

163 FERC ¶ 61,060
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Kevin J. McIntyre, Chairman;
Cheryl A. LaFleur, Neil Chatterjee,
Robert F. Powelson, and Richard Glick.

Southern Star Central Gas Pipeline, Inc.

Docket No. RP18-276-000

ORDER ON MOTION TO CANCEL TECHNICAL CONFERENCE AND ADOPT
ALTERNATE TARIFF LANGUAGE

(Issued April 25, 2018)

1. On March 28, 2018, Southern Star Central Gas Pipeline, Inc. (Southern Star) filed a status update, accompanied by various motions described therein, notifying the Commission of an agreement between the parties to resolve their differences in this proceeding. Specifically, Southern Star requests the Commission suspend or cancel the technical conference requirement to examine the protested original tariff language in its December 27, 2017 filing pertaining to gas quality specifications, pending a Commission order approving the alternate tariff language and directing Southern Star to make a compliance filing implementing the alternate language in revised tariff records.

2. The compliance filing would supersede the original proposed tariff language, consisting of revisions to Southern Star's gas quality standards in Section 3.2 of the General Terms & Conditions (GT&C) of Southern Star's tariff, which were filed on December 27, 2017 pursuant to section 4 of the Natural Gas Act (NGA). As discussed below, in light of the agreement between the parties, the Commission grants Southern Star's motion to cancel the technical conference requirement, subject to the requirement that Southern Star file within 15 days revised tariff records incorporating the language agreed to by Southern Star and the protesters, to be effective as of the date of this order. In light of the parties' agreement that the technical conference is to be cancelled and Southern Star is to file replacement tariff language, the original, suspended tariff records, filed December 27, 2017, are rejected as moot.¹

¹ [Sheet No. 208, , 1.0.0](#) and [Sheet No. 209, , 2.0.0](#); see *Southern Star Central Gas Pipeline, Inc.*, 162 FERC ¶ 61,070, app. B (2018) (January 30 Order).

Background

3. On December 27, 2017, Southern Star filed revised tariff records to incorporate miscellaneous housekeeping changes as well as a change to its gas quality standards in Section 3.2(j) of its GT&C. In response to protests by BP Energy Company and ConocoPhillips Company (collectively, Indicated Shippers) and Chesapeake Energy Marketing, L.L.C. (Chesapeake), the Commission accepted and suspended the tariff records governing gas quality, by order dated January 30, 2018.² In the January 30 Order, the Commission suspended the gas quality provisions of Section 3.2 to be effective July 1, 2018, subject to the outcome of a technical conference originally scheduled for March 21, 2018.³

March 28, 2018 Filing

4. While preparing for the technical conference, Southern Star reported that it continued discussions to address the protesters' concerns through modification of the proposed tariff language.⁴ Southern Star reported that it had reached agreement with the protesters on narrower tariff language addressing only one gas quality specification (oxygen) on only three line segments on Southern Star's system where oxygen levels are an issue.⁵ Southern Star indicated that the agreement would continue to permit it the flexibility to blend gas and to accept gas on those segments, if Southern Star can deliver the blended stream to downstream pipelines.

5. On March 28, 2018, Southern Star filed a status update and motion requesting the Commission suspend or cancel the technical conference requirement pending a further Commission order requiring Southern Star to file revised tariff records to adopt the agreed-upon alternate tariff language in a compliance filing. Southern Star states that it is authorized by the protesters to represent that the withdrawal of the proposed tariff language and the substitution of the agreed-upon revised tariff language adequately addresses their concerns, making a technical conference no longer necessary.

6. Specifically, Southern Star explains that it proposes to move the proposed tariff change from GT&C Section 3.2(j) to Section 3.2(c) so that the tariff change applies to

² January 30 Order, 162 FERC ¶ 61,070 at P 1.

³ The conference on March 21 was cancelled, to be rescheduled at a later date, due to weather. *See Southern Star Central Gas Pipeline, Inc.*, Notice Cancelling Technical Conference, Docket No. RP18-276-000 (March 20, 2018) (delegated issuance).

