STINGRAY PIPELINE COMPANY, L.L.C.

RATE CASE FILING

DOCKET NO. RP08-___-000

Transmittal Letter
Appendices A-E

June 30, 2008

Stingray Pipeline Company, L.L.C. **1100 Louisiana, Suite 3300** **Houston, TX 77002**

June 30, 2008

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

Re: Stingray Pipeline Company, L.L.C., Docket No. RP08-___-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act ("NGA")[1] and Part 154 of the Regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R. Part 154 (2008), Stingray Pipeline Company, L.L.C. ("Stingray") hereby files to make changes effective August 1, 2008, in the rates and general terms and conditions applicable to Stingray's various services ("Rate Filing"). A detailed explanation of the rate and tariff changes proposed herein is set forth in this letter and in the testimony submitted herewith.

As required by Section 154.4(a) of the Commission's regulations, Stingray submits an original and 12 copies of the Rate Filing.[2] The Rate Filing is comprised of multiple volumes that contain the following:

- This transmittal letter, including Appendices A through E:

  a. Appendix A contains the Statement of Nature, Reasons, and Basis for the Rate Filing.

  b. Appendix B contains a list, by witness, of the Exhibits, Statements and related schedules/workpapers sponsored by that witness.

  c. Appendix C contains a list of the tariff sheets enclosed herewith and a table of the changes resulting from the Rate Filing.[3]

  d. Appendix D contains the certification required by Section 154.308 of the Commission's regulations.[4]

---

1 5 U.S.C. § 717c.

2 18 C.F.R. § 154.4(a) (2008). In accordance with Section 154.302(b) of the Commission's regulations, 18 C.F.R. § 154.302(b), Stingray is providing the Director, Office of Energy Market Regulation, with a copy of its 2007 FERC Form No. 2.

3 18 C.F.R. § 154.7(a)(6) (2008).

4 18 C.F.R. § 154.308 (2008).

e. Appendix E contains clean and redlined versions of the revised tariff sheets, showing all additions and deletions from the currently effective tariff.[5]

- Statement P testimony from the following witnesses:[6]

Douglas V. Krenz	Exhibit No. SPC-1
Robert W. Neustaedter	Exhibit Nos. SPC-2 through SPC-5
Stephen J. Neyland	Exhibit Nos. SPC-6
Stephen L. Merritt	Exhibit Nos. SPC-7 through SPC-9
Allan M. Schneider	Exhibit Nos. SPC-10 through SPC-19
J. Peter Williamson	Exhibit Nos. SPC-20 through SPC-34
George R. Ganz	Exhibit Nos. SPC-35 through SPC-38
Ken Lanik	Exhibit Nos. SPC-39 through SPC-45
Andrew L. Schroeder	Exhibit Nos. SPC-46 through SPC-60

In addition, in compliance with Part 154 of the Commission's regulations, the Statement P testimony contains Statements A through J, L, M, and O, together with related Schedules and workpapers sufficiently detailed to support the rate changes proposed herein. All Statements, Schedules, and workpapers are attached to the Prepared Direct Testimony of Mr. Neustaedter as Exhibit No. SPC-4. As noted, for convenient reference, a list of the Exhibits, Statements, and Schedules sponsored by each witness is attached hereto as Appendix B.

EFFECTIVE DATE

Stingray proposes that the rates and tariff modifications proposed herein become effective as of August 1, 2008, or the first day of any month at the end of any suspension period. Stingray requests waiver of Section 154.207 of the Commission's regulations,[7] and any other waivers that may be necessary in order for the revised tariff sheets to become effective as of the proposed effective date, or the first day of any month at the end of any suspension period.

---

[5] 18 C.F.R. § 154.201(a) (2008).

[6] 18 C.F.R. § 154.312(v) (2008).

[7] 18 C.F.R. § 154.207 (2008).

IMPLEMENTATION

Pursuant to Section 154.7(a)(9) of the Commission's regulations,[8] Stingray files this motion to place the revised tariff sheets filed herewith into effect at the expiration of any suspension period set by the Commission, provided that the tariff sheets are approved as filed and without condition. In the event that the tariff sheets filed herewith are not approved as filed and without condition, Stingray reserves the right to file a later motion to place such sheets into effect. In accordance with Section 154.206,[9] Stingray further reserves the right to file whatever motion is necessary to ensure that the suspended rates placed into effect at the end of the suspension period reflect the impact of the any intervening tariff filings that the Commission has accepted.

COMPLIANCE WITH ELECTRONIC REQUIREMENTS AND ORDER NO. 568

In accordance with Rule 2011(b) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2011(b), Stingray is filing the proposed tariff sheets on a computer disk with the file name TF063008.ASC. In compliance with Section 154.4 of the Commission's regulations,[10] Stingray is also filing computer disks labeled "*Stingray Rate Case Filing*" that contain the electronic version of this Rate Filing, including all required Statements, Schedules, and workpapers.

SERVICE

Copies of this Rate Filing are being posted in accordance with Section 154.207 of the Commission's regulations, 18 C.F.R. § 154.207. In accordance with Section 154.208 of the Commission's regulations, 18 C.F.R. § 154.208, copies of this Rate Filing are being transmitted by electronic mail, or if requested, mailed to all affected customers of Stingray and interested state commissions.

WAIVERS

While Stingray knows of no waivers other than the requested waiver of Section 154.207 of the Commission's regulations that are necessary to permit this Rate Filing to become effective as requested, Stingray respectfully requests that, should the Commission determine that any additional waivers are required, the Commission grant such waivers as are necessary to make this Rate Filing effective as requested.

---

[8] 18 C.F.R. § 154.7(a)(9) (2008).

[9] 18 C.F.R. § 154.206 (2008).

[10] 18 C.F.R. § 154.4 (2008).

COMMUNICATIONS

All correspondence and communications regarding this Rate Filing should be addressed to the following:

*Cynthia A. Corcoran
Vice-President, Regulatory Affairs
Stingray Pipeline Company, L.L.C.
1100 Louisiana Street, Suite 3300
Houston, Texas 77002
(713) 821-2265
cynthia.corcoran@enbridge.com

*Susan S. Schwager
Senior Counsel
Stingray Pipeline Company, L.L.C.
1100 Louisiana Street, Suite 3300
Houston, Texas 77002
(713) 353-6325
susan.schwager@enbridge.com

*Kathleen C. Lake
Daniel S. Sanborn
Sabina K. Dugal
Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, Texas 77002
(713) 758-3826
klake@velaw.com

* Persons designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure.

If you have any questions related to these matters, please contact the undersigned at 713-821-2265.

Respectfully submitted,

Cynthia A Corcoran

Cynthia A. Corcoran
Vice-President, Regulatory Affairs
Stingray Pipeline Company, L.L.C.

Attachments

APPENDIX A

STATEMENT OF NATURE, REASONS AND BASIS

Appendix A

Statement of Nature, Reasons and Basis

In accordance with Section 154.7(a)(6) of the Commission's regulations,[1] Stingray hereby provides a statement of the nature, reasons and basis for the instant Rate Filing. This Rate Filing reflects a total net cost of service of $19,924,183, a proposed overall rate of return of 9.87 percent, and projected test period throughput of 142,366,726 dekatherms. As a result, Stingray's proposed new maximum recourse rates pursuant to this Rate Filing reflect increases over its currently effective rates of $4.77 per dekatherm, for the FTS reservation rate, and $0.1576 per dekatherm for the maximum commodity rates for FTS-2, ITS, and PAL services, as more fully described below.

