

169 FERC ¶ 61,033
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

October 17, 2019

In Reply Refer To:
Sea Robin Pipeline Company, LLC
Docket No. RP19-352-004

Sea Robin Pipeline Company, LLC
1300 Main Street
Houston, TX 77002

Attention: Michael T. Langston, VP, Chief Regulatory Officer

Dear Mr. Langston:

1. On July 22, 2019, Sea Robin Pipeline Company, LLC (Sea Robin) filed a stipulation and agreement (Settlement) in the captioned docket to resolve issues related to its rate change proposal pursuant to section 4 of the Natural Gas Act (NGA). On December 31, 2018, the Commission issued an order suspending Sea Robin's proposed rates and established hearing procedures.¹ We approve the instant Settlement, which resolves all issues set for hearing in these proceedings, as fair and reasonable and in the public interest.

2. Commission Trial Staff and the Producer Coalition² filed comments supporting the Settlement, and no participant filed to oppose the Settlement. Commission Trial Staff states that the Settlement rates reflect a 44.36 percent decrease from the rates originally proposed by Sea Robin.³ On September 25, 2019, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.⁴

¹ *Sea Robin Pipeline Co., LLC*, 165 FERC ¶ 61,284 (2018).

² Arena Energy, LP, Cox Operating, LLC, Energy XXI GOM, LLC, Enven Energy Ventures, LLC, EPL Oil & Gas, Inc., Fieldwood Energy LLC, M21K LLC, Talos Production LLC, W&T Offshore, Inc., and Walter Oil Corporation.

³ Commission Trial Staff, Initial Comments in Support, at 8 (Aug. 12, 2019).

⁴ *Sea Robin Pipeline Co., LLC*, 168 FERC ¶ 63,039 (2019).

3. Articles I, II, and III provide a procedural introduction, historical background, and list of definitions.
4. Article IV contains the substantive components of the Settlement. Section IV.A makes clear that this Settlement is a black box settlement. Section IV.B provides that the accompanying *pro forma* tariff records in Appendix A set forth the new tariff rates.⁵ Section IV.C provides that Appendix B sets forth the relevant depreciation rates; provides that the Settlement Rates are deemed to be based on approved ratemaking methods for purposes of deferred tax accounting under section 154.305 of the Commission's regulations;⁶ applies Commission policy regarding post-employment benefits other than pensions;⁷ and establishes an Asset Retirement Obligation cost recovery mechanism. Section IV.D provides for refunds to settling parties. Section IV.E explains how the Settlement addresses the Tax Cuts and Jobs Act of 2017. Section IV.F provides for a rate filing moratorium until December 1, 2020. Section IV.G requires Sea Robin to file a new general NGA section 4 rate case or a cost and revenue study no later than three years following the Effective Date of the Settlement.
5. Article V recites the conditions respecting the non-prejudicial effect of the Settlement. Article VI calculates the Effective Date of the Settlement in various scenarios. Finally, Article VII calls for the following standard of review:

After the Effective Date, the standard for review of proposed changes to the terms and conditions of this Settlement shall be the "public interest" standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), provided, however, that the standard that shall apply to proposed changes sought either by the Commission *sua sponte* or non-settling third parties shall be the "just and reasonable" standard.

⁵ With the consent of the settling parties, Sea Robin filed actual tariff records on August 22, 2019, implementing the *pro forma* tariff records in Appendix A of the Settlement. The Settlement Judge accepted these tariff records pending our approval of the Settlement. *Sea Robin Pipeline Co., LLC*, 168 FERC ¶ 63,028 (2019). Accordingly, no further compliance filing is required.

⁶ 18 C.F.R. § 154.305 (2019).

⁷ *Post-Employment Benefits Other than Pensions*, 61 FERC ¶ 61,330 (1992).

6. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved.⁸ The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. This Settlement terminates Docket No. RP19-352-000, *et seq.*

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁸ 18 C.F.R. § 385.602 (g)(3) (2019).