43 and Gulf South Rate Schedule X-18.

the view of Gueydan, from the gas stream delivered by Transco. Pelican states that Gueydan has been in communication and negotiations with Transco, and the parties have appeared to reach an agreement in principle. However, the agreement is not in final form, nor has it been approved by the Town of Gueydan municipal government. Gueydan and the LMGA request the Commission hold in abeyance the processing of the filed abandonment application pending finalization of this matter between Gueydan and Transco.

7. On March 23, 2005, Transco filed an answer to the comments filed by the LMGA. Transco argues that abandonment of the certificate underlying the Exchange Agreement between Transco and Gulf South will have no impact on Gueydan.<sup>6</sup> Transco states that as acknowledged by the LMGA, the firm sales service that Gulf South rendered to Gueydan was terminated and abandoned, and the Gueydan Meter Station was acquired by Gueydan from Gulf South in 2001. Transco further states that its records indicate that no service has been rendered under the Exchange Agreement since 1993.

### **Discussion**

8. The Commission will deny the request for abeyance as the issue raised by Pelican for Gueydan is separate and apart from the request by Gulf South and Transco to abandon the exchange agreements in question. In its comments Pelican states that Gueydan purchased from Gulf South all of the facilities located at the Gueydan delivery point, and Gueydan agreed to an abandonment of service from Gulf South. In addition, on August 2, 2004, Gulf South and Transco executed an agreement to terminate the agreements in question.

9. Since service pertaining to Transco's Rate Schedule X-43 and Gulf South's Rate Schedule X-18 can no longer be performed by contract, as Gulf South does not own the facilities in Gueydan, the Commission will allow the abandonment as requested. Accordingly, permission for and approval of the abandonment of the exchange, firm and interruptible transportation service agreements as described above and in the application, is granted effective the date of this order.

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<sup>6</sup> While section 385.213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213, generally does not allow an answer to a protest, the Commission will allow Transco's answer in this case because it assists the Commission in the resolution of the issues herein.

10. Within 15 days of this order, Transco and Gulf South are required to file tariff sheets to revise Volume No. 2 of their respective tariffs to remove the service agreements listed in the Appendix to this order from their tariffs.

By direction of the Commission.

Linda Mitry,  
Deputy Secretary.

Appendix

Gulf South Pipeline Company, LP  
Transcontinental Gas Pipe Line Corporation

Exchange and Transportation Agreements to be Abandoned

Exchange Agreements

Transco Rate Schedule X-43/Gulf South Rate Schedule X-18  
Transco Rate Schedule X-61/Gulf South Rate Schedule X-51  
Transco Rate Schedule X-64/Gulf South Rate Schedule X-55  
Transco Rate Schedule X-76/Gulf South Rate Schedule X-61  
Transco Rate Schedule X-238/Gulf South Rate Schedule X-146  
Transco Rate Schedule X-239/Gulf South Rate Schedule X-148  
Transco Rate Schedule X-280/Gulf South Rate Schedule X-170

Firm Transportation Agreements

Transco Rate Schedule X-73  
Transco Rate Schedule X-159

Interruptible Transportation Agreement

Transco Rate Schedule X-235