Stingray's pipeline system operates in the shallow waters of the central Gulf of Mexico as a dual-phase aggregation system that collects a blended stream of undehydrated natural gas and injected condensate offshore, and delivers that production to onshore gas treatment and gas processing plants owned by third parties. Stingray's last rate increase became effective over five years ago, on January 1, 2003.[2] Since that time, Stingray has experienced several significant developments that have prompted this Rate Filing.

First, Stingray has filed this proposed rate increase to recover through its transportation rates the increases in operating costs experienced by Stingray since 2003 and an increase in return that appropriately reflects the significant risks associated with Stingray's offshore operations. These cost increases are attributable to many factors, including general inflation, a highly competitive labor market with limited availability of the specialized resources required to operate in the offshore environment, and cost escalations that occurred in the wake of Hurricanes Rita and Katrina.

Second, Stingray's throughput is entirely dependent upon continuing exploration and development of new production supplies in geographic proximity to its pipeline facilities to offset the continuing and rapid natural production decline rates of connected sources of supply. Because additions have not kept pace with declines, Stingray now has significantly more available capacity than demand.[3] Stingray has thus filed this proposed rate increase to reflect in Stingray's rates the significantly decreased level of volumes on its system.

Finally, but perhaps most important, Stingray has filed this proposed rate increase to implement a commodity surcharge tariff mechanism ("Event Surcharge") that will enable Stingray to better manage, on a prospective basis, the cost impacts and cost volatility associated with natural disasters affecting its system, especially hurricanes. Based upon the devastating experience of the natural gas industry in 2005 as a result of Hurricanes Katrina and Rita,

---

[1] 18 C.F.R. § 154.7(a)(6) (2008).

[2] *See Stingray Pipeline Company, L.L.C.*, 101 FERC ¶ 61,365 (2002).

[3] This will continue to be the case even once the Commission approves Stingray's proposed abandonment request pending in Docket No. CP08-151-000, which will have the effect of reducing Stingray's certificated system capacity from 1,120,000 dekatherms per day to approximately 650,000 dekatherms per day.

Stingray submits it is incumbent upon offshore natural gas pipelines, and indeed, the Commission, to implement rate mechanisms to allow the industry to anticipate and respond quickly to the effects of future natural disasters.

Event Surcharge

Stingray has no way to predict when major natural disasters, such as Hurricane Rita, will occur, but when they do, the impact on Stingray's operations can be significant. Repair costs associated with such events are not necessarily regularly recurring, however. In addition, Stingray's then-existing shippers receive the immediate benefit of any such repairs. Therefore, Stingray is proposing, among other tariff changes, to add an Event Surcharge to its tariff to recover actual costs incurred in connection with preventing, preparing for and repairing damage caused by major storms and other significant natural disasters that affect its system. The Event Surcharge is intended to recover only actual costs incurred and to provide Stingray with the revenue certainty it needs to justify rebuilding its system in the event of damage caused by such an event.

Stingray suffered serious damage from Hurricane Rita to its facilities both onshore and offshore. Onshore, Stingray's offices and control center were badly damaged by storm surge, and all electrical equipment below the approximate 8-foot storm surge had to be replaced completely, in addition to the necessary major cleanup and repairs done to the structures. Offshore, one Stingray line segment was caught by an anchor from a mobile drilling facility that broke its mooring, and the line was badly kinked and dragged approximately 2,000 feet off-center from its previous right-of-way. Another offshore line was also dislodged, to a lesser degree. Finally, a producer's offshore platform, on which Stingray had located equipment for an interconnect with another pipeline, was badly damaged and Stingray had to build sub-sea pipeline facilities to divert gas around the damaged platform. This damage is described in more detail in the Prepared Direct Testimony of Mr. Allan M. Schneider, Exhibit No. SPC-10.

In addition to the immediate cost impact that Hurricane Rita had on Stingray, Hurricane Rita, in conjunction with Hurricane Katrina, caused shortages in materials, supplies and equipment in the Gulf of Mexico that, although they have moderated since 2005-2006, cause Stingray to experience significant cost increases in connection with its offshore operations. Furthermore, as explained by the Prepared Direct Testimonies of Mr. Stephen J. Neyland, Exhibit No. SPC-6, and Mr. Andrew L. Schroeder, Exhibit No. SPC-46, the premiums for property damage coverage related to Stingray's facilities, which are primarily offshore, have drastically increased since 2005. In the case of insurance coverage held by MarkWest Energy on behalf of Stingray, the premium cost has increased approximately 150 percent from the policy year ended May 1, 2008 to the policy year ended May 1, 2009. In the case of coverage held by Enbridge, the cost has increased by approximately 100 percent in that time. Although the premiums have increased, the level of Stingray's coverage has decreased and now covers less than it did in 2005.

With this in mind, Stingray is including with the other tariff changes proposed with this rate increase, a proposed commodity surcharge mechanism, called the Event Surcharge.[4] This mechanism provides for limited Section 4 rate filings made at least annually and through which the Commission and all interested parties can review Stingray's Event-related costs. The mechanism is designed to establish a commodity surcharge that will apply to all transportation service provided by Stingray, similar to its Annual Charge Adjustment. The Event Surcharge is intended not only to reimburse Stingray for increased property damage insurance costs resulting from Hurricanes Katrina and Rita, but also to enable Stingray to prepare for future natural disasters and to allow the timely recovery of costs related to the prudent maintenance of its system during and immediately after such future events to ensure the flow of gas to the benefit of its shippers and into the national pipeline grid.

Stingray's proposed Event Surcharge is consistent with recent rulings of the Commission in which it has allowed other offshore pipelines to implement surcharges designed to reimburse the pipeline for hurricane-related costs.[5] It is also consistent with numerous other commodity surcharges recently approved by the Commission for the reimbursement of costs incurred by pipelines to enhance the reliability and security of their system operations.[6]

In addition, sound policy reasons support approval of the proposed Event Surcharge. Stingray's experience with Hurricanes Rita and Katrina demonstrates that such natural disasters can have unpredictable, significant cost and operating impacts on an offshore pipeline system such as Stingray. The traditional cost of service rate methodology, under which Stingray would file for permission to increase its rates to recover costs increases associated with such events, does not work well in this context for several reasons. First, significant litigation risk and costs are associated with a traditional section 4 rate case filing, and the filing may not be resolved for an extended period. In light of such cost-recovery uncertainties, a pipeline faced with incurring massive repair costs to regain normal operations may instead forgo or defer such investments. In 2005, when Stingray's property insurance deductibles were one million dollars, and Stingray could be relatively confident that its expenditures above the deductible would be reimbursed through insurance recoveries, it was relatively easier to make the business case supporting the sizable investments needed to repair Stingray's system. The significant increase in property insurance deductibles Stingray has experienced since Hurricanes Rita and Katrina, however,

---

4 The specific mechanics of the Event Surcharge, as well as the additional proposed tariff changes filed in connection with this proceeding, are described in more detail *infra*.