⁴ Southern Star March 22, 2018 Supplemental Response to Staff Data Requests.

⁵ *Id.*

oxygen only. It also proposes to limit the applicability of the tariff change to receipts into three specific line segments, therefore limiting the geographical scope. Southern Star identifies the three segments as Line Segment 315: the Straight-Blackwell line, which includes Southern Star's existing Natural Gas Pipeline Company of America (NGPL) Beaver interconnect, and Line Segments 340 and 385, the portion of the South Edmond pool that is south of Oklahoma City and will deliver into NGPL's new Carter County interconnect. According to Southern Star, the alternate language applies a stated 10 parts per million (PPM) oxygen limit only on those three line segments. Southern Star states that the alternate language maintains the tariff's existing 0.2% (or 2,000 PPM) oxygen standard on the rest of the system and also maintains the current obligation in the tariff that "every reasonable effort shall be made to keep the gas completely free of oxygen" for the entire system.⁶ Southern Star states that, in response to concerns expressed by the protesters, the revised language permits Southern Star to accept off-spec gas if it can be blended so that the gas stream in the line segment(s) remains acceptable for delivery to downstream pipeline interconnects.⁷

7. Southern Star asks that the Commission issue an order approving the revised language in the *pro forma* tariff records attached to its motion as a mutually agreed-upon resolution of the gas quality issues raised by its December 27, 2017 filing. Southern Star describes this resolution as supported by, or not opposed by, all parties in the proceeding. Southern Star asks that the Commission's order direct Southern Star to make a compliance filing submitting final tariff records that are consistent with the *pro forma*

⁶ Section 3.2 (c) of the GT&C currently reads, "(c) Oxygen: The gas shall not contain in excess of two-tenths of one percent (0.2%) by volume of oxygen, and every reasonable effort shall be made to keep the gas completely free of oxygen."

⁷ The agreed-upon alternate tariff language revising GT&C Section 3.2 (c) is set forth below, with the revised language in italics.

(c) Oxygen: The gas shall not contain in excess of two-tenths of one percent (0.2%) by volume of oxygen, *however, gas received on Line Segments 315, 340 and 385 shall not contain in excess of ten parts per million (10 PPM) of oxygen.* And every reasonable effort shall be made to keep the gas completely free of oxygen. *Notwithstanding the foregoing, Southern Star may accept gas in excess of 10 PPM on Line Segments 315, 340 and 385 based on operational and engineering considerations and its ability to deliver gas with an oxygen content acceptable for deliveries to other interstate or intrastate pipelines, including its ability to blend gas adequately with other gas within the segment and still meet such downstream delivery specifications.*

(continued ...)

records in the motion, effective as of the date of such order, or such other date as directed by the Commission.

8. Public notice of the March 28, 2018 filing was issued on April 2, 2018, with comments on Southern Star's status update and motion due April 6, 2018. No protests or adverse comments were filed.

Discussion

9. The Commission finds that the agreed-upon language presented in the March 28, 2018 filing to modify Southern Star's gas quality standards appears just and reasonable. The revised language limits the new specification to oxygen only, and only to three segments, and makes clear that all reasonable efforts shall be made to keep the gas completely free of oxygen for the entire system insofar as possible. Additionally, no party opposes the proposed modifications.

10. Accordingly, the Commission grants the motion to cancel the technical conference requirement⁸ and rejects the original, suspended tariff records, filed December 27, 2017, as moot, on the condition that Southern Star file, within 15 days, revised tariff records incorporating the agreed-upon alternate language in a compliance filing, to be effective as of the date of this order.

The Commission orders:

The technical conference requirement established in the Commission's January 30 Order is cancelled and the tariff records identified in Appendix B of the Commission's January 30, 2018 order, *Southern Star Central Gas Pipeline, Inc.*, 162 FERC ¶ 61,070, are hereby rejected as moot, subject to Southern Star filing to implement the agreed-upon alternate language, within 15 days of this order, to be effective on the date of this order's issuance.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁸ January 30 Order, 162 FERC ¶ 61,070, Ordering Para. C.