

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Stingray Pipeline Company, L.L.C.	§	Docket No. RP08-____-000
	§	
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**PREPARED DIRECT TESTIMONY OF
STEPHEN L. MERRITT
ON BEHALF OF
STINGRAY PIPELINE COMPANY, L.L.C.**

JUNE 30, 2008

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**SUMMARY OF THE
PREPARED DIRECT TESTIMONY OF
STEPHEN L. MERRITT
ON BEHALF OF
STINGRAY PIPELINE COMPANY, L.L.C.**

Mr. Merritt is Chairman of Stingray Pipeline Company L.L.C. (“Stingray”), and Vice President of Enbridge Offshore (Gas Transmission) L.L.C. In his Prepared Direct Testimony, Exhibit No. SPC-7, Mr. Merritt provides an overview of Stingray’s base and test period volumes and revenues based on current contractual commitments, as adjusted by expected production declines, Stingray’s business and commercial risks, including its customers’ declining production and throughput, the proposed changes to Stingray’s FERC Gas Tariff, certain third party contractual arrangements of Stingray regarding gas processing, and systems operations and a revision to the management fee paid by Stingray under its existing operating agreement.

In addition to his testimony, Mr. Merritt sponsors Exhibit Nos. SPC-8 and SPC-9.

Stingray Pipeline Company, L.L.C. § § Docket No. RP08-____-000
§

1 **Q.1 Please state your full name, title, and current place of employment.**

2 A. My name is Stephen L. Merritt. I am employed by Enbridge Employee Services,

3 Inc. I am the Chairman of Stingray Pipeline Company L.L.C. (“Stingray”), and

4 Vice President of Enbridge Offshore (Gas Transmission) L.L.C., both subsidiaries

5 of Enbridge Inc. (“Enbridge”). The United States headquarters of Enbridge and

6 these subsidiaries is located at 1100 Louisiana, Suite 3300, Houston, Texas

7 77002, which is also where my office is located.

8 **Q.2 Please briefly summarize your educational and professional background.**

9 A. I received a Bachelor of Science degree in Marketing from Ball State University

10 in May 1973. From 1973 to 1998, I held various positions of increasing

11 responsibility in the energy industry. In June 1999, I joined Shell Gas

12 Transmission (“SGT”) as the Director of Business Development with

13 responsibilities for business development in the Garden Banks Development

14 Corridor, which was expanded in January 2001 to include the Stingray Corridor

15 with a title of Vice-Chairman of Stingray. In January 2004 I was appointed by

16 SGT as Chairman of Stingray. In January 2005, I was appointed by Enbridge as

1 Chairman of Stingray in connection with the acquisition by Enbridge of Stingray
2 and other SGT pipeline assets. In my present positions for Stingray and Enbridge
3 Offshore, I am responsible for Commercial Development Onshore/Offshore West.
4 My responsibilities, which cover the Stingray system as well as various other gas
5 pipeline assets of Enbridge, include managing new gas pipeline business
6 opportunities, partnerships, customer relations for onshore interstate and offshore
7 gas pipelines, as well as marketing of transportation capacity.

8 **Q.3 On whose behalf are you testifying in this proceeding?**

9 A. I am testifying on behalf of Stingray.

10 **Q.4 Have you previously testified before the Federal Energy Regulatory**
11 **Commission?**

12 A. No.

13 **Q.5 What is the purpose of your testimony in this proceeding?**

14 A. The purpose of my testimony is to provide an overview of (1) Stingray's base and
15 test period volumes and revenues based on current contractual commitments, as
16 adjusted by expected production declines, (2) Stingray's business and commercial
17 risks, including its customers' declining production and throughput, (3) the
18 proposed changes to Stingray's FERC Gas Tariff, (4) certain third party
19 contractual arrangements of Stingray regarding gas processing, and (5) systems
20 operations and a revision to the management fee paid by Stingray under its
21 existing operating agreement.

1 **Q.6 What statements, schedules, or exhibits are you sponsoring in conjunction**
2 **with your testimony?**

3 A. I am sponsoring Statement G, Schedules G-1, G-2, and G-3, Schedule I-5, and
4 Exhibit Nos. SPC-8 and SPC-9.

5 **Q.7 Were these schedules and exhibits prepared by you or under your direction**
6 **or supervision?**

7 A. Yes, they were all prepared under my direction and supervision.

8 **Schedules G-1 through G-3, and Schedule I-5**

9 **Q.8 Please explain Statement G.**

10 A. Statement G is a summary of volumes as well as revenues for the base period,
11 which consists of the twelve months ended February 29, 2008, as adjusted for
12 known and measurable changes during the nine-month period ending
13 November 30, 2008, the test period.

14 **Q.9 Please briefly summarize the Schedules in Statement G that you are**
15 **sponsoring.**

16 A. Schedule G-1 reflects base period volumes and revenues. Schedule G-2 reflects
17 test period volumes and revenues. Schedule G-3 explains the adjustments made
18 to the volumes in Schedule G-1 to determine the rate case billing determinants set
19 out in Schedule G-2.

20 **Q.10 Please further describe Schedule G-1.**

21 A. For each transportation agreement on Stingray, Schedule G-1 sets out the base
22 period volumes and revenues by billing component (i.e. reservation, usage, and

1 overrun), and provides the identity of the shippers, the rate schedule under which
2 service is provided, and the resulting revenues.

3 The data is presented such that Rate Schedule FTS agreements with a term
4 of at least one year (“Long-term Agreements”) are shown first, followed by Rate
5 Schedule FTS agreements with a term of less than one year (“Short-term
6 Agreements”), Rate Schedule FTS-2 agreements, Rate Schedule ITS agreements,
7 and finally, Rate Schedule PAL agreements. No capacity release agreements are
8 shown in Schedule G-1 because there were no capacity release agreements in
9 effect on Stingray during the base period. The schedule concludes with a
10 summary of volume and revenue data for all of the above mentioned groupings.
11 These results are reflected on Statement G.

12 **Q.11 Please describe in more detail the different gas transportation services**
13 **Stingray offers that are reflected in Schedule G-1.**

14 A. Stingray’s pipeline is an open access natural gas pipeline. Stingray offers firm
15 and interruptible transportation services, all of which are included in its FERC
16 Gas Tariff. During the base period, Stingray offered firm transportation service
17 under Rate Schedules FTS and FTS-2, and interruptible transportation service
18 under Rate Schedule ITS. Stingray also offers interruptible parking and lending
19 services under Rate Schedule PAL.

20 **Q.12 Please explain the principal differences between service provided under Rate**
21 **Schedule FTS and service provided under Rate Schedule FTS-2.**

22 A. The FTS service is a traditional firm service for which Stingray charges a two-
23 part reservation/commodity charge. As of the end of the base period, all but one

1 of Stingray's Rate Schedule FTS agreements have expired. The FTS-2 service
2 allows producers initially to pay commodity-only rates for firm service, so long as
3 the producer agrees to a life of lease dedication of reserves to the Stingray system
4 and ships a minimum annual percentage of the contract Maximum Daily Quantity
5 ("MDQ"). In addition, shippers under Rate Schedule FTS-2 have the right
6 periodically to reduce their contract MDQ to reflect declining production curves
7 and reduce potential exposure to payment of the minimum annual fee for failure
8 to ship the required annual minimum volumes.