5 *See, e.g. Discovery Gas Transmission LLC*, 122 FERC ¶ 61,099, at P 5 (2008) (allowing "a hurricane maintenance and reliability enhancement (HMRE) surcharge to recover from all of its shippers the capital and related operations and maintenance expenditures . . . . in connection with efforts to mitigate the cost of damage to facilities caused by hurricanes (or other natural disasters), to maintain system reliability during and immediately after hurricanes (or other natural disasters), to repair and remediate facilities damaged by hurricanes (or other natural disasters), and to enhance overall system reliability"); *Chandeleur Pipe Line Co.*, Letter Order, Docket No. RP08-72, (Dec. 19, 2007) (allowing a commodity surcharge to recover, over a two-year period, $3.9 million of costs associated with Hurricane Katrina).

6 *See, e.g. Gas Transmission Northwest Corp.*, 122 FERC ¶ 61,012, at P 10 (2008); *El Paso Natural Gas Co.*, 120 FERC ¶ 61,208, Appendix, Article 2.2 (2007); *Equitrans, L.P.*, 115 FERC ¶ 61,007, at P 19 (2006); *Southern Natural Gas Co.*, Letter Order, at P 11, Docket No. RP04-523 (July 13, 2005); *Florida Gas Transmission Co.*, 109 FERC ¶ 61,320, at PP 18-22 (2004).

would make such a decision far more problematic today without a mechanism such as the proposed Event Surcharge. An Event Surcharge mechanism, which would allow timely recovery of the actual costs incurred to return its system to service following such a catastrophic event, would facilitate Stingray's ability to incur the investment or financing burden required to undertake the necessary repairs.

Second, use of a mechanism such as the proposed Event Surcharge will allow an appropriate allocation of cost recovery risk associated with natural disasters. Stingray's shippers, who earn an unregulated return on the sale of their valuable natural gas product, benefit as much, if not far more, from a rapid return to service of Stingray's system as does Stingray. In addition, all natural gas consumers benefit from expenditures to protect system reliability and the ability to bring natural gas volumes back online as soon as possible after a natural disaster, because of the impact of such restored production on natural gas commodity prices.

Finally, the proposed Event Surcharge is a better mechanism for recovery of the costs associated with natural disasters that impact Stingray, because the occurrence of such events is unpredictable from year-to-year. This unpredictability translates to significant volatility in associated costs. In years during which no natural disaster impacts Stingray, the costs to be recovered through a surcharge will be relatively small, and the surcharge can be reduced relatively easily to flow through to Stingray's shippers the benefits of reduced costs. When a serious natural disaster heavily impacts Stingray, however, the flexibility of the surcharge mechanism would permit a more timely recovery of the increased costs. In contrast, increased (or decreased) costs included in cost of service with a traditional rate filing will remain in rates until the next general rate filing. Because a surcharge recovers only actual costs associated with the preparations for and recovery from natural disasters, and such costs can be extremely volatile depending on whether or not a storm or other natural disaster occurs, a surcharge can more equitably track such costs than the traditional cost of service rate methodology.[7]

Cost of Service

This Rate Filing uses "base period" data taken from Stingray's books and records for the 12 months of actual experience from March 1, 2007 through February 29, 2008, as adjusted through a nine-month test period ending November 30, 2008, for changes that are known and measurable, and which will become effective by the end of such period.[8] As reflected in Statement A included in Exhibit No. SPC-4, which is sponsored by Mr. Robert W. Neustaedter, this filing reflects a total net cost of service of $19,924,183.[9]

As shown in Line 36 of Column 17 of Statement H-1, Stingray's total operation and maintenance expense for the test period is $12,775,457. This operation and maintenance

7 No costs proposed for recovery through the Event Surcharge are included in the cost of service underlying the base rate filed herein. Stingray reserves the right to include in its cost of service underlying its base rates, any costs that Stingray is not permitted to collect through its Event Surcharge.

8 18 C.F.R. § 154.303(a)(2008).

9 Exhibit No. SPC-4 contains Statements A through J, L, M, and O, together with related Schedules and supporting workpapers.

expense can be broken down into a transmission component of $9,000,003, and an administrative and general ("A&G") component of $3,775,454. The $12,775,457 represents a total increase of $1,971,937 from the base period operation and maintenance expense.

Ten test period adjustments were made to the base period total operation and maintenance expense to derive the test period figure. The most significant adjustments are as follows:

Adjustment No. 3 reflects an increase in the management fee that Stingray pays to Enbridge Offshore (Gas Gathering) L.L.C. to manage Stingray's administrative functions. This A&G expense adjustment of $1,073,535, as shown on Line 28, Column (6) of Statement H-1.1, represents the increase in the management fee, effective October 1, 2008, that, as described in the Prepared Direct Testimony of Mr. Stephen L. Merritt, Exhibit No. SPC-7, has been negotiated at arm's length between the two unaffiliated indirect owners of Stingray, Enbridge Offshore (Gas Transmission) L.L.C. and MarkWest Energy.[10] This management fee is included in cost of service in lieu of an allocation of general A&G.

Adjustment No. 6, in the amount of $181,416, is made to Account 856 (Mains Expense) to eliminate the effect of certain prior period adjustments for inter-company operating fees attributable to Stingray. Specifically, the prior period adjustments reduced Stingray's Account 856 for costs that should have been charged to other pipelines. A portion of those prior period adjustments, however, covered a period prior to Stingray's base period in this rate filing. Adjustment No. 6 normalizes the prior period adjustments made in the base period for this rate filing.

Adjustment No. 7, as shown on Schedule H-1.1, in the amount of $363,170, reflects a 5.35 percent increase in material and supplies costs. This transmission expense adjustment is made to account for the effects of general inflation at a rate equal to the average of the U.S. Department of Labor, Bureau of Labor Statistics' Producer Price Index for Finished Goods for a "basket" of products and equipment over the last five years, consisting of 1) Chemicals and Allied Products, 2) Pulp, paper, and allied products, 3) Metals and metal products, 4) Machinery and equipment, and 5) Transportation equipment.

Adjustment No. 8, in the amount of $352,961, reflects an adjustment to Account No. 924 to include the respective business interruption and contingent business interruption, workers' compensation, and automobile insurance premium costs incurred by Stingray's individual owners on behalf of Stingray. Included in the premium costs for business interruption and contingent business interruption is a level of premium costs incurred by Enbridge Inc., which is described by Mr. Stephen J. Neyland in his Prepared Direct Testimony, Exhibit No. SPC-6, as well as a level of premium costs incurred by MarkWest Energy, which is described by Mr. Andrew L. Schroeder in his Prepared Direct Testimony, Exhibit No. SPC-46. This adjustment, which is shown on Line 29 of Column 11 of Statement H-1.1, reflects Stingray's portion of those insurance premium costs. Stingray's portion of the premiums for property

[10] These two companies each owns a fifty percent interest in Starfish Pipeline Company, L.L.C., which owns one hundred percent of Stingray.

damage insurance is not included in this adjustment because such charges are to be recovered through the proposed Event Surcharge.

