

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

Pogo Producing Company

Docket No. RP04-409-000

ORDER DISMISSING REQUEST FOR CAPACITY ALLOCATION

(Issued October 7, 2004)

1. On July 26, 2004, the Commission issued an order in response to a request by Pogo Producing Company (Pogo), pursuant to section 5(e) of the Outer Continental Shelf Lands Act,¹ to reallocate receipt point capacity on the Southern Natural Gas Company (Southern) system. Pogo sought reallocation upstream of Toca, Louisiana, to ensure that offshore production of casinghead natural gas and crude oil would not be curtailed while Southern temporarily removed a Toca processing unit from service for maintenance. The July 26, 2004 Order directed Pogo and Southern to make use of the Commission's Dispute Resolution Service (DRS).
2. Pogo and Southern were unable to reach an accord through the DRS process. On August 1, 2004, Southern shut down its Toca unit. On August 10, 2004, Pogo reported that offshore producers, by controlling and rerouting supplies, "essentially alleviated" the transportation difficulties that Pogo had anticipated.² On August 15, 2004, Southern completed maintenance and restored gas processing at its Toca plant to full capacity. In view of these circumstances, we dismiss Pogo's request.

¹ 43 U.S.C. § 1334(e).

² Pogo's Report on Status of Natural Gas Pipeline Capacity Restrictions (August 10, 2004). We note that in a letter dated July 30, 2004, the Department of Energy stated its expectation that the temporary closure of the Toca unit would have a minimal impact on gas price and supply.

The Commission orders:

Pogo's request to reallocate receipt point capacity on Southern's system is dismissed.

By the Commission.

(S E A L)

Linda Mitry,
Acting Secretary.