9 **Q.13 Please describe Schedule G-2.**

10 A. Schedule G-2 sets out by agreement the test period volumes and revenues by
11 billing component.

12 **Q.14 How were the test period revenues determined?**

13 A. For the volumes subject to the maximum rates, the test period revenue shown on
14 Schedule G-2 was derived by applying the test period billing determinants
15 determined in Schedule G-3 to the rates set out in Schedule J-2, which is
16 sponsored by Stingray witness Mr. Robert W. Neustaedter, Exhibit No. SPC-2.
17 Otherwise, the test period billing determinants are applied to the discounted rates
18 anticipated to be charged during the test period.

1 **Q.15 Please describe the contents of Schedule G-2.**

2 A. For each transportation agreement on Stingray, Schedule G-2 shows, for the test
3 period, the identity of the shippers, the Rate Schedule applicable to their
4 agreements, and the resulting revenues.

5 Like Schedule G-1, the data is presented such that the one remaining
6 Long-term Agreement under Rate Schedule FTS is shown first, followed by
7 Short-term Agreements under Rate Schedule FTS, Rate Schedule FTS-2
8 agreements, Rate Schedule ITS agreements, and finally, Rate Schedule PAL
9 agreements. No capacity release agreements are included because no capacity
10 release agreements are anticipated to exist during the test period. The schedule
11 concludes with a summary of volume and revenue data for all of the above
12 mentioned groupings. These results are also reflected on Statement G.

13 **Q.16 Can the base period revenue of \$13,997,334 in Schedule G-1 be compared to**
14 **the test period revenue in Schedule G-2 to determine the revenue increase**
15 **attributable to the rate case?**

16 A. No, it cannot. Schedule G-1 and Schedule G-2 revenues are computed at different
17 volume levels.

18 **Q.17 Please describe the contents of Schedule G-3.**

19 A. Schedule G-3 sets out the adjustments made to the base period reservation and
20 commodity volumes in Schedule G-1 to determine the test period reservation and
21 commodity volumes set out in Schedule G-2.

1 **Q.18 Please describe Schedule I-5.**

2 A. Schedule I-5 shows Stingray's gas balance of receipts and deliveries for the
3 twelve-month period ending February 29, 2008, the adjustments to the base
4 period receipts and deliveries, and the resultant test period receipts and deliveries.

5 **Q.19 Please generally describe the adjustments you have made to Stingray's**
6 **system throughput.**

7 A. As reflected in Schedule G-1, filed with the testimony of Mr. Neustaedter as
8 Exhibit No. SPC-4, Tab G, Stingray's total system throughput for the base period
9 was 153,858,494 dekatherms ("Dth"). This figure reflects some of the permanent
10 decline in production connected to Stingray as a result of damage to producer
11 platforms and other equipment caused by Hurricane Rita. However, this
12 overstates the throughput that Stingray will experience during the periods the
13 rates approved in this rate case will be in effect. Based on several developments
14 that need to be reflected as test period adjustments, to derive the proper billing
15 determinants for calculation of Stingray's rates, the base period throughput of
16 153,858,494 Dth needs to be reduced by approximately 11,491,768 Dth, as shown
17 on Schedule G-3.

18 **Q.20 Please describe the developments that are reflected in the adjustments to**
19 **Stingray's throughput.**

20 A. I anticipate Stingray will experience continued declines in volumes of throughput
21 during the test period and into the future. As shown in Statement G-2, the
22 adjustments reflect (1) the actual decline Stingray has experienced from
23 December 2007 through April 2008; and, (2) incorporating Stingray's actual

1 throughput for May 2008 adjusted to reflect a full month of volumes, for certain
2 throughput that only flowed for part of May; and (3) a projected 15 percent
3 throughput decline for June 2008 through November 2008 (*i.e.*, 1/12 of 15 percent
4 per month). By comparison, as shown in Exhibit No. SPC-8, from May 2007 to
5 May 2008, Stingray actually experienced a 17.7 percent decline in throughput.

6 As a result, the total base period throughput of 153,858,494 Dth needs to
7 be reduced through a test period adjustment resulting in a total test period
8 throughput of 142,366,726 Dth.

9 **Q.21 Please describe in more detail the factors that you anticipate will cause an**
10 **increased decline in Stingray's throughput.**

11 A. Based on my knowledge of current drilling and development activity in the
12 vicinity of Stingray's system and in light of the long lead time to develop and
13 attach new reserves, there are few prospects for new reserves to be connected to
14 Stingray. As a result, unlike some periods in the past, new reserve connections to
15 Stingray's system will not offset the significant throughput declines I anticipate
16 on the system.

17 **Q.22 Please describe these factors.**

18 A. The shallow Gulf of Mexico region accessed by Stingray is a mature gas
19 producing area that has already been heavily explored and produced. There are
20 few significant new prospects likely to be discovered or developed at shallow
21 water depths. In addition, there is little or no drilling activity targeting new deep
22 Shelf prospects, by which I mean drilling in new locations in the relatively
23 shallow Gulf of Mexico areas accessed by Stingray to drilling depths of 15,000

1 feet below mud line or greater. The extremely high prices of oil which currently
2 exist and are likely to continue for the foreseeable future give producers the
3 incentive to commit their drilling budgets and resources to exploration and
4 development of oil prospects, which are almost exclusively located in deep waters
5 of the Gulf of Mexico that are not readily accessed by the Stingray system. I
6 anticipate similar incentives will reduce or eliminate in-field drilling on existing
7 platforms connected to the Stingray system, since the areas accessed by Stingray
8 are almost exclusively gas and condensate producing.

9 In addition, in my judgment, Stingray will experience declines in
10 throughput as the result of production capability lost through production problems
11 experienced by producers connected to Stingray. The Stingray system is
12 relatively old and it carries a significant level of condensate produced in
13 association with the natural gas connected to its system. This means it requires
14 significant levels of maintenance. Stingray's operations are also highly affected
15 by the impact of weather conditions on its producers' facilities, such as storms,
16 and high wind and wave action, which can trigger automatic shut-downs of
17 equipment on unmanned platforms. Producers attached to the Stingray system
18 engage in maintenance, testing and reworking activity on wells connected to
19 Stingray. As discussed in the Prepared Direct Testimony of Mr. Allan M.
20 Schneider, Exhibit No. SPC-10, the Minerals Management Service has also
21 recently adopted a more aggressive program of inspections and testing regarding
22 offshore pipeline and production installations. All of these factors can contribute
23 to temporary shut-ins of portions of the system. Any time production is shut in,

1 even for a relatively brief period, there is always some risk that it will be lost
2 entirely or not return to previous levels as the result of sanding in or other damage
3 to the wells.

4 These factors and the fact that Stingray has experienced a throughput
5 decline of 17.7 percent from May 2007 to May 2008 lead me to conclude that
6 Stingray's base period throughput needs to be reduced by the amount reflected.

7 **Q.23 Please describe in more detail the specific adjustments made to the base**
8 **period reservation volumes to obtain test period reservation volumes.**

9 A. In order to determine the reservation volumes to be used for the test period, I
10 eliminated reservation volumes related to all Rate Schedule FTS agreements that
11 either expired during the base period or will expire during the test period. In
12 addition, I further reduced the reservation volumes relating to the single
13 remaining Rate Schedule FTS agreement to reflect a reduction in the MDQ
14 negotiated with such shipper during the test period. All of the adjustments I made
15 for reservation volumes are shown for all base and test period agreements in
16 Schedule G-3.

17 **Q.24 What are the results of the adjustments to firm service reservation volumes**
18 **that you previously discussed?**

19 A. I am projecting that, at the end of the test period, Stingray will have a total of
20 13,870,000 Dth of firm agreement reservation volumes on the system under Rate
21 Schedule FTS, which is a reduction of 29,222,350 Dth.