Other adjustments made to the base period total operation and maintenance expense are as follows:

Adjustment No. 1 reflects the removal of gas cost from the cost of service because such costs are recovered separately through the Company Use Gas provisions of Stingray's tariff. This adjustment is comprised of the adjustments shown in Lines 1, 3, and 9 of Column 4 on Schedule H-1.1 to Accounts 810 (Gas Used for Compressor Station Fuel), 813 (Other Gas Supply Expense), and 854 (Gas for Compressor Station Fuel). As a result of this test period adjustment, Stingray's cost of service does not contain any gas costs.

Adjustment No. 2 reduces Account No. 928 (Regulatory Commission Expense) in the amount of $256,385 to reflect the removal of the FERC Annual Charge Adjustment ("ACA") costs recovered separately through the ACA charge in Stingray's Commission-approved tariff, which should not be included in Stingray's cost of service.

Adjustment No. 4, in the amount of $850,000, increases Account No. 928 (Regulatory Commission Expense) to reflect the inclusion of costs related to outsides services necessary for the preparation, filing and prosecution of this rate filing, amortized over a three-year period.

Adjustment No. 5, in the amount of $128,858 is a normalizing adjustment made to Account No. 856 (Mains Expense) to reflect an increase in labor and benefits costs due to salary merit increases that became effective on April 1, 2008 for the employees of Enbridge Employee Services, Inc. whose time is charged directly to Stingray.

Adjustment No. 9, in the amount of $89,403, reflects an adjustment to Account 860 to remove from the base period the write off of an aged, prior debit balance in FERC Account 242 (Miscellaneous Current and Accrued Liabilities).

Adjustment No. 10, in the amount of $632,215, reflects an adjustment to remove from the base period balances costs incurred as a result of Hurricane Rita that have been reimbursed through insurance recoveries.

Statement H-2 shows the computation of the depreciation and amortization expense and asset retirement costs ("ARC") included in the test period cost of service. Specifically, Statement H-2 shows the balance of depreciable plant anticipated to be in service as of the end of the test period, the annual depreciation rates and negative salvage rate used by Stingray to calculate depreciation expense, base period depreciation expense, ARC depreciation and asset retirement obligations ("ARO") accretion expense, and the total test period depreciation and amortization expense included in Stingray's overall cost of service reflected on Statement A. In this Rate Filing, Stingray has used the depreciation rates contained in the rate settlement accepted by the Commission in the settlement of Stingray's last rate case,[11] except that Stingray

---

[11] *Stingray Pipeline Company, L.L.C.*, 101 FERC ¶ 61,365, P 8 (2002).

proposes a depreciation rate of 20 percent for general plant—computer software. This proposed depreciation rate is consistent with existing Commission precedent respecting such plant.[12]

Statement H-4 of the rate filing details the taxes, other than income taxes, which are included in the cost of service. This statement reflects Stingray's base period level of ad valorem taxes and other taxes assessed by the State of Louisiana. As shown on Line 3 of Column 4 of Statement H-4, the total amount of Stingray's base period taxes other than income taxes is $99,558.

<u>Cost of Plant</u>

As shown in Schedule C-1.1, Stingray made five adjustments to the base period cost of plant that had the net affect of reducing Stingray's gas plant balance by $36,280,190. The most significant adjustments to the cost of plant relate to:

Adjustment No. 1, as shown in Column (3) on Schedule C-1.1, increases gas plant in-service for those costs associated with plant additions expected to be in service by the end of the test period. The identification and dollar amounts for the individual plant additions are shown on Schedule C-2.

Adjustment No. 2, as shown in Column (4) on Schedule C-1.1, reduces gas plant in-service by the plant amounts associated with the old and inefficient compressor facilities that Stingray has proposed to abandon in Docket No. CP08-151.[13]

Adjustment No. 3, as shown in Column (5) on Schedule C-1.1, reduces gas plant in-service by asset retirement costs ("ARC") capitalized as plant property and equipment as a result of Stingray's implementation of the Financial and Accounting Standards Board Statement No. 143, Accounting for Asset Retirement Obligations ("FASB 143"), which is discussed in more detail in the Prepared Direct Testimony of Mr. Stephen J. Neyland, Exhibit No. SPC-6. Section 154.315(a) of the Commission's regulations requires the removal from rate base of such costs, to the extent that they affect the calculation of rate base.

Adjustment No. 4, as shown in Column (6) on Schedule C-1.1, reduces Account 107 (Construction Work in Progress) for those projects that will be placed in service by the end of the test period and which are reflected in Account 101 (Gas Plant in Service) pursuant to Adjustment No. 1.

Adjustment No. 5 reduces Stingray's gas plant balance by the amount of property damage insurance claims for capital expenditures, less the insurance deductibles, made in connection with Stingray's investments to rebuild the Stingray facilities damaged by Hurricane Rita.

---

[12] *See, e.g., Kern River Gas Transmission Co.*, 117 FERC ¶ 61,077 at PP 489-491, n. 735 (2006).

[13] Stingray reserves the right to include the corresponding plant amounts and the depreciation amounts in the appropriate plant and depreciation accounts should the Commission reject Stingray's request to abandon these compressors.

Statement D of the cost of service sets out the accumulated depreciation, depletion, and amortization ("DD&A") that Stingray is reflecting in its rate base in this proceeding, as adjusted for changes during the test period. Statement D shows the balance for FERC Account Nos. 108 and 111 at the beginning of the base period, additions and reductions during the base period, base period ending balances, test period adjustments, and the base period balances as adjusted for the test period. Adjustments made to base period DD&A are explained in the Prepared Direct Testimony of Mr. Stephen J. Neyland, Exhibit No. SPC-6.

Statement E of the cost of service summarizes the level of working capital that Stingray is including in rate base. The detail as to how the total working capital of $181,940 was calculated is found on Schedule E-2, which consists of the average monthly balance for the thirteen-month period ending February 29, 2008 for Accounts 154 and 165.

Rates

Statements A and J of this Rate Filing reflect a total net cost of service of $19,924,183, which, as shown on Schedule J-2, yields the following maximum and minimum recourse rates for transportation services provided by Stingray:

Rate Schedule	Reservation Rate	Commodity Rate Maximum / Minimum
FTS	$7.76	$0.0025 / $0.0025
FTS Overrun		$0.2576 / $0.0025
FTS-2		$0.2576 / $0.0025
Conditional Reservation Rate	$0.2551	
ITS		$0.2576 / $0.0025
ITS Overrun		$0.2576 / $0.0025
PAL		$0.2576 / $0.0000

These rates reflect a significant increase compared with Stingray's existing maximum recourse rates for such services, due to a combination of factors, including increased operating costs and substantially reduced billing determinants. The last Stingray maximum and minimum recourse rates accepted by the Commission in connection with its approval of the settlement of Stingray's last rate case are as follows[14]:

[14] No comparison can be made respecting the total cost of service on which the Stingray rates last determined by the Commission to be just and reasonable were based, because those rates were the product of a "black box" settlement.

