

SOUTHERN STAR 
CENTRAL GAS PIPELINE

Southern Star Central Gas Pipeline, Inc.

4700 Hwy 56

P.O. Box 20010

Owensboro, Kentucky 42301

Phone 270/852-5000

Philip A. Rullman
Vice President and Chief Marketing Officer
Phone: (270)852-4440
Email: philip.rullman@sscgp.com

May 3, 2018

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Southern Star Central Gas Pipeline, Inc.
Docket No. RP18-276-____
Compliance Filing

Dear Ms. Bose:

Pursuant to Part 154 of the Rules and Regulations of the Federal Energy Regulatory Commission ("Commission") and in compliance with the Commission's Order issued April 26, 2018 in this proceeding (the "Order"),¹ Southern Star Central Gas Pipeline, Inc. ("Southern Star") respectfully submits by eFiling the following revised tariff sheets to its FERC Gas Tariff, First Revised Volume No. 1, to be effective April 26, 2018:

Second Revised Sheet No. 208

Third Revised Sheet No. 209

List of Materials Enclosed

In accordance with Section 154.7(a)(1) of the Commission's regulations, submitted herewith is an eTariff XML filing package, filed as a zip (compressed) file, containing:

- The proposed tariff sheets version in RTF format with metadata attached;
- A transmittal letter in PDF format;
- Appendix A - A clean version of the tariff sheets in PDF format; and
- Appendix B - A marked version of the tariff sheets in PDF format.

¹ *Southern Star Central Gas Pipeline, Inc*, 163 FERC ¶ 61,060 (2018) (issuance date corrected by *Errata Notice* issued May 2, 2018).

Statement of Nature, Reasons and Basis

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 General Terms & Conditions (“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

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 Specifically, Southern Star explained that it proposed 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 oxygen only. It also proposed to limit the applicability of the tariff change to receipts into three specific line segments, therefore limiting the geographical scope.

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. 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.

The April 26, 2018 Order cancels the technical conference and rejects the original suspended tariff records (filed December 27, 2017) as moot on the condition that Southern Star files, within 15 days, revised tariff records incorporating the agreed-upon alternate language⁶ in a compliance filing, to be effective as of the date of the order (April 26, 2018).

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.*

⁶ 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.*

Kimberly D. Bose, Secretary

May 3, 2018

Page 3

This compliance filing submits revised tariff records incorporating the agreed-upon alternate language in accordance with the directives of the April 26, 2018 Order. No other tariff changes are proposed.

The revisions are best viewed by looking at the marked tariff sheets found in Appendix B which are being filed in accordance with Section 154.201(a) of the Commission's regulations.

Proposed Effective Date and Request for Waiver

Southern Star respectfully requests that the revised tariff sheets become effective April 26, 2018, in accordance with the FERC order of the same date. Southern Star respectfully requests that the Commission grant any and all waivers as may be necessary for the tariff sheets to become effective April 26, 2018.

Motion to Place Tariff Sheet into Effect

Pursuant to Sections 154.206 and 154.7(a)(9) of the Commission's Regulations, Southern Star moves to place the revised tariff sheets into effect on April 26, 2018.

Correspondence

Southern Star respectfully requests that all Commission orders and correspondence, as well as pleadings and correspondence from other persons, concerning this filing be served upon each of the following:

Philip A. Rullman
V.P. & Chief Marketing Officer
Southern Star Central Gas Pipeline, Inc.
4700 Highway 56
Owensboro, KY 42301
Phone: (270) 852-4440
philip.rullman@sscgp.com

Douglas Field
Senior Attorney
Southern Star Central Gas Pipeline, Inc.
4700 Highway 56
Owensboro, KY 42301
Phone: (270) 852-4657
w.doug.field@sscgp.com

and copies provided to:

Scott LaMar
Manager, Rates
Southern Star Central Gas Pipeline, Inc.
4700 Highway 56
Owensboro, KY 42301
Phone: (270) 852-4560
g.scott.lamar@sscgp.com

Joseph S. Koury
Ryan J. Collins
Wright & Talisman PC
1200 G Street N.W., Suite 600
Washington, D.C.
Phone: (202) 393-1200
koury@wrightlaw.com
collins@wrightlaw.com

If there are any questions pertaining to this filing, please contact any of the parties listed above.

Kimberly D. Bose, Secretary

May 3, 2018

Page 4

Posting

Copies of this filing are being distributed to Southern Star's jurisdictional customers and interested state commissions, as well as posted on CSI, Southern Star's online customer service system. A copy of this filing is available for public inspection during regular business hours at the office of Southern Star in Owensboro, Kentucky.