1 **Q.25 In your judgment, will Stingray be able to replace these firm agreements**
2 **under Rate Schedule FTS?**

3 A. No. If you use the existing certificated capacity of 1,120,000 Dth per day
4 (“Dth/d”) for Stingray, I anticipate that only approximately 3 percent of
5 Stingray’s capacity will be subscribed on a firm basis under Rate Schedule FTS as
6 of the end of the test period. Even with the reduced certificated capacity of
7 Stingray’s system of 650,000 Dth/d that will exist, assuming the Commission
8 approves the pending abandonment application described in the Prepared Direct
9 Testimony of Mr. Schneider, Exhibit No. SPC-10, only approximately 6 percent
10 of Stingray’s capacity will be subscribed on a firm basis under Rate Schedule
11 FTS.

12 **Q.26 What specific adjustments have you made to base period commodity volumes**
13 **under firm agreements to obtain test period commodity volumes?**

14 A. I have made the following adjustments to base period commodity volumes
15 applicable to firm agreements. First, I eliminated commodity volumes related to
16 FTS and FTS-2 agreements that expired during the base period or will expire
17 during the test period. I then used the actual volumes for December 2007 through
18 April 2008 for the remaining Rate Schedule FTS and FTS-2 agreements. For
19 May 2008, I increased the commodity volumes to reflect a full month’s volumes
20 for throughput that flowed for only part of May. Using the adjusted May 2008
21 commodity volumes, I projected the commodity volumes through November 2008
22 using a 15 percent throughput decline (*i.e.*, 1/12 of 15 percent per month) .

1 **Q.27 What is the result of these adjustments?**

2 A. These adjustments result in a decrease of 8,431,920 Dth to base period
3 commodity volumes for FTS and FTS-2 agreements.

4 **Q.28 What are the bases for these adjustments?**

5 A. I have made these adjustments based on my knowledge of the Stingray
6 agreements, and discussions with the firm shippers concerning their future
7 reservation and commodity requirements.

8 As I discussed previously in my testimony, I also based these adjustments
9 on the decline in throughput actually experienced on Stingray between May 2007
10 and May 2008, as well as my knowledge of declining production, drilling and
11 development in Stingray's area of the Gulf of Mexico, and my judgment about
12 anticipated future declines.

13 **Q.29 Please describe in more detail the specific basis for the test period level of**
14 **interruptible volumes used in this filing?**

15 A. My analysis of the test period level of interruptible volumes began by reflecting
16 the same volume level in Stingray's test period that it experienced in its base
17 period. Then certain adjustments were made to this amount based on a block-by-
18 block review of flow volumes during the base period and the first three months of
19 the test period.

20 **Q.30 Please explain the specific adjustments that were made to interruptible test**
21 **period volumes.**

22 A. In many cases, volumes previously flowing under a terminated firm service
23 agreement continue flowing under an interruptible agreement. To the extent this

1 has occurred, I have increased interruptible volumes for the test period. In
2 addition, I have increased interruptible volumes to reflect the new volumes added
3 for the two new contracts representing new sources of supply added to the
4 Stingray system.

5 **Q.31 Are these all of the adjustments that were made to interruptible volumes?**

6 A. No. For the reasons I discussed previously in my testimony, I adjusted
7 interruptible volumes to reflect an expected overall production decline. The
8 volumes for particular interruptible agreements reflected in Schedule G-3 were
9 derived by taking the actual interruptible volumes for December 2007 through
10 April 2008 for the Rate Schedule ITS agreements. For May 2008, I increased the
11 interruptible volumes to reflect a full month's volumes from certain contracts that
12 did not flow for all of May. Using the adjusted May 2008 interruptible volumes, I
13 projected the interruptible volumes through November 2008 using a 15 percent
14 throughput decline (*i.e.*, 1/12 of 15 percent per month).

15 **Q.32 What is the net result of all these adjustments to the interruptible volumes?**

16 A. Annual interruptible volumes decreased by 3,055,248 Dth.

17 **Q.33 Are any of the test period volumes anticipated to flow under Rate Schedule**
18 **PAL?**

19 A. No. There was only one month during the base period and only one day in April
20 2008 in which a shipper flowed volumes under Rate Schedule PAL. I do not
21 anticipate any volumes to flow under Rate Schedule PAL during the remainder of
22 the test period, so have eliminated all PAL volumes from the test period.

1 **Q.34 Are any of the test period volumes anticipated to flow under negotiated rate**
2 **agreements under any rate schedule?**

3 A. No.

4 **Business Risks**

5 **Q.35 In your opinion, is Stingray subject to a high level of business risk?**

6 A. Yes. In addition to the operational risks identified by Mr. Schneider in his
7 Prepared Direct Testimony, Exhibit No. SPC-10, Stingray is subject to significant
8 commercial risks. These include general risks related to the production and
9 reserves in the geographic areas accessed by Stingray, and risks related to
10 competition and the commercial environment in which Stingray operates. Several
11 of the commercial risks to which Stingray is subject do not affect the typical
12 onshore FERC-regulated gas pipeline at all; instead they closely resemble the
13 risks faced by an onshore gathering system.

14 **Q.36 Please summarize the types of commercial risks that affect Stingray's**
15 **operations.**

16 A. Stingray faces risks, similar to those of an onshore gathering system, associated
17 with the production activities of producers operating in the geographic area
18 accessed by Stingray, which are largely beyond Stingray's control. These include
19 risks associated with declining production from reserves attached to its system, as
20 well as risks associated with producer decisions concerning drilling and
21 development activity. In addition, Stingray faces commercial risks, including:
22 (1) the nature of Stingray's agreements and services, which provides for little
23 assured fixed cost recovery; (2) Stingray's rate structure as compared to the rate

1 structure of its offshore competitors that are long-haul pipelines; and (3) the level
2 of rate discounting that Stingray has had to offer to stay competitive in the
3 Louisiana offshore area.

4 **Q.37 Please discuss the business risk associated with the activities of producers.**

5 A. Similar to a traditional gathering system, Stingray faces increased business risk
6 since the natural production decline associated with connected reserves, which
7 occurs over time, causes a decline in Stingray's throughput unless the decline can
8 be offset by the connection of new reserves. Stingray's diversity of gas supply
9 and its ability to extend its reach into new areas is limited, on a practical basis,
10 due to the maturing fields in the surrounding areas and high costs to extend into
11 other areas. As reflected in Exhibit No. SPC-8, throughput from existing
12 connected reserves has actually declined from May 2007 to May 2008 by 17.7
13 percent. As I have discussed previously, I anticipate system throughput to
14 continue to decline at increasing rates into the future as the result of natural
15 production declines and producer decisions, which are beyond Stingray's control,
16 as to drilling, development, and production investment priorities.