Rate Schedule	Reservation Rate	Commodity Rate Maximum / Minimum
FTS	$2.99	$0.0018 / $0.0000
FTS Overrun		$0.1000 / $0.0018
FTS-2		$0.1000 / $0.0018
Daily Conditional Reservation Rate	$0.0982	
ITS		$0.1000 / $0.0018
PAL		$0.1000 / $0.0000

<u>Revenues and Billing Determinants</u>

Statement G and Schedules G-1 through G-3, sponsored by Mr. Stephen M. Merritt, in his Prepared Direct Testimony, reflects that test period revenues for this Rate Filing are approximately $22,263,802, inclusive of ACA and the Event Surcharge. Schedule G-1 reflects base period billing quantities of 153,858,494 dekatherms ("Dth"), and total base period gas transportation revenues of $13,997,334, inclusive of ACA, while Schedule G-2 reflects volumes and revenues for the test period. Schedule G-3 sets out the adjustments made to the base period reservation and usage volumes in Schedule G-1 to determine the test period reservation and usage volumes set out in Schedule G-2. For the volumes subject to the maximum rates, the test period data shown on Schedule G-2 were derived by applying the volume data determined in Schedule G-3 to the rates set out in Schedule J-2, which is sponsored by Mr. Robert Neustaedter.

The base period throughput, however, overstates the throughput that Stingray will experience during the periods the rates approved in this rate case will be in effect. Based on several developments that need to be reflected as test period adjustments, in order to derive the proper billing determinants for calculation of Stingray's rates, the base period throughput of 153,858,494 Dth needs to be reduced by 11,491,768 Dth to 142,366,726 Dth. The adjustments that were made were based on knowledge of the Stingray contracts, and discussions with the firm shippers concerning their future contract demand and usage requirements. These adjustments are also based on the significant decline in throughput actually experienced in the test period as compared with the actual throughput during the base period, as well as knowledge of declining production, drilling and development in Stingray's area of the Gulf of Mexico, and anticipated future declines.

As Mr. Merritt explains in his testimony, Stingray is anticipated to experience continued declines in volumes of throughput during the test period and into the future. As reflected in Exhibit No. SPC-8, which is sponsored by Mr. Merritt, from May 2007 to May 2008, the most recent month of the test period for which actual volumes are available, Stingray has experienced a decline in its average daily throughput of approximately 17.7 percent, even when May 2008 actual volumes were normalized by an adjustment upward to reflect that certain attached production flowed only for part of the month of May 2008. As a result, the total base period throughput of 153,858,494 Dth needs to be reduced through a test period adjustment to 142,366,726 Dth.

Capital Structure

In accordance with Commission precedent, Stingray will use the average capital structure of Enbridge Inc. and MarkWest Energy Partners, L.P. ("MarkWest Energy"), the two entities that, through subsidiaries, provide the financing for Stingray. As reflected in Exhibit No. SPC-32, which is described in the Prepared Direct Testimony of Professor Williamson, Enbridge Inc. has a capital structure of 58.16 percent long term debt and 41.84 percent equity. MarkWest Energy has capital structure of 47.48 percent long term debt and 52.52 percent equity. As Professor Williamson explains in his Prepared Direct Testimony, since Stingray is a wholly-owned, indirect subsidiary of Enbridge Inc. and MarkWest Energy, it is consistent with Commission policy for Stingray to use the average capital structure and cost of debt of these two companies for the purposes of calculating rates.[15] The resulting capital structure Stingray is proposing to use is 47.18 percent equity and 52.82 percent long-term debt.

Rate of Return

Stingray proposes a rate of return on equity of 13.23 percent. Factoring in Stingray's proposed capital structure and cost of long-term debt of 6.93 percent, Stingray's proposed overall rate of return is 9.87 percent. In his testimony, Professor J. Peter Williamson provides a range of reasonable rates on return on equity by examining a group of six proxy companies engaged in the transportation of natural gas, the same line of business as Stingray. This proxy group includes both corporations and master limited partnerships ("MLPs"), as permitted by the Commission's recent policy statement concerning proxy groups.[16] To the extent MLPs have been included in the proxy group, Professor Williamson has adjusted his calculations in accordance with the Commission's directives in the policy statement. Using the discounted cash-flow methodology, Professor Williamson demonstrates that a return on equity of 13.23 percent is well within the zone of what the Commission considers just and reasonable. In this regard, Professor Williamson establishes that the range of reasonableness for the cost of equity for the set of proxy companies is 11.48 percent to 13.89 percent, with a median of 12.56 percent. As explained in the testimony of Mr. Allan M. Schneider and the testimony of Mr. Stephen L. Merritt, Stingray faces increased operational and commercial risks as an offshore pipeline on the Gulf of Mexico which exceed those of a typical onshore pipeline. Thus, as he states in his Prepared Direct Testimony, Mr. Douglas Krenz has directed the use in calculation of Stingray's total return, of a cost of equity, 13.23 percent, that is approximately midway between the proxy group's median of 12.56 percent and the top of the proxy group's range of reasonableness at 13.89 percent a return on equity that Professor Williamson concludes is reasonable.

---

[15] *Re Kuparuk Transportation Co.*, 55 FERC ¶ 61,122 at (1991) (determining that it was appropriate to adopt the weighted capital structure of Kuparuk's owning partners for purposes of calculating capital structure).

[16] *Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity*, 123 FERC ¶ 61,048 (2008).

Income Tax Allowance

Consistent with the Commission's *Policy Statement on Income Tax Allowances*,[17] Stingray has included an income tax allowance in its cost of service reflecting the actual and/or potential income tax liability of its owners on Stingray's income. As explained in the Prepared Direct Testimonies of Mr. Ken C. Lanik and Mr. Andrew L. Schroeder, Exhibit Nos. SPC-39 and SPC-46, respectively, Stingray is 100 percent owned by Starfish Pipeline Company, LLC, which in turn is owned fifty percent by Enbridge Offshore (Gas Transmission) L.L.C. ("Enbridge Offshore"), a wholly-owned subsidiary of Enbridge, and fifty percent by MarkWest Energy Partners LP ("MarkWest Energy"), a master limited partnership. Based on an analysis of MarkWest Energy's unitholders, Mr. Schroeder provides Mr. Ganz with a test period federal income tax rate for MarkWest Energy and the state apportionment factors for Mr. Ganz to use in calculating a test period state income tax rate for MarkWest Energy. With respect to Enbridge Offshore's interest in Stingray, Mr. Lanik provides Mr. Ganz with a federal and state income tax rate for the Enbridge entities that pay income taxes on the Stingray income. Using the test period federal income tax rate calculated by Mr. Schroeder, the federal and state income tax rates provided by Mr. Lanik, and the state rate for MarkWest Energy calculated by Mr. Ganz, Mr. Ganz calculates in his Prepared Direct Testimony, Exhibit No. SPC-35, a test period federal and state income tax rate for Stingray, which Mr. Robert Neustaedter uses on Statement H-3 to calculate the federal and state income tax allowances for Stingray.

Tariff Changes

Stingray is submitting this filing, pursuant to Subpart C of Part 154 of the Commission's regulations, to revise its FERC Gas Tariff as described below. Lists of all of the proposed changes are attached as Appendix C to the transmittal letter and as Exhibit No. SPC-9, which is sponsored in the Prepared Direct Testimony of Stephen L. Merritt.

