

160 FERC ¶ 61,091
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 20, 2017

In Reply Refer To:
Black Marlin Pipeline Company
Docket No. RP17-349-000

Black Marlin Pipeline Company
2800 Post Oak Boulevard
Houston, TX 77056

Attention: Larry Jensen
Regulatory Affairs Lead

Dear Mr. Jensen:

1. On January 24, 2017, Black Marlin Pipeline Company (Black Marlin) filed a petition seeking an extension of previously granted temporary exemptions from certain tariff provisions,¹ for up to two years, from various parts of its FERC Gas Tariff, Second Revised Volume No. 1, and any commensurate exemptions from Commission orders or policies upon which such tariff provisions are formulated, so that it can continue to provide jurisdictional transportation service.

2. Black Marlin states that, although it ceased providing offshore transportation in 2014 and onshore transportation in late 2016, the extension of the exemptions is necessary in the event that offshore transportation service is restored, or if Black Marlin ultimately requests abandonment, until abandonment authority is granted by the Commission. As described below, Black Marlin's specific exemption requests fall within three categories.

3. First, Black Marlin requests an exemption to suspend the nomination/scheduling process and how receipts/deliveries are determined so that only actual quantities received and delivered are recognized and invoiced. Accordingly, Black Marlin requests

¹ See *Black Marlin Pipeline Co.*, 122 FERC ¶ 61,300 (2008); *Black Marlin Pipeline Co.*, 126 FERC ¶ 61,187 (2009); *Black Marlin Pipeline Co.*, 130 FERC ¶ 61,141 (2010); *Black Marlin Pipeline Co.*, 134 FERC ¶ 61,223 (2011); *Black Marlin Pipeline Co.*, 138 FERC ¶ 61,151 (2012); *Black Marlin Pipeline Co.*, 142 FERC ¶ 61,159 (2013); *Black Marlin Pipeline Co.*, 150 FERC ¶ 61,158 (2015).

exemptions from sections 9 and 12 of its Rate Schedule FTS, sections 7 and 9 of its Rate Schedule ITS, and section 9 of the General Terms and Conditions (GT&C) of its tariff. Second, Black Marlin requests an exemption from the North American Energy Standards Board (NAESB) nominations related standards and flowing gas related standards in section 23.1 of the GT&C of its tariff for the same reasons expressed in the preceding set of requested exemptions. Third, Black Marlin requests an exemption from its imbalance resolution procedures in sections 21.2 and 21.3 of the GT&C of its tariff. Black Marlin states that it has not experienced any imbalances since the exemptions were initially granted and implemented; however, Black Marlin states that the exemptions remain necessary to inform stakeholders that the imbalance resolution procedures in Black Marlin's tariff are inapplicable during the requested two-year exemption period.

4. In its petition, Black Marlin recaps the circumstances leading to its request for the earlier exemptions. Black Marlin explains that, prior to its request for those exemptions, it had been experiencing ongoing operational stress for several years brought about by a declining customer base, a commensurate decline in transportation volumes and the termination of production activity in certain production blocks attached to its system. Black Marlin states that the last remaining offshore production platform to transport gas through the mainline ceased in 2014 and the platform was abandoned last year.

5. Due to the current circumstances on the Black Marlin system, Black Marlin states that its personnel is investigating the steps necessary to retire the system. Black Marlin states that it is not clear, at this time, if the entire system will be abandoned or only portions of its system. Black Marlin further states that, although abandonment of the Black Marlin system is under active consideration, unless and until any such abandonment is approved by the Commission, it must continue to comply with the obligations set out in its tariff. Therefore, Black Marlin asserts that it must be allowed to avoid month-end imbalances, and able to "batch" gas deliveries if its offshore system ever returns to service. Finally, Black Marlin states that, if the Commission grants its requested exemptions, no stakeholder will be harmed in any manner by the granting of these exemptions.

6. Public notice of the filing was issued on January 31, 2017. Interventions and protests were due as provided in section 154.210 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 154.210 (2017). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2017), all timely filed motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. No party filed a protest or adverse comments.

7. For good cause shown, we grant Black Marlin's petition for temporary exemptions from sections 9 and 12 of Rate Schedule FTS, sections 7 and 9 of Rate Schedule ITS, and sections 9, 23.1, 21.2, and 21.3 of its GT&C to be effective March 1, 2017, and continue for a period of two years, as proposed. These exemptions will allow Black Marlin to continue to provide some level of service while minimizing its costs as it attempts to find long term solutions to its operational issues.

By direction of the Commission.

Kimberly D. Bose,
Secretary.