17 **Q.38 How do producer decisions about drilling, development and production**
18 **investments affect Stingray?**

19 A. In order for Stingray to maintain throughput levels in the face of the natural
20 production declines associated with connected reserves, it is necessary for
21 Stingray to attach new reserves sufficient to offset those declines. These can
22 come from reserves not yet physically connected to its system, as well as from

1 additional in-field drilling in areas already connected. Stingray's ability to
2 acquire such new reserves is dependent both on its competitive position, which I
3 discuss in more detail later in my testimony, and on the drilling and development
4 investments made by producers. Historically, the types of production reserves
5 more likely to be located in the shallow Central Gulf of Mexico region accessed
6 by Stingray's system are heavily weighted toward natural gas production. With
7 the recent significant increase in oil prices, which I anticipate are likely to remain
8 high for the next several years, I have observed that producers in the Gulf of
9 Mexico are increasingly focusing their drilling and development investments in
10 deep water oil projects not readily accessed by Stingray. There is currently very
11 little drilling and development activity in Stingray's immediate vicinity. In
12 addition, Stingray generally experiences a lag time of at least one year to 18
13 months between the time drilling activity occurs and the time new reserves can be
14 expected to be physically connected to the Stingray system. The current low level
15 of drilling and development activity of producers will therefore continue to
16 impede Stingray's ability to attach new reserves to its system for some time into
17 the future.

18 **Q.39 Does Stingray expect to add new supplies to offset declining production?**

19 A. It is unlikely that production from potential new supply sources for which
20 Stingray can compete will offset production declines from existing supply blocks.
21 As I previously discussed in my testimony, Stingray does not have current
22 agreements in place for attaching enough new supply to offset declining

1 production. Further, even if new supply does become available, Stingray will be
2 in competition with other transporters for the right to attach the new supply.
3 Therefore, Stingray will likely attach any new supply at discounted rates.

4 **Q.40 Are there other ways in which producers' investment decisions significantly**
5 **affect Stingray's level of throughput?**

6 A. Yes. Maintaining offshore production platforms and related producing
7 equipment, as necessary to produce reserves attached to Stingray's system, is
8 quite expensive. The increases in these costs during recent years arising from
9 post-hurricane activity and the general demand for materials and labor in the
10 industry have been dramatic. At some point in the life of a producing reservoir, a
11 producer will determine that it is more economical to curtail investment in the
12 remaining reserves rather than to continue development, and consequently will
13 reduce deliveries into the Stingray system over time. This decision can be
14 hastened if an event, such as a hurricane, causes damage to wells or production
15 facilities that must be repaired or maintained at great expense in order to resume
16 production. Less dramatic production problems, such as temporary maintenance
17 shut-ins or emergency shutdown tests, can also accelerate production declines
18 since any time a well is shut-in there is a risk it will not return to previous
19 production levels due to sanding in or other damage to the reservoir.

20 **Q.41 How has this decline in production and throughput affected revenue**
21 **recovery?**

22 A. Revenue recovery is affected in two ways. Declining throughput causes Stingray
23 to have significant excess capacity. Thus, as agreements under its FTS service

1 terminate, few, if any, shippers choose to renew their FTS service agreements.
2 This reduces the level of fixed reservation charges Stingray recovers. In addition,
3 shippers using Stingray's FTS-2 service may adjust their contract MDQs
4 downward to reflect the production declines experienced, which reduces the FTS-
5 2 revenues from minimum throughput levels that can be anticipated to be received
6 by Stingray. Further, although a minimum annual payment applies if a shipper
7 does not ship 85 percent of its MDQ, Stingray's FTS-2 shippers have established
8 their applicable MDQs at levels that virtually assure they will not be liable for
9 payment of a minimum annual payment under this Rate Schedule. The
10 combination of these two factors has virtually eliminated Stingray's ability to be
11 assured of a minimum level of revenue recovery under firm agreements.

12 **Q.42 Please discuss the business risk associated with the nature of Stingray's**
13 **transportation service and agreements.**

14 A. As I have previously discussed, at the end of the test period very little of
15 Stingray's capacity will be committed under Rate Schedule FTS agreements,
16 pursuant to which the shipper pays a fixed reservation charge. Approximately
17 70 percent of the volumes Stingray transported during the base period, and
18 approximately 74 percent of the anticipated test period volumes will be
19 transported under Rate Schedule ITS. Thus, Stingray has become predominately
20 a provider of interruptible service or commodity-only service. This business is
21 inherently riskier than firm reservation-based business, such as that under the FTS
22 rate schedule, which is the primary business on the typical onshore interstate
23 pipeline.

1 With commodity-only business, there is no revenue guarantee to Stingray.
2 Declining production translates directly into lower revenue to Stingray. By
3 contrast, the reservation charges typically assessed by many onshore pipelines for
4 firm service provide the pipeline with some cushion against market changes and
5 production declines and some time to respond to changing conditions.

6 **Q.43 Can Stingray rely on its existing reserve dedication agreements to offset the**
7 **risk associated with providing interruptible service?**

8 A. No. While Stingray has several reserve dedication agreements in effect with
9 producers who have dedicated their reserves to Stingray in exchange for the
10 receipt of rate discounts, these agreements do not provide Stingray with any
11 certainty of revenues because they are associated with interruptible service or
12 commodity-based service under Rate Schedule FTS-2.

13 **Q.44 Who are Stingray's offshore competitors?**

14 A. Stingray currently has only one connected platform with dual interconnections to
15 other pipelines that subjects Stingray to competition for transportation of attached
16 production. Several major pipelines, however, are located in the immediate
17 vicinity of Stingray's system and compete for the connection of new reserves,
18 which is the future lifeblood of the Stingray system for the reasons I have
19 previously described. These include ANR Pipeline Company ("ANR"),
20 Tennessee Gas Pipeline Company ("Tennessee"), Texas Eastern Transmission
21 Pipeline Corporation ("Texas Eastern"), Transcontinental Gas Pipeline
22 Corporation, Sea Robin Pipeline Company, and the High Island Offshore System.

1 In addition, Targa Midstream Services Limited Partnership (“Targa”) owns and
2 operates two non-FERC jurisdictional pipelines in the same area. As a result,
3 Stingray has experienced many situations in which Stingray must discount
4 transportation in order to compete to attach production.

5 **Q.45 How would you describe Stingray’s competitive position with respect to these**
6 **pipelines and the competition for customers?**

7 A. Stingray is at a clear competitive disadvantage compared to most of these
8 pipelines, including ANR, Tennessee, and Texas Eastern, by virtue of these
9 pipelines being able to offer long-haul service.

10 **Q.46 Please explain why Stingray is at a competitive disadvantage with respect to**
11 **long-haul pipelines.**

12 A. Long-haul pipelines have several competitive advantages. First, long-haul
13 pipelines have rate structures that do not charge an incremental amount to bring
14 gas onshore. Although Stingray connects onshore to Natural Gas Pipeline of
15 America, ANR, and Tennessee, all other factors being equal, a shipper will prefer
16 to deliver directly into one of these long-haul lines. In addition, Stingray’s
17 competitor long-haul pipelines are also able to offer pooling services to market
18 hubs, offering better liquidity and making it easier and more efficient for shippers
19 to market their gas.

20 Finally, long-haul pipelines also have an advantage in terms of
21 administrative simplicity. Unlike Stingray, long-haul pipelines are connected
22 directly to end-use gas markets. A shipper need enter into only one agreement
23 and submit only one nomination to transport gas from off-shore supply sources to

1 major market areas. By contrast, shippers moving on Stingray must also contract
2 with and nominate on at least one other pipeline. This increases the cost and
3 complexity of contract administration for the shipper because it must hold
4 transportation agreements on at least two pipelines and must be familiar with at
5 least two pipelines' tariffs, including differing provisions on gas quality,
6 imbalances, and other similar matters.