The Event Surcharge

As noted above, Stingray is proposing an Event Surcharge mechanism. The proposal is in Sheet Nos. 2, 5, 46, 55, 72, 117A, 118A, 159, 172 and 209-213 and is intended to cover capital and operation and maintenance expenditures in connection with efforts to maintain service during, and to prevent or repair damage to its facilities caused by, an Event. An "Event" is defined as any hurricane, tropical storm or depression named or numbered by the U.S. National Weather Service (or other natural disaster, including without limitation a mudslide), or the threat of any of the foregoing, that is not within the control of Stingray. The Event Surcharge applies to gas transportation service, as well as park and loan service, provided by Stingray pursuant to all its rate schedules. The Event Surcharge applies consistent with the ACA charge and will be paid in addition to the rates applicable to such services including service qualifying for any rate discount or provided under any negotiated rate agreement.

The Event Surcharge is intended to reimburse Stingray for Eligible Costs. "Eligible Costs" are defined as capital and operation and maintenances expenses related to Event damage,

[17] 111 FERC ¶ 61,139 (2005) ("*Policy Statement*").

prevention and remediation, net of insurance claims less deductibles and/or insurance proceeds ("Insurance Recoveries"), to include:

- All property damage insurance coverage costs actually incurred by or in respect of Stingray or its system facilities;

- Event-damage costs up to insurance coverage deductibles;

- Event-damage costs not covered by insurance policies (including but not limited to costs not covered by insurance policies as a result of a decision to self-insure); provided, however, that Event-damage costs that will later be covered by the Insurance Recoveries qualify as Eligible Costs as long as the Insurance Recoveries are later credited to the Event Damage Component Account; and

- Cost of activities and other measures to prevent Event damage and maintain system reliability during an Event other than measures taken in the ordinary course of business.

The Eligible Costs and receipts from the collection of the Event Surcharge will be recorded in a separate account maintained by Stingray. Examples of certain Eligible Costs are listed on proposed Sheet No. 210. Each year by May 1, Stingray will file the Event Surcharge to be effective June 1 of that year. The level of the Event Surcharge will be based on the amount of actual Eligible Costs and the expected Eligible Costs over the next 12 months divided by the expected throughput over the same period. Stingray may also file to revise the Event Surcharge within 180 days after an Event affecting Stingray's system. The level of the Event Surcharge at that point will be based on the amount of the expected Eligible Costs over the next 12 months divided by the expected throughput over the same period. The Event Surcharge will be comprised of an Insurance Component and an Event Damage Component. Each component will have its own sub-account. Throughout the year, the Event Surcharge accounts will be debited with any Eligible Costs incurred and credited with the revenue received by Stingray from the surcharge. The Event Damage Component Account will also be credited by any Insurance Recoveries pertaining to Eligible Costs included in the Event Damage Component Account. These provisions will ensure true-up of any projected Eligible Costs. Any positive or negative balance remaining in the Event Surcharge accounts as of March 31 of any year will be used to increase or decrease, as applicable, the Event Surcharge for the following year. To ensure that there is no double recovery of Eligible Costs, no amount of Eligible Costs incurred and recovered through the Event Surcharge will be reflected in the determination of Stingray's base rates.

If Stingray files to revise its rates pursuant to Section 4 of the Natural Gas Act ("NGA") or new rates go into effect as the result of final Commission order issued in response to an investigation pursuant to Section 5 of the NGA, any capital amounts in the Event Surcharge account that have not yet been recovered may be included in rate base for the determination of new rates. If Stingray decides or is directed at some later point to discontinue the use of the Event Surcharge, Stingray will file to return to or invoice shippers for any remaining balance in the Event Surcharge accounts.

Transportation Imbalance Cash-Out Mechanism

In Sheet Nos. 132, 133, 134, 134A, 134B, 135 and 139, Stingray proposes to change to its 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 percent 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. 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. Fifth, costs associated with "in kind" reimbursement of gas for imbalances under OBAs are specifically listed as costs associated with imbalance cash-outs. 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.[18] Finally, Stingray will be allowed to invoice shippers for any under-recoveries of cash-out revenues.

Priority of Interruptible Transportation Quantities

In Sheet Nos. 108A, 111 113, 113A, 114 and 190, Stingray proposes to change its 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 be 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.

Tariff Housekeeping Changes

Many of the proposed changes to the tariff are general clean-up changes. These changes are to:

- Update the responsible person to be contacted regarding the tariff (Sheet No. 0);
- Update the Table of Contents (Sheet No. 2);
- Alphabetize defined terms (Sheet Nos. 100-104A);
- Add definitions of "Authorized Overrun Gas" and "Trading Partner" which are used elsewhere in the tariff (Sheet Nos. 100, 104 and 104A);

[18] *See*, *e.g.*, *High Island Offshore System, L.L.C.*, FERC Gas Tariff, General Terms and Conditions, Section 8.6 (Substitute First Revised Sheet No. 108).

- Add blanks to forms and *pro forma* agreements for routine information such as Shippers' DUNS numbers (Sheet Nos. 300, 302, 303A, 305, 305A, 312A, 312B, 329, 340, 341, 347, 348, 349 and 350);
- Update the signature block in the *pro forma* agreements to reflect Stingray's full corporate name (Sheet No. 303A); and
- Clarify and update 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 (Sheet Nos. 3, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 75A, 76, 77, 78, 79, 80, 82, 84, 86, 87, 88, 100, 101, 102, 103, 104, 106, 107, 111, 112, 113, 114, 115, 116, 117, 117A, 118, 118A, 119, 119A, 119B, 119C, 120, 121, 121A, 121B, 121C, 124, 126, 127, 128, 128A, 129, 130, 131A, 132, 133, 134, 134A, 135, 136, 137, 138,139, 140, 140A, 140B, 142, 148, 148A, 150, 151, 152, 155, 157, 157A, 159, 160, 161, 162, 166, 167, 168, 170, 171, 173, 173A, 173B, 173C, 175A, 176, 177, 177A, 178, 178A, 180A, 181, 182, 183, 183A, 185, 186, 197, 198A, 201, 205, 206, 207, 208, 301, 301A, 302, 302B, 303, 305, 305C, 306, 308, 309, 310, 311, 316, 318, 319, 320 and 321);
- Make numerous tariff formatting changes (including new tariff sheets to contain overflow language from prior pages) as required by the other tariff changes, which changed language also contains substantive changes noted elsewhere (Sheet Nos. 60, 69, 72, 103, 104, 108A, 113A, 133, 134, 134A, 134B, 183, 300A, 303A, and 312B); and
- Make numerous tariff formatting changes (including new tariff sheets to contain overflow language from prior pages) as required by the other tariff changes, which changed language also contains non-substantive changes such as capitalization of defined terms (seriatum).