Sincerely,

/s/ Philip A. Rullman
V.P. & Chief Marketing Officer
(270) 852-4440

Enclosures

Appendix A
Clean Version of Tariff Sheets

GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

- (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.
- (d) Carbon Dioxide: The gas shall contain not more than one percent (1%) by volume of carbon dioxide.
- (e) Hydrogen: Gas from crude oil refineries shall contain no more than trace amounts of free hydrogen.
- (f) Dust, Gums, etc.: The gas shall be commercially free of dust, gums, dirt, paraffin, impurities and other solid matter.
- (g) Heating Value: The gas shall have a gross heating value of not less than nine hundred fifty (950) Btu's per cubic foot, assuming no water vapor. The term "gross heating value" when applied to a cubic foot of gas shall mean the number of Btu's produced by the complete combustion of the amount of the gas which would occupy a volume of one (1) cubic foot at 14.73 psia and a temperature of sixty degrees Fahrenheit (60 deg. F.).
- (h) Temperature: The temperature of the gas at the receipt point shall not exceed one hundred twenty degrees Fahrenheit (120 deg F.).
- (i) Water Vapor: Gas received in Kansas, Oklahoma, Missouri, or Texas shall not contain more than seven (7) pounds of water in vapor phase per million cubic feet and gas received in Colorado or Wyoming shall not contain more than five (5) pounds of water in vapor phase per million cubic feet, except for gas tendered to Southern Star at a receipt point where Southern Star owns and operates the equipment necessary to reduce the water vapor content of the gas to meet this requirement.

GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

- (j) Notwithstanding the provisions of paragraphs (a) through (i) above, gas quality varies throughout segments of Southern Star's pipeline system based on the function of each segment. The quality of the gas delivered by Shipper to Southern Star must, in Southern Star's reasonable discretion, be compatible with the gas typically existing in the segment of Southern Star's pipeline into which Shipper makes delivery.

If, at any time, gas tendered to Southern Star shall fail to substantially conform to any of the applicable quality specifications and Southern Star notifies the Shipper of such deficiency, and such deficiency is not corrected within a reasonable period of time, Southern Star may, at its option, refuse to accept delivery pending correction of the deficiency by Shipper or continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event, prior to making such changes, Southern Star shall provide Shipper with an estimate of the costs that are expected to be incurred by Southern Star in effecting such changes and Shipper shall agree to reimburse Southern Star for all such costs incurred by Southern Star in effecting such changes; provided, however, that Southern Star may at any time refuse to accept delivery of gas which it considers to be unsafe or hazardous or to impair the operation or use of its facilities. Failure by Shipper to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Service Agreement.

Appendix B
Marked Version of Tariff Sheets

GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

- (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. ~~a~~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.
- (d) Carbon Dioxide: The gas shall contain not more than one percent (1%) by volume of carbon dioxide.
- (e) Hydrogen: Gas from crude oil refineries shall contain no more than trace amounts of free hydrogen.
- (f) Dust, Gums, etc.: The gas shall be commercially free of dust, gums, dirt, paraffin, impurities and other solid matter.
- (g) Heating Value: The gas shall have a gross heating value of not less than nine hundred fifty (950) Btu's per cubic foot, assuming no water vapor. The term "gross heating value" when applied to a cubic foot of gas shall mean the number of Btu's produced by the complete combustion of the amount of the gas which would occupy a volume of one (1) cubic foot at 14.73 psia and a temperature of sixty degrees Fahrenheit (60 deg. F.).
- (h) Temperature: The temperature of the gas at the receipt point shall not exceed one hundred twenty degrees Fahrenheit (120 deg F.).
- (i) Water Vapor: Gas received in Kansas, Oklahoma, Missouri, or Texas shall not contain more than seven (7) pounds of water in vapor phase per million cubic feet and gas received in Colorado or Wyoming shall not contain more than five (5) pounds of water in vapor phase per million cubic feet, except for gas tendered to Southern Star at a receipt point where Southern Star owns and operates the equipment necessary to reduce the water vapor content of the gas to meet this requirement.

~~(j) Notwithstanding the provisions of paragraphs (a) through (i) above, gas quality varies throughout segments of Southern Star's pipeline system based on the function of each segment. The quality of the gas delivered by Shipper to Southern Star must, in Southern Star's reasonable discretion, be compatible with the gas typically existing in the segment of Southern Star's pipeline into which Shipper makes delivery.~~

GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

(j) Notwithstanding the provisions of paragraphs (a) through (i) above, gas quality varies throughout segments of Southern Star's pipeline system based on the function of each segment. The quality of the gas delivered by Shipper to Southern Star must, in Southern Star's reasonable discretion, be compatible with the gas typically existing in the segment of Southern Star's pipeline into which Shipper makes delivery.

If, at any time, gas tendered to Southern Star shall fail to substantially conform to any of the applicable quality specifications and Southern Star notifies the Shipper of such deficiency, and such deficiency is not corrected within a reasonable period of time, Southern Star may, at its option, refuse to accept delivery pending correction of the deficiency by Shipper or continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event, prior to making such changes, Southern Star shall provide Shipper with an estimate of the costs that are expected to be incurred by Southern Star in effecting such changes and Shipper shall agree to reimburse Southern Star for all such costs incurred by Southern Star in effecting such changes; provided, however, that Southern Star may at any time refuse to accept delivery of gas which it considers to be unsafe or hazardous or to impair the operation or use of its facilities. Failure by Shipper to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Service Agreement.