7 **Q.47 How does Stingray compete with these long-haul pipelines?**

8 A. In order to improve its position in the extremely competitive environment of
9 offshore Louisiana, Stingray must offer discounts to its existing shippers and to
10 entice new shippers to connect. During the base period, 59 percent of the
11 volumes were transported at discounted rates, and an estimated 62 percent of the
12 volumes during the test period will be transported at discounted rates. Many of
13 these rate discounts had to be granted for long-term periods, including life of the
14 leases, in order to incentivize the producers to invest in gathering lines and other
15 facilities to interconnect with Stingray in the first place. Sometimes long-term
16 rate discounts were necessary to provide an incentive for producers to develop or
17 produce otherwise marginal supplies. In most cases, the rate discounts were only
18 granted if the producer agreed to dedicate its production for transportation by
19 Stingray. All of these discounts were granted after careful analysis of each
20 shipper's situation and extensive negotiation and were necessary to secure the
21 throughput from these shippers. Otherwise, Stingray would not have granted the
22 discounts and foregone the revenue. None of the discounts were granted to

1 affiliates of Stingray. But for these rate discounts and associated reserve
2 dedications, Stingray's current shippers could divert volumes to other pipelines on
3 a permanent or long-term basis and new shippers would be less inclined to add
4 new connections to Stingray.

5 **Tariff Changes**

6 **Q.48 What is Exhibit No. SPC-9?**

7 A. Exhibit No. SPC-9 contains a list of the changes proposed in this filing to
8 Stingray's revised FERC Gas Tariff, as reflected in the tariff sheets attached to the
9 transmittal letter for this filing. Mr. Stephen J. Neyland discusses and sponsors
10 the details of the Event Surcharge tariff change in his Prepared Direct Testimony,
11 Exhibit No. SPC-6. I am sponsoring the remaining tariff changes.

12 **Q.49 What are the changes to its current tariff that Stingray is proposing in this**
13 **rate filing?**

14 A. Many of the proposed changes to the tariff are general clean-up changes. These
15 changes include, but are not limited to, updating the person who should be
16 contacted regarding the tariff and updating the Table of Contents, alphabetizing
17 defined terms, adding definitions of "Authorized Overrun Gas" and "Trading
18 Partner," clarifying and updating existing provisions and terms (including
19 ensuring a consistent use of defined terms), adding blanks to forms and *pro forma*
20 agreements for routine information such as Shippers' DUNS numbers, and
21 updating the signature block in the *pro forma* agreements to reflect Stingray's full
22 corporate name.

1 **Q.50 What other tariff changes does Stingray propose?**

2 A. In addition, Stingray has proposed to make a number of changes to its tariff to
3 provide it with greater flexibility, ease of contract administration, and to secure
4 continued consistency in its implementation of its service agreements. These
5 changes include (1) adding a form of Reserve Dedication Agreement to Rate
6 Schedule FTS-2, (2) adding forms of agreements for a Confirmation of
7 Agreement on Trade Imbalances and a Released Capacity Transportation Service
8 Contract, (3) adding a Service Request form, (4) adding provisions to allow
9 shippers under Rate Schedule ITS the option to increase their MDQ without
10 executing a new service agreement, (5) adding a provision to allow for different
11 term options in the service agreements, (6) adding provisions that allow for
12 extension of service agreements consistent with recent Commission rulings, (7)
13 adding provisions to permit the assignment and succession of FTS-2 and ITS
14 Service Agreements when dedicated reserves are assigned, without the need to
15 follow the capacity release provisions of the tariff, and (8) further clarifying
16 Stingray's Agency Agreement to ensure that Stingray can rely on the acts and
17 instructions of a shipper's agent.

18 **Q.51 Are there other proposed tariff changes?**

19 A. Yes. Stingray also proposes to (1) provide that the charge for authorized overrun
20 gas service will be at the maximum applicable rates, (2) provide that notices will
21 be given by website posting and email and allow its shippers to elect to receive
22 their invoices by email, (3) add a provision to provide shippers failing

1 creditworthiness criteria with an explanation, (4) provide for waiver of interest
2 charges on late payments of less than \$100, (5) expand the provisions on
3 Stingray's policy for adding receipt or delivery points, (6) add language to allow
4 Stingray, not only to purchase or sell gas as it currently is authorized to do, but
5 also to borrow or loan gas from or to a third-party, for operational reasons
6 consistent with a recent Commission ruling, (7) charge a fee of \$10.00 per barrel
7 to a shipper who injects free water into Stingray's system or, if the shipper cannot
8 be identified, to the owners of the onshore separation facility to which the free
9 water is delivered, (8) revise its general waiver provision to be consistent with the
10 recent Commission rulings, (9) provide that Stingray may subscribe for capacity
11 on other pipelines for operational purposes or to render service for its shippers
12 (including waiver of the "shipper-must-have-title" rule), again consistent with
13 recent Commission rulings, and (10) modify the minimum gravity temperature
14 from 38 to 35 degrees Fahrenheit in the definition of "Liquids" consistent with
15 system practice.

16 Other than the Event Surcharge discussed in Mr. Neyland's Prepared
17 Direct Testimony, Exhibit No. SPC-6, Stingray also proposes to (1) revise its
18 monthly transportation imbalance mechanism, and (2) revise its interruptible
19 transportation scheduling and curtailment policies. The transmittal letter filed in
20 connection with this rate proceeding contains tariff sheets reflecting all the
21 changes Stingray proposes to make to its tariff.

1 **Q.52 What changes is Stingray proposing to its monthly transportation imbalance**
2 **mechanism?**

3 A. Stingray is proposing changes to its monthly transportation imbalance provisions
4 to make the provisions clearer and more equitable to Stingray and its shippers,
5 and to eliminate any market pricing incentive for shippers to accrue imbalances.
6 First, Stingray proposes to remove the provisions for differing treatment of
7 majority shippers (shippers with imbalances in the same direction as the system
8 imbalance) and minority shippers (shippers with imbalances in the opposite
9 direction of the system imbalance). Second, Stingray is changing its cash-out gas
10 price indices to indices that more closely reflect the market value of gas delivered
11 by Stingray. Third, within the 0 to 5 percent tier of imbalances, Stingray will
12 assess the shipper at either the highest or lowest monthly index price depending
13 on whether the shipper accrues a negative or positive imbalance; otherwise, the
14 average monthly gas index price will apply. Fourth, Stingray will invoice
15 shippers for cash-out of imbalances and allow shippers to make an invoice
16 adjustment to reflect any trading of their imbalances. Fifth, costs associated with
17 “in kind” reimbursement of gas for imbalances under OBAs are specifically
18 recognized as costs associated with imbalance cash-outs. Sixth, Stingray will be
19 able to use any annual over-recoveries resulting from cash-out of monthly
20 transportation imbalances to reduce its Company Use Gas. Finally, Stingray will
21 be allowed to invoice its shippers for any under-recoveries of cash-out revenues.

1 **Q.53 Why is Stingray proposing new scheduling and curtailment priorities for its**
2 **interruptible service?**

3 A. Currently, scheduling and curtailment of interruptible shippers are done based on
4 the timing of a nomination and date of the agreement. Stingray proposes,
5 consistent with FERC policy, to schedule and curtail based on rates and
6 agreement value. This will allocate capacity more efficiently to those who value
7 it most and will reduce agreement administration and scheduling issues that can
8 arise, for example, when shippers change their MDQs or when dedicated reserves
9 are assigned, which requires the execution of a new interruptible service
10 agreement and/or the assignment of the interruptible service agreement.