Contract Administration Changes

In addition, Stingray proposes to make a number of changes to its tariff to provide it with greater flexibility and ease in contract administration, and to secure continued consistency in its implementation of its service agreements. These changes are to:

- Add a form of Reserve Dedication Agreement to Rate Schedule FTS-2 (Sheet Nos. 329-338);
- Add a form of Service Request (Sheet Nos. 43, 51, 52, 63, 84, 339-340);
- Add a form of Confirmation of Agreement on Trade Imbalances (Sheet Nos. 132 and 341);
- Add a form of Released Capacity Transportation Service Contract (Sheet Nos. 150, 150A, 152, 153, 157A, 172, 173, 174, 174A, 175, 342-350);
- Add a provision to allow for different term options in the service agreements (Sheet Nos. 300 and 303);

- Add a provision to allow shippers under Rate Schedule ITS the option to increase their MDQ without executing a new service agreement (Sheet No. 52);
- Add provisions that allow for extension of service agreements consistent with recent Commission rulings (Sheet Nos. 180 and 180A) (*see Colorado Interstate Gas Company*, Unpublished Letter Order, Dkt. No. RP07-397 (May 2, 2007); *ANR Pipeline Company*, 116 FERC ¶ 61,201 (August 31, 2006));
- Add provisions to permit the 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 (Sheet Nos. 59, 60, 81, 193, 300A, 303A, 322, 323 and 325); and
- Further clarify Stingray's Agency Agreement to ensure that Stingray can rely on the acts and instructions of a shipper's agent (Sheet Nos. 306, 307 and 312).

Miscellaneous Changes

Stingray proposes the following additional changes to:

- Provide that generally the charge for authorized overrun gas service will be at the maximum applicable rates (Sheet Nos. 49, 58 and 69);
- Provide that notices will be given by website posting and email and allow its shippers to elect to receive their invoices by email (Sheet Nos. 107, 130, 139, 181, 182, 183, 187 and 189);
- Add a provision to provide shippers failing Stingray's creditworthiness criteria with an explanation (Sheet No. 142);
- Provide for waiver of interest charges on late payments of less than $100 (Sheet No. 140);
- Expand the provisions on Stingray's policy for adding receipt or delivery points (Sheet Nos. 117A and 118A);
- Add language to allow 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 consistent with a recent Commission ruling (Sheet No. 136) (*see Columbia Gas Transmission Corp.*, 123 FERC ¶ 61,214 (May 29, 2008));
- Charge 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 to the owners of the onshore separation plant to which the free water is delivered (Sheet No. 185);
- Revise its general waiver provision to be consistent with recent Commission rulings (Sheet No. 195) (*see Transcontinental Gas Pipe Line Corporation*, 115 FERC ¶ 61,233 (May 24, 2006));
- Provide that Stingray may 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) consistent with recent Commission rulings (Sheet No. 214) (*see Southern Natural Gas Company*, Unpublished Order, Dkt. No. RP07-419 (May 22, 2007); *Discovery Gas Transmission L.L.C.*, Unpublished Order, Dkt. No. CP03-342 (August 2,

2005); *Texas Eastern Transmission Corporation*, 93 FERC ¶ 61,273 (Dec. 14, 2000), rehearing denied, 94 FERC ¶ 61,139 (Feb. 15, 2001)); and

- Reduce the minimum gravity temperature from 38 to 35 degrees Fahrenheit in the definition of "Liquids" consistent with system operations (Sheet No. 103).

APPENDIX B

LIST OF WITNESSES WITH SPONSORING EXHIBITS, STATEMENTS, AND SCHEDULES

Appendix B

Witness	Exhibit Nos.	Schedules and/or Statements Sponsored
Douglas V. Krenz	SPC-1	None
Robert W. Neustaedter	SPC-2 through SPC-5	• Statement A (Cost of Service Overview) (SPC-4, Tab A) • Statement B (Rate Base and Return Summary) (SPC-4, Tab B) • Schedule H-3 (Income Taxes) (SPC-4, Tab H) • Statement I and Schedules I-1, I-2 and I-3 (Functionalization of Cost of Service) (SPC-4, Tab I) • Statement J (Comparison and Reconciliation of Estimated Operating Revenues with Cost of Service) and Schedules J-1 (Summary of Billing Determinants), J-1(a) (Workpaper), and J-2 (Derivation of Rates) (SPC-4, Tab J)
Stephen J. Neyland	SPC-6	• Statement C and supporting Schedules (Cost of Plant Summary) (SPC-4, Tab C) • Statement D (Accumulated Provisions for Depreciation) (SPC-4, Tab D) • Statement E and supporting Schedules (Working Capital) (SPC-4, Tab E) • Schedule G-5 (Other Revenues) (SPC-4, Tab G) • Schedule G-6 (Miscellaneous Revenues) (SPC-4, Tab G) • Statement H-1 and supporting Schedules (Operation and Maintenance Expenses) (SPC-4, Tab H) • Statement H-2 and supporting Schedules (Depreciation, Depletion and Amortization Expense) (SPC-4, Tab H) • Statement H-4 (Other Taxes) (SPC-4, Tab H) • Statement L (Balance Sheet) (SPC-4, Tab L) • Statement M (Income Statement) (SPC-4, Tab M)

Witness	Exhibit Nos.	Schedules and/or Statements Sponsored
Stephen L. Merritt	SPC-7 through SPC-9	• Statement G (Revenues, Credits, and Billing Determinants) (SPC-4, Tab G) • Schedule G-1 (Base Period Revenues) (SPC-4, Tab G) • Schedule G-2 (Adjustment Period Revenues) (SPC-4, Tab G) • Schedule G-3 (Adjustments to Base Period Billing Determinants) (SPC-4, Tab G) • Schedule I-5 (Gas Balance) (SPC-4, Tab I)
Allan M. Schneider	SPC-10 through SPC-19	• Statement O (Description of Company Operations) (SPC-4, Tab O)
J. Peter Williamson	SPC-20 through SPC-34	• Statement F-1 (Rate of Return Claimed) (SPC-4, Tab F) • Statement F-2 (Capitalization, Cost of Capital, and Rate of Return) (SPC-4, Tab F) • Statement F-3 (Debt Capital) (SPC-4, Tab F) • Statement F-4 (Preferred Stock Capital) (SPC-4, Tab F)
George R. Ganz	SPC-35 through SPC-38	Development of Stingray's federal and state income tax rates for the base year and for the test period (SPC-36 and SPC-37)
Ken C. Lanik	SPC-39 through SPC-45	• Schedule B-1 (ADIT) (SPC-4, Tab B) • Schedule H-3(2) (Reconciliation of Book and Tax Depreciable Plant) (SPC-4, Tab H)
Andrew L. Schroeder	SPC-46 through SPC-60	None

APPENDIX C

LIST OF TARIFF SHEETS AND TABLE OF PROPOSED TARIFF CHANGES

APPENDIX C

Seventh Revised Sheet No. 0
Twelfth Revised Sheet No. 2
Second Revised Sheet No. 3
Third Revised Sheet No. 4
Eighteenth Revised Sheet No. 5
Sheets 11 - 39
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
First Revised Sheet No. 51
Eighth Revised Sheet No. 52
Third Revised Sheet No. 53
Sixth Revised Sheet No. 54
Third Revised Sheet No. 55
Sixth Revised Sheet No. 56
Sixth Revised Sheet No. 57
Sixth Revised Sheet No. 58
Third Revised Sheet No. 59
First Revised Sheet No. 60
First Revised Sheet No. 61
Fifth Revised Sheet No. 62
First Revised Sheet No. 63
Second Revised Sheet No. 64
First Revised Sheet No. 66
First Revised Sheet No. 67
First Revised Sheet No. 68
Third Revised Sheet No. 69
First Revised Sheet No. 70
First Revised Sheet No. 71
First Revised Sheet No. 72
First Revised Sheet No. 73
First Revised Sheet No. 74
First Revised Sheet No. 75
Original Sheet No. 75A
First Revised Sheet No. 76
First Revised Sheet No. 77
First Revised Sheet No. 78
First Revised Sheet No. 79

First Revised Sheet No. 80
First Revised Sheet No. 81
First Revised Sheet No. 82
Third Revised Sheet No. 84
Second Revised Sheet No. 86
Second Revised Sheet No. 87
Second Revised Sheet No. 88
Fifth Revised Sheet No. 100
Fifth Revised Sheet No. 101
Fifth Revised Sheet No. 102
Fifth Revised Sheet No. 103
First Revised Sheet No. 103A
Eighth Revised Sheet No. 104
First Revised Sheet No. 104A
Second Revised Sheet No. 106
Second Revised Sheet No. 107
Second Revised Sheet No. 108
Original Sheet No. 108A
First Revised Sheet No. 111
First Revised Sheet No. 112
Second Revised Sheet No. 113
First Revised Sheet No. 113A
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
Original Sheet No. 119C
Seventh 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 No. 132
Fifth Revised Sheet No. 133
Second Revised Sheet No. 134
Second Revised Sheet No. 134A
First Revised Sheet No. 134B
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 No. 140
Fourth Revised Sheet No. 140A
First Revised Sheet No. 140B
Original Sheet No. 140C
Second Revised Sheet No. 142
Fifth Revised Sheet No. 148
Fifth Revised Sheet No. 148A
Fifth Revised Sheet No. 148B
Original Sheet No. 148C
Ninth Revised Sheet No. 150
First Revised Sheet No. 150A
Third Revised Sheet No. 151
Fourth Revised Sheet No. 152
Second Revised Sheet No. 153
Third Revised Sheet No. 154
Second Revised Sheet No. 155
Fifth Revised Sheet No. 156
Original Sheet No. 156A
Fifth Revised Sheet No. 157
Third Revised Sheet No. 157A
Third Revised Sheet No. 158
Fifth Revised Sheet No. 159
Second Revised Sheet No. 160
Second Revised Sheet No. 161
Original Sheet No. 161A
Third Revised Sheet No. 162
First Revised Sheet No. 163
Second Revised Sheet No. 164
First Revised Sheet No. 165
First Revised Sheet No. 166
Second Revised Sheet No. 167
First Revised Sheet No. 168
Second Revised Sheet No. 170
Second Revised Sheet No. 171
Second Revised Sheet No. 172
Fifth Revised Sheet No. 173

Second Revised Sheet No. 173A
First Revised Sheet No. 173B
First Revised Sheet No. 173C
Third Revised Sheet No. 174
First Revised Sheet No. 174A
Third Revised Sheet No. 175
First Revised Sheet No. 175A
Second Revised Sheet No. 176
Second Revised Sheet No. 177
Second Revised Sheet No. 177A
Fourth Revised Sheet No. 178
First Revised Sheet No. 178A
First Revised Sheet No. 180
Original Sheet No. 180A
Second Revised Sheet No. 181
Second Revised Sheet No. 182
Second Revised Sheet No. 183
First Revised Sheet No. 183A
Third Revised Sheet No. 185
Third Revised Sheet No. 186
First Revised Sheet No. 187
Second Revised Sheet No. 189
Third Revised Sheet No. 190
First Revised Sheet No. 193
First Revised Sheet No. 195
Second Revised Sheet No. 197
First Revised Sheet No. 198
Original Sheet No. 198A
First Revised Sheet No. 201
First Revised Sheet No. 202
First Revised Sheet No. 203
First Revised Sheet No. 205
First Revised Sheet No. 206
Second Revised Sheet No. 207
Third Revised Sheet No. 208
First Revised Sheet No. 209
Original Sheet No. 210
Original Sheet No. 211
Original Sheet No. 212
Original Sheet No. 213
Original Sheet No. 214
Sheets 215-299
Fifth Revised Sheet No. 300
Original Sheet No. 300A
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
Original Sheet No. 303A
Second Revised Sheet No. 304
Third Revised Sheet No. 305
Second Revised Sheet No. 305A
Second Revised Sheet No. 305C
Third Revised Sheet No. 306
Second Revised Sheet No. 307
Second Revised Sheet No. 308
Fifth Revised Sheet No. 309
Second Revised Sheet No. 310
Third Revised Sheet No. 311
Third Revised Sheet No. 312
First Revised Sheet No. 312A
Original Sheet No. 312B
Third Revised Sheet No. 316
Second Revised Sheet No. 318
Second Revised Sheet No. 319
Second Revised Sheet No. 320
Third Revised Sheet No. 321
Second Revised Sheet No. 322
First Revised Sheet No. 323
First Revised Sheet No. 325
Original Sheet No. 329
Original Sheet No. 330
Original Sheet No. 331
Original Sheet No. 332
Original Sheet No. 333
Original Sheet No. 334
Original Sheet No. 335
Original Sheet No. 336
Original Sheet No. 337
Original Sheet No. 338
Original Sheet No. 339
Original Sheet No. 340
Original Sheet No. 341
Original Sheet No. 342
Original Sheet No. 343
Original Sheet No. 344
Original Sheet No. 345
Original Sheet No. 346
Original Sheet No. 347
Original Sheet No. 348
Original Sheet No. 349

Proposed Changes to Stingray's FERC Gas Tariff

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	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. 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. Fifth, costs associated with “in kind” reimbursement of gas for imbalances under OBAs are specifically listed as costs associated with imbalance cash-outs. 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.
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 *pro forma* agreements for routine information such as Shippers’ DUNS numbers

Proposed Changes to Stingray's FERC Gas Tariff

Original Sheet Nos. 312B, 329, 340, 341 & 347-359	
Original Sheet No. 303A	Updated signature block in the *pro forma* 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

Proposed Changes to Stingray's FERC Gas Tariff

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

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,	

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

Proposed Changes to Stingray's FERC Gas Tariff

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	

APPENDIX D

CERTIFICATION OF ACCOUNTING OFFICER

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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

STATEMENT OF AUTHORIZED ACCOUNTING OFFICER

I, Stephen J. Neyland, Controller for Enbridge Energy Company, Inc., a wholly-owned subsidiary of Enbridge Inc., and Treasurer for Stingray Pipeline Company, L.L.C. ("Stingray"), do hereby represent that the cost statements, supporting data, and workpapers submitted as part of the accompanying rate filing by Stingray that purport to reflect the books of Stingray do, in fact, set forth the results shown by such books.

Stephen Neyland

Stephen J. Neyland

SUBSCRIBED AND SWORN TO before me, a Notary Public in and for the State of Texas, County of Harris, this 23RD day of June, 2008.

Carolyn Oliver

Notary Public

NOTARY PUBLIC STATE OF TEXAS
CAROLYN OLIVER
Notary Public, State of Texas
My Commission Expires 08-28-09

APPENDIX E

TARIFF SHEETS
(Clean)
Are Filed Herewith Under Separate Cover Marked:
"Appendix E to Transmittal Letter: Tariff Sheets (Clean)"

TARIFF SHEETS
(Redline)
Are Filed Herewith Under Separate Cover Marked:
"Appendix E to Transmittal Letter: Tariff Sheets (Redline)"