11 **Q.54 What are Stingray’s proposed new priorities for scheduling and curtailing**
12 **interruptible service?**

13 A. Stingray proposes to change its general interruptible transportation scheduling and
14 curtailment priorities from a first priority based on a “last-on, first-off” principle
15 to a first priority based on the rate paid, with the Shippers paying the lower rates
16 being interrupted first, and Shippers paying the higher rates receiving the higher
17 allocation of available capacity. Under Stingray’s proposal, when scheduling or
18 curtailing service, Stingray’s first priority will be to curtail interruptible and any
19 overrun services paying discounted rates on the basis of the rates being paid.
20 Stingray’s second priority will remain the same, with interruptible and overrun
21 services paying maximum rates being interrupted on a “pro-rata” basis. Shippers
22 will have the option to elect to pay the maximum applicable rate if necessary to
23 have their gas scheduled or to avoid curtailment.

Third Party Arrangements for Processing

Q.55 Does Stingray own or operate gas processing facilities connected to its system?

A. No. Stingray has several onshore delivery points at which its shippers may schedule gas transported by Stingray for direct or subsequent delivery to third party gas processors. The majority of its shippers enter into arrangements with one or more of these third party processors for the processing of their gas to remove natural gas liquids (“NGLs”). Stingray is not involved in the processing arrangements made by its shippers except to the extent Stingray confirms nominations and makes deliveries of gas at interconnection points with such third party processors. A small number of Stingray’s shippers, however, decide not to process their gas. Usually this occurs because the shipper does not have the personnel or other arrangements in place needed to be able to handle the storage, sale, and transportation of the removed NGLs, and/or because the amount of NGLs associated with the shipper’s gas is relatively small. When Stingray’s shippers elect not to have their natural gas processed to remove NGLs, Stingray has the right, pursuant to its FERC Gas Tariff, Section 22.5, to cause the gas (“Stranger’s Gas”) to be processed, as long as Stingray returns the thermal equivalent of the volume of gas delivered at the receipt point. Stingray has therefore made arrangements that allow Stingray to offer Stranger’s Gas for processing at Targa’s Stingray Plant, which is a third party processing plant connected to the Stingray system. To the extent Targa agrees to receive Stranger’s Gas for processing, it compensates Stingray for such processing

1 opportunity pursuant to a formula based on the value of a portion of the liquids
2 removed from the Stranger's Gas, less the cost of replacing the gas Btus lost as a
3 result of processing. Stingray does not have any control over producer decisions
4 whether or not to process, which affect the amount of gas that Stingray might be
5 able under its FERC Gas Tariff to offer for processing, nor does Stingray have
6 any right to require Targa to accept gas for processing when offered. Instead, this
7 decision is made at Targa's discretion depending on its current level of
8 operations. Because of the fact that Stingray does not engage in any additional
9 activity or effort to handle the Stranger's Gas and thus does not use its system for
10 any activity or effort regarding the processing of the Stranger's Gas, Stingray has
11 not made any cost allocations or any revenue credits as a result of the Stranger's
12 Gas.

13 **Management of Stingray**

14 **Q.56 Who currently owns Stingray?**

15 A. As explained in more detail by Mr. Ken C. Lanik in his Prepared Direct
16 Testimony, Exhibit No. SPC-39, Stingray is currently owned by Starfish Pipeline
17 Company, LLC, which is owned fifty percent by Enbridge Offshore (Gas
18 Transmission) L.L.C. ("Enbridge Offshore") and fifty percent by MarkWest
19 Energy Partners, L.P. ("MarkWest Energy").

20 **Q.57 Who operates Stingray's pipeline?**

21 A. Stingray is operated pursuant to the terms of an operating agreement dated April
22 1, 2002 between Stingray and Shell Gas Gathering, LLC, as amended. Shell Gas

1 Gathering, LLC changed its name to Enbridge Offshore (Gas Gathering) L.L.C. at
2 the time it was indirectly acquired by Enbridge (U.S.) Inc. Enbridge Offshore
3 (Gas Gathering) L.L.C. manages the day-to-day operation, activation,
4 maintenance, reports, budgeting, accounting, administrative services, ministerial
5 filings, modification, deactivation, removal, restoration, and remediation of
6 Stingray's pipeline using employees of Enbridge Employee Services, Inc. that are
7 dedicated to Stingray. Although certain employees are dedicated to Stingray, it
8 does not have any actual employees of its own. Pursuant to the Operating
9 Agreement, Enbridge Offshore (Gas Gathering) L.L.C. is permitted to charge
10 Stingray directly for certain costs. In addition, the agreement specifies that
11 Stingray is to pay a management fee to compensate Enbridge Offshore (Gas
12 Gathering) L.L.C. for administrative and overhead costs incurred to manage
13 Stingray, and which are not directly charged to Stingray.

14 **Q.58 Is Stingray proposing any changes to its management fee in its Rate Filing?**

15 A. Yes.

16 **Q.59 Please describe the change that Stingray is proposing to its management fee.**

17 A. Stingray included in the base period the prorated portions of the management fee
18 in effect during February 2007 until December 31, 2007 and the management fee
19 in effect from January 1, 2008 through February 2008, which totaled
20 approximately \$1.1 million. Stingray is proposing to reflect a management fee of
21 approximately \$2.1 million in its cost of service for the test period, which is an
22 increase of approximately \$1 million.

1 **Q.60 What is the basis for this change in Stingray's management fee?**

2 A. Enbridge Offshore and MarkWest Energy, which are not affiliated, have engaged
3 in arms-length negotiations to reach a unanimous decision regarding a new
4 management fee for Stingray. Because Enbridge Offshore and MarkWest Energy
5 are equal, independent owners of Starfish, both Enbridge Offshore and MarkWest
6 Energy had to unanimously agree to increase Stingray's management fee to
7 approximately \$2.1 million in order to reflect the costs of operating the Stingray
8 system. This change in management fee will take effect during the test period.

9 **Q.61 Does this conclude your prepared direct testimony?**

10 A. Yes, it does.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Stingray Pipeline Company, L.L.C.

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Docket No. RP08-____-000

AFFIDAVIT OF STEPHEN L. MERRITT

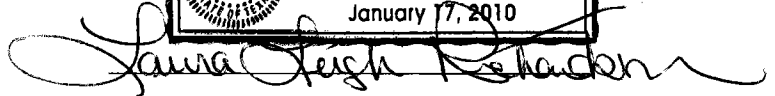
Stephen L. Merritt, being first duly sworn, hereby states that he is the witness whose Prepared Direct Testimony is attached hereto; that, if asked the questions which appear in the text of aforesaid Prepared Direct Testimony, affiant would give the answers that are therein set forth; and that affiant adopts the aforesaid Prepared Direct Testimony as his sworn, direct testimony in this proceeding.



Stephen L. Merritt

SUBSCRIBED AND SWORN TO before me, a ~~Notary Public in and for the State of~~
Texas, County of Harris, this 24th day of ~~May~~ ^{June}, 2008





Notary Public

My commission expires:

January 17, 2010

Stingray Pipeline Company LLC
Decline Percentage from May 2007 to May 2008
(in 000's)

	Dth/day
Transportation Volumes as of May 2007	475.8
Transportation Volumes Adjusted for Gunnison as of May 2008	<u>391.6</u>
Decline Volumes	84.2
Decline from May 2007 to May 2008 Adjusted (84.2/391.6)	17.70%

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Sheet Number	Description of Change
Thirteenth Revised Sheet No. 2, Eighteenth Revised Sheet No. 5, Third Revised Sheet No. 46, Third Revised Sheet No. 55, First Revised Sheet No. 72, First Revised Sheet No. 117A, First Revised Sheet No. 118A, Fifth Revised Sheet No. 159, Second Revised Sheet No. 172, First Revised Sheet No. 209 and Original Sheet Nos. 210-213	The "Event Surcharge" as described in the Transmittal Letter to Stingray's Rate Filing
Fifth Revised Sheet Nos. 132 & 133, Second Revised Sheet Nos. 134 & 134A, First Revised Sheet No. 134B, Fourth Revised Sheet No. 135 and Sixth Revised Sheet No. 139	<p>Changes are proposed to Stingray's monthly transportation imbalance provisions to make the provisions clearer and more equitable to Stingray and its shippers and to eliminate the incentive for shippers to accrue imbalances. First, Stingray proposes to remove the different provisions for Minority and Majority Shippers. Second, Stingray is changing its cash-out gas price indices to indices that more closely reflect the market value of gas delivered by Stingray. Third, within the 0 to 5% tier of imbalances, a shipper will be assessed either the highest or lowest monthly index price depending on whether the shipper accrues a negative or positive imbalance; otherwise, the average monthly gas index price will apply.</p> <p>Fourth, Stingray will invoice shippers for cash-out of imbalances existing at the end of the month and allow shippers to make an invoice adjustment to reflect any trading of their imbalances.</p> <p>Fifth, costs associated with "in kind" reimbursement of gas for imbalances under OBAs are specifically listed as costs associated with imbalance cash-outs.</p> <p>Sixth, Stingray will be allowed to use any net over-recoveries of cash-out revenues to reduce its amount of Company Use Gas to the benefit of all shippers. Finally, Stingray will be allowed to invoice shippers for any under-recoveries of cash-out revenues.</p>
Original Sheet No. 108A, First Revised Sheet No. 111, Second Revised Sheet No. 113, First Revised Sheet No. 113A, First Revised Sheet 114 and Third Revised Sheet No. 190	Change to Stingray's general interruptible transportation scheduling and curtailment priorities from a priority based on a "last-on, first-off" principle to a priority based on the rate paid. Shippers paying the lowest rates will be interrupted first and Shippers paying the maximum rates will interrupted last. Under Stingray's proposal, when scheduling or curtailing service, Stingray will first curtail interruptible and any overrun services paying discounted rates on the basis of the rates being paid. Shippers paying the same rates will be scheduled or curtailed on a "pro-rata" basis. Shippers paying negotiated rates above the maximum applicable rates will be scheduled or curtailed with shippers paying maximum rates. Shippers will have the option to elect to pay the maximum applicable rate if necessary to have their gas scheduled or to avoid curtailment.
Seventh Revised Sheet No. 0	Update of responsible person to be contacted regarding the tariff
Twelfth Revised Sheet No. 2	Table of Contents
Fifth Revised Sheet No. 100-103, First Revised Sheet No. 103A, Eighth Revised Sheet No. 104 and First Revised Sheet No. 104A	Alphabetizing of defined terms
Fifth Revised Sheet No. 100, Eighth Revised Sheet No. 104 and First Revised Sheet No. 104A	Addition of definitions of "Authorized Overrun Gas" and "Trading Partner"
Fifth Revised Sheet No. 300, Fourth Revised Sheet No. 302, Original Sheet No. 303A, Third Revised Sheet No. 305, Second Revised Sheet No. 305A, First Revised Sheet No. 312A and	Addition of blanks to forms and <i>pro forma</i> agreements for routine information such as Shippers' DUNS numbers

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Original Sheet Nos. 312B, 329, 340, 341 & 347-359	
Original Sheet No. 303A	Updated signature block in the <i>pro forma</i> agreements to reflect Stingray's full corporate name
Original Sheet Nos. 329-338	Addition of a form of Reserve Dedication Agreement to Rate Schedule FTS-2
Eighth Revised Sheet No. 43, First Revised Sheet No. 51, Eighth Revised Sheet No. 52, First Revised Sheet No. 63, Third Revised Sheet No. 84 and Original Sheet Nos. 339-340	Addition of a form of Service Request
Fifth Revised Sheet No. 132 and Original Sheet No. 341	Addition of a form of Confirmation of Agreement on Trade Imbalances
Ninth Revised Sheet No. 150, First Revised Sheet No. 150A, Fourth Revised Sheet No. 152, Second Revised Sheet No. 153, Third Revised Sheet No. 157A, Second Revised Sheet No. 172, Fifth Revised Sheet No. 173, Third Revised Sheet No. 174, First Revised Sheet No. 174A, Third Revised Sheet No. 175 and Original Sheets 342-350	Addition of a form of Released Capacity Transportation Service Contract
Fifth Revised Sheet No. 300 and Second Revised Sheet No. 303	Allowance for different term options in the service agreements
Eighth Revised Sheet No. 52	Allowance for shippers under Rate Schedule ITS the option to increase their MDQ without executing a new service agreement
First Revised Sheet No. 180 and Original Sheet No. 180A	Allowance for extension of service agreements
Third Revised Sheet No. 59, First Revised Sheet No. 60, 81 & 193, Original Sheet Nos. 300A & 303A, Second Revised Sheet No. 322 and First Revised Sheet Nos. 323 & 325	Allowance for assignment and succession of FTS-2 and ITS Service Agreements when dedicated reserves are assigned, without the need to follow the capacity release provisions of the tariff
Third Revised Sheet No. 306, Second Revised Sheet No. 307 and Third Revised Sheet No. 312	Clarification of Stingray's Agency Agreement to ensure that Stingray can rely on the acts and instructions of a shipper's agent
Fourth Revised Sheet No. 49, Sixth Revised Sheet No. 58 and Third Revised Sheet No. 69	Clarification that generally the charge for authorized overrun gas service will be at the maximum applicable rates
Second Revised Sheet No. 107, Fifth Revised Sheet No. 130, Sixth Revised Sheet No. 139, Second Revised Sheet Nos. 181-183, First Revised Sheet No. 187 and Second Revised Sheet No. 189	Notices will be given by website posting and email and allow its shippers to elect to receive their invoices by email
Second Revised Sheet No. 142	Requirement of an explanation to shippers failing Stingray's creditworthiness criteria
Fourth Revised Sheet No. 140	Waiver of interest charges on late payments of less than \$100

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First Revised Sheet Nos. 117A & 118A	Expansion of Stingray's policy for adding receipt or delivery points
Second Revised Sheet No. 136	Allowance for Stingray, not only to purchase or sell gas as it currently is authorized to do, but also to borrow or loan gas from or to a third-party, for operational reasons
Third Revised Sheet No. 185	A fee of \$10.00 per barrel to a shipper who injects free water into Stingray's system or, if the shipper cannot be identified, then the owners of the onshore separation plant to which the free water is delivered
First Revised Sheet No. 195	Revise Stingray's general waiver provision
Original Sheet No. 214	Provision allowing Stingray to subscribe for capacity on other pipelines for operational purposes or to render service for its shippers (including waiver of the "shipper-must-have-title" rule)
Fifth Revised Sheet No. 103	Reduction of minimum gravity temperature from 38 to 35 degrees Fahrenheit in the definition of "Liquids" consistent with system operations
Second Revised Sheet No. 3, First Revised Sheet No. 42, Eighth Revised Sheet No. 43, Third Revised Sheet No. 44, Sixth Revised Sheet No. 45, Third Revised Sheet No. 46, First Revised Sheet No. 47, Third Revised Sheet No. 48, Fourth Revised Sheet No. 49, Second Revised Sheet No. 50, Eighth Revised Sheet Nos. 51-52, Third Revised Sheet No. 53, Sixth Revised Sheet No. 54, Third Revised Sheet No. 55, Sixth Revised Sheet Nos. 56-57, Sixth Revised Sheet No. 58, Third Revised Sheet No. 59, First Revised Sheet Nos. 60-61, Fifth Revised Sheet No. 62, First Revised Sheet No. 63, Second Revised Sheet No. 64, First Revised Sheet Nos. 66-68, Third Revised Sheet No. 69, First Revised Sheet Nos. 70-75, Original Sheet No. 75A, First Revised Sheet Nos. 76-80, First Revised Sheet No. 82, Third Revised Sheet No. 84, Second Revised Sheet Nos. 86-88, Fifth Revised Sheet No. 100, Fifth Revised Sheet Nos. 101-103, Eighth Revised Sheet No. 104, Second Revised Sheet Nos. 106-107, First Revised Sheet Nos. 111-112, Second Revised Sheet No. 113, First Revised Sheet No. 114, Second Revised Sheet No. 115, First Revised Sheet No. 116, Second Revised Sheet No. 117, First Revised Sheet No. 117A, Third Revised Sheet No. 118, First Revised Sheet No. 118A, Eighth Revised Sheet No. 119, Fourth Revised Sheet No. 119A, Second Revised Sheet No. 119B,	Clarification and update of existing provisions and terms including capitalization of the defined terms "Business Day", "Day", "Gas", "Month" and "Year" and removal of references to terminated Non-Conforming Agreements

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Original Sheet No. 119C,
Second Revised Sheet No. 120,
Fourth Revised Sheet No. 121,
Second Revised Sheet No. 121A,
Fourth Revised Sheet No. 121B,
First Revised Sheet No. 121C,
Third Revised Sheet No. 124,
Fourth Revised Sheet No. 126,
Second Revised Sheet No. 127,
Fourth Revised Sheet No. 128,
First Revised Sheet No. 128A,
Seventh Revised Sheet No. 129,
Fifth Revised Sheet No. 130,
First Revised Sheet No. 131A,
Fifth Revised Sheet Nos. 132-133,
Second Revised Sheet Nos. 134-134A,
Fourth Revised Sheet No. 135,
Second Revised Sheet No. 136,
Third Revised Sheet No. 137,
Fourth Revised Sheet No. 138,
Sixth Revised Sheet No. 139,
Fourth Revised Sheet Nos. 140-140B,
Second Revised Sheet No. 142,
Fifth Revised Sheet No. 148-148A,
Ninth Revised Sheet No. 150,
Third Revised Sheet No. 151,
Fourth Revised Sheet No. 152,
Second Revised Sheet No. 155,
Fifth Revised Sheet No. 157,
Third Revised Sheet No. 157A,
Fifth Revised Sheet No. 159,
Second Revised Sheet Nos. 160-161,
Third Revised Sheet No. 162,
First Revised Sheet No. 166,
Second Revised Sheet No. 167,
First Revised Sheet No. 168,
Second Revised Sheet Nos. 170-171,
Fifth Revised Sheet No. 173,
Second Revised Sheet No. 173A,
First Revised Sheet Nos. 173B-173C,
First Revised Sheet No. 175A,
Second Revised Sheet Nos. 176-177A,
Fourth Revised Sheet No. 178,
First Revised Sheet No. 178A,
Original Sheet No. 180A,
Second Revised Sheet No. 181,
Second Revised Sheet Nos. 182-183,
First Revised Sheet No. 183A,
Third Revised Sheet Nos. 185-186,
Second Revised Sheet No. 197,
Original Sheet No. 198A,
First Revised Sheet No. 201,
First Revised Sheet Nos. 205-206,
Second Revised Sheet No. 207,
Third Revised Sheet No. 208,
Sixth Revised Sheet No. 301,
First Revised Sheet No. 301A,
Fourth Revised Sheet No. 302,
Third Revised Sheet No. 302B,
Second Revised Sheet No. 303,
Third Revised Sheet No. 305,
Second Revised Sheet No. 305C,
Third Revised Sheet No. 306,
Second Revised Sheet No. 308,

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Fifth Revised Sheet No. 309, Second Revised Sheet No. 310, Third Revised Sheet No. 311, Third Revised Sheet No. 316, Second Revised Sheet No. 318, Second Revised Sheet No. 319, Second Revised Sheet No. 320 and Third Revised Sheet No. 321	
First Revised Sheet No. 60, Third Revised Sheet No. 69, First Revised Sheet No. 72, Fifth Revised Sheet No. 103, Eighth Revised Sheet No. 104, Original Sheet No. 108A, First Revised Sheet No. 113A, Fifth Revised Sheet No. 133, Second Revised Sheet Nos. 134-134A, First Revised Sheet No. 134B, Second Revised Sheet No. 183, Original Sheet No. 300A, Original Sheet No. 303A and Original Sheet No. 312B	Tariff sheets that contain overflow language from prior pages where the overflow language contains changes noted above other than capitalization of defined terms
Original Sheet No. 11, First Revised Sheet No. 42, Eighth Revised Sheet No. 43, Third Revised Sheet No. 44, Sixth Revised Sheet No. 45, Third Revised Sheet No. 46, First Revised Sheet No. 47, Third Revised Sheet No. 48, Fourth Revised Sheet No. 49, First Revised Sheet No. 51, Third Revised Sheet No. 53, Sixth Revised Sheet No. 57, First Revised Sheet No. 61, Fifth Revised Sheet No. 62, First Revised Sheet No. 63, Second Revised Sheet No. 64, First Revised Sheet Nos. 67-68, First Revised Sheet Nos. 70-71, First Revised Sheet Nos. 73-75, Original Sheet No. 75A, First Revised Sheet No. 77-80, Fifth Revised Sheet No. 101, First Revised Sheet No. 103A, First Revised Sheet No. 104A, Second Revised Sheet No. 108, Second Revised Sheet No. 113, First Revised Sheet No. 114, First Revised Sheet No. 116, First Revised Sheet No. 117A, Eight Revised Sheet No. 119, Fourth Revised Sheet No. 119A, Second Revised Sheet No. 119B, Original Sheet No. 119C, Second Revised Sheet No. 121A, Fourth Revised Sheet No. 121B, First Revised Sheet No. 121C, Second Revised Sheet No. 127, First Revised Sheet No. 128A, Second Revised Sheet No. 136, Fourth Revised Sheet Nos. 140-140B,	Tariff sheets that contain formatting changes or overflow language where the overflow language contains only minor non-substantive changes such as capitalization of defined terms

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Original Sheet No. 140C, Fifth Revised Sheet No. 148A-148B, Original Sheet No. 148C, Fourth Revised Sheet No. 152, Third Revised Sheet No. 154, Second Revised Sheet No. 155, Fifth Revised Sheet No. 156, Original Sheet No. 156A, Third Revised Sheet No. 158, Second Revised Sheet Nos. 160-161, Original Sheet No. 161A, First Revised Sheet No. 163, Second Revised Sheet No. 164, First Revised Sheet Nos. 165-166, First Revised Sheet No. 173, Second Revised Sheet No. 173A, First Revised Sheet No. 178A, Original Sheet No. 180A, Third Revised Sheet No. 190, First Revised Sheet No. 198, Original Sheet No. 198A, First Revised Sheet Nos. 202-203, Third Revised Sheet No. 208, First Revised Sheet No. 301A, Second Revised Sheet No. 305A, Second Revised Sheet No. 308, Fifth Revised Sheet No. 309, Second Revised Sheet No. 310 and Third Revised Sheet